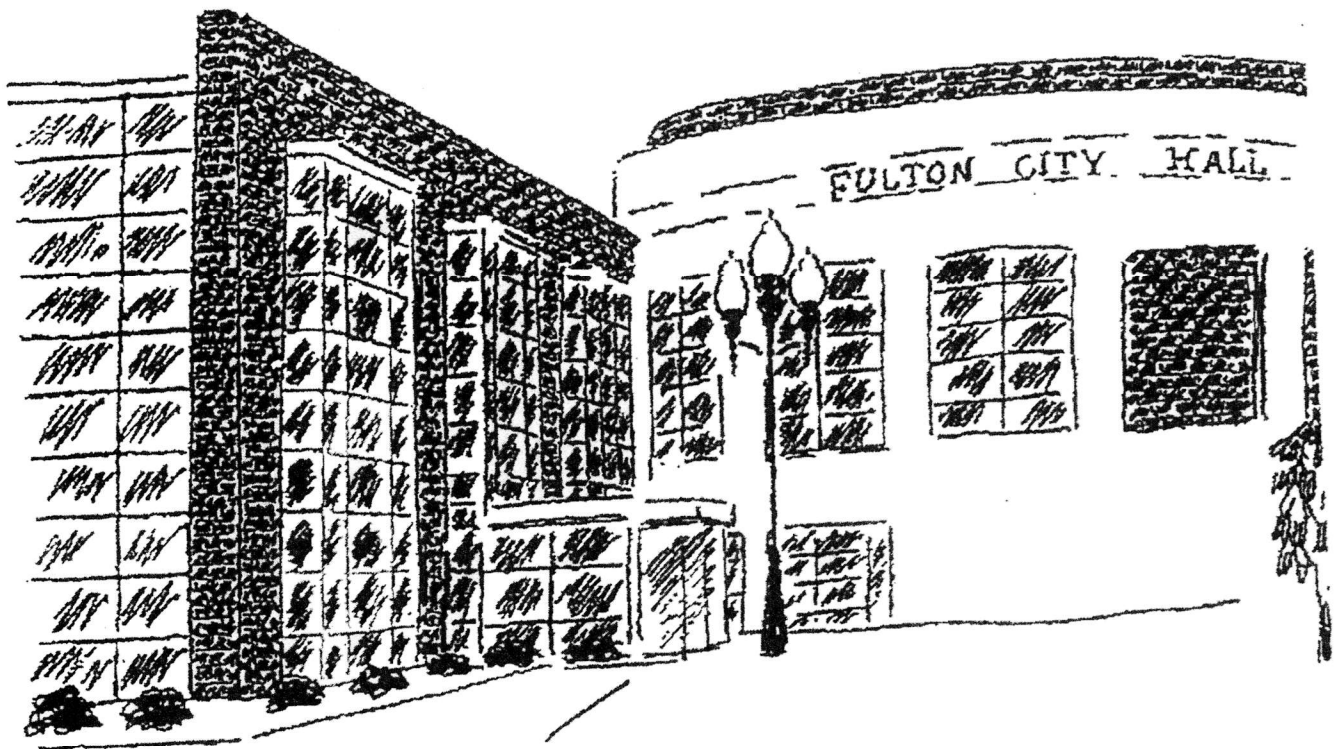


# Annual Comprehensive Financial Report



City of Fulton, Missouri

For the Year Ended  
December 31, 2021

**CITY OF FULTON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**

**Prepared By:**  
**Department of Finance and**  
**Administration**

# CITY OF FULTON, MISSOURI

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

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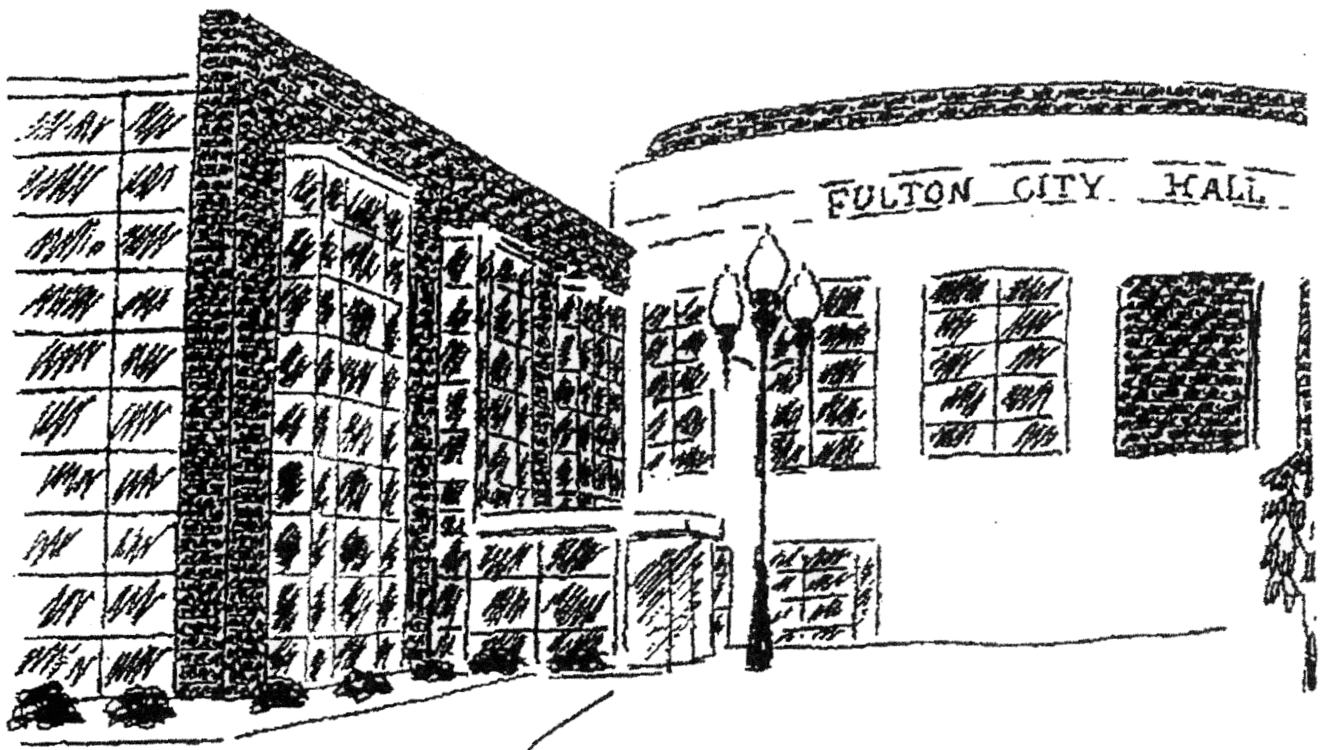
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# Introductory section





## CITY OF FULTON, MISSOURI

LOWE CANNELL  
Mayor

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

June 23, 2022

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, 2021. 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.

In 2021, the City completed construction of the new Parks and Recreation Activity Center and opened for business. The project on 10th Street, which included storm sewer, sanitary sewer, utility improvements and curb/gutter/widening, has greatly improved a major thoroughfare through the City - basically providing a facelift for the community. ADA compliant intersections, new curb and gutters and an asphalt overlay from end to end have made a huge difference to citizens who use that road daily. Construction of hangars at the Elton Hensley Memorial Airport was also completed in 2021. This project was made possible by a grant from MoDOT.

New multi-family units and duplexes are being built on the south end of the City. All of these projects and infrastructure improvements have been an exciting time for Fulton residents and reflect well on Fulton as a progressive community. These projects should improve the quality of life for Fulton citizens for years to come.

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 2021 inflation unemployment rate of 3.4% continues to remain below the statewide average of 3.9%. The current rates have decreased significantly from 2020. Sales tax revenue in 2021 increased 13%; well above the rate of inflation.

### **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, 2020.

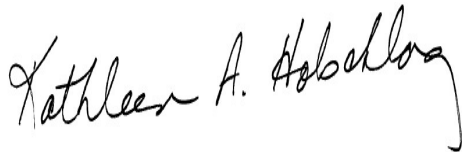
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR that conforms to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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 black ink that reads "Kathleen A. Holschlag". The signature is written in a cursive style with a large, looping initial 'K'.

Kathleen A. Holschlag  
Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

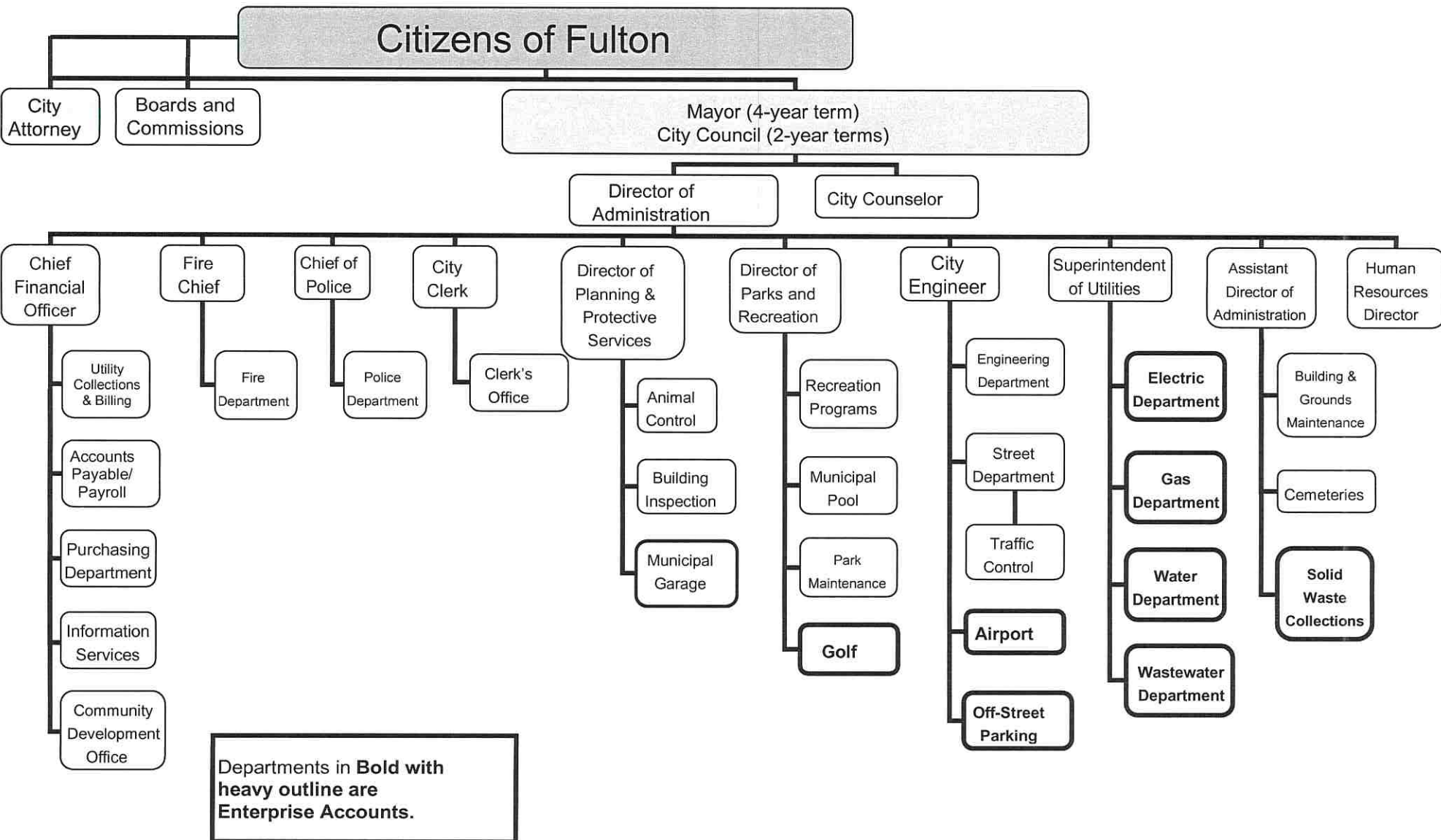
**City of Fulton  
Missouri**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



# **CITY OF FULTON, MISSOURI**

## **Principal Officials**

### **MAYOR**

Lowe Cannell

### **CITY COUNCIL**

Ballard Simmons	Mike West
Lauren Nelson	Bob Washington
Alan Combs	John Braun
Jeff Stone	Mary Rehklau

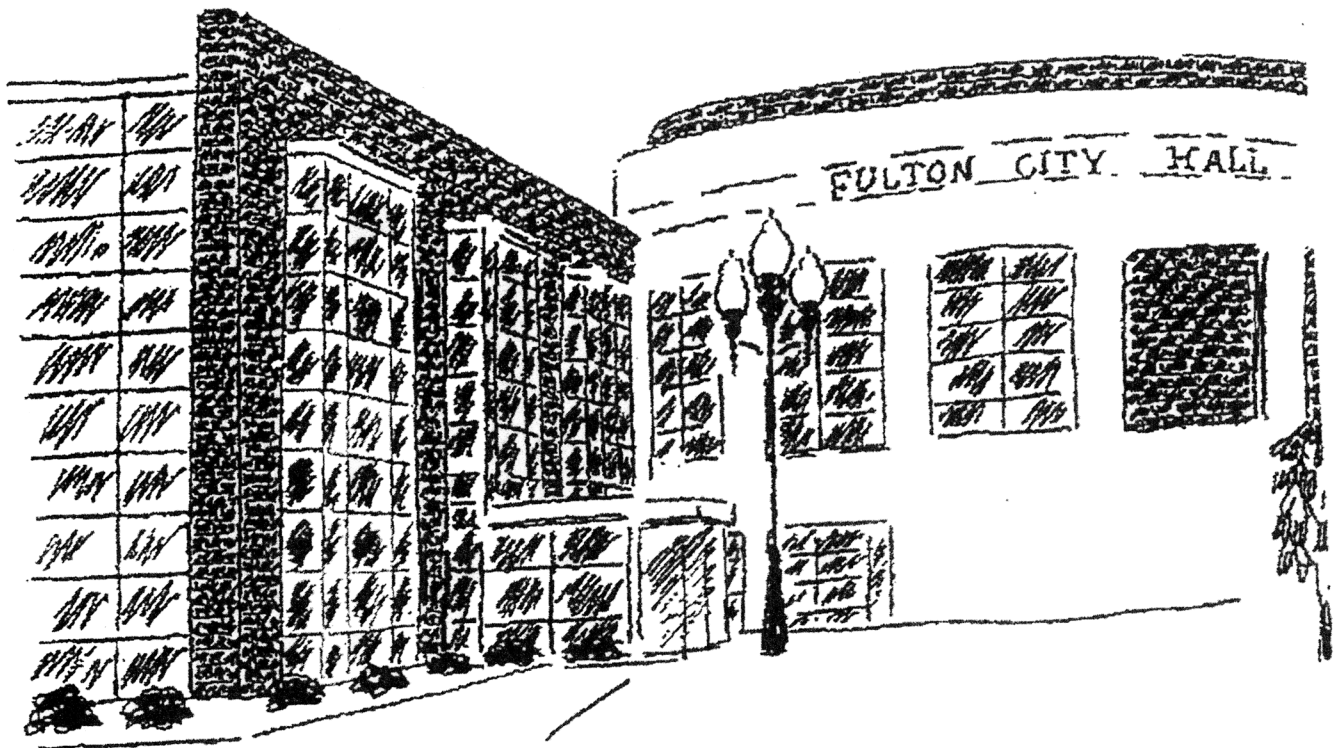
### **ADMINISTRATION**

William R. Johnson	Director of Administration
Robert Boone, Jr.	Assistant Director of Administration
Courtney L. Crowson	City Clerk
Kathleen Holschlag	Chief Financial Officer
Darrell D. Dunlap	Superintendent of Utilities
Michelle Maupin	Human Resources Director
William Ladwig	Chief of Police
Kevin Coffelt	Fire Chief
Dennis Houchins	Planning and Protective Administration
Kyle Bruemmer	Interim 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, 2021, 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 of Fulton, Missouri, as of December 31, 2021, 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; this includes 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  
June 23, 2022

# 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, 2021. 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 \$93.7 million. Of this amount, \$6.8 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 \$2.1 million from "governmental activities." Net position from "business-type activities" decreased by \$2.1 million. The total effect on net position from the prior year was a decrease of \$40,000.
- The City's total assets increased by \$8.7 million. This was a result of receipt of American Rescue Plan Act (ARPA) grant funding, proceeds from the Municipal Utility Emergency Loan Program (MUELP), and an increase in the net pension asset.

### 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, 2021, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$93.7 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 Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 16,709,353	\$ 9,778,682	\$ 24,402,989	\$ 20,217,351	\$ 41,112,342	\$ 29,996,033
Capital assets	36,493,726	37,375,280	52,862,904	54,364,986	89,356,630	91,740,266
<b>Total assets</b>	<b>53,203,079</b>	<b>47,153,962</b>	<b>77,265,893</b>	<b>74,582,337</b>	<b>130,468,972</b>	<b>121,736,299</b>
Deferred outflows - pension	591,153	1,391,756	340,189	800,905	931,342	2,192,661
<b>Total deferred outflows</b>	<b>591,153</b>	<b>1,391,756</b>	<b>340,189</b>	<b>800,905</b>	<b>931,342</b>	<b>2,192,661</b>
Long-term liabilities, including current portion	12,404,959	13,143,368	14,691,945	12,458,424	27,096,904	25,601,792
Other liabilities	746,364	2,040,010	2,166,062	2,310,631	2,912,426	4,350,641
<b>Total liabilities</b>	<b>13,151,323</b>	<b>15,183,378</b>	<b>16,858,007</b>	<b>14,769,055</b>	<b>30,009,330</b>	<b>29,952,433</b>
Deferred revenue - grants	1,270,846	-	-	-	1,270,846	-
Deferred inflows - pension	4,059,059	133,901	2,335,844	77,059	6,394,903	210,960
<b>Total deferred inflows</b>	<b>5,329,905</b>	<b>133,901</b>	<b>2,335,844</b>	<b>77,059</b>	<b>7,665,749</b>	<b>210,960</b>
Net position						
Net investment in capital assets	24,671,334	26,186,417	43,755,359	45,185,520	68,426,693	71,371,937
Restricted	15,534,004	11,902,508	2,968,503	340,076	18,502,507	12,242,584
Unrestricted	(4,892,334)	(4,860,486)	11,688,369	15,011,532	6,796,035	10,151,046
<b>Total net position</b>	<b>\$ 35,313,004</b>	<b>\$ 33,228,439</b>	<b>\$ 58,412,231</b>	<b>\$ 60,537,128</b>	<b>\$ 93,725,235</b>	<b>\$ 93,765,567</b>

Total assets for governmental activities increased by \$6.0 million during the year, mainly due to the recognition of a \$4.6 million net pension asset and receipt of \$1.3 million of ARPA funding. Total assets for business-type activities increased by \$2.7 million. This was primarily due to the receipt of proceeds from the Municipal Utility Emergency Loan Program and recognition of a net pension asset, offset by a decrease in capital assets. Deferred outflows – pension is itemized at \$591,000 for governmental activities and \$340,000 for business-type activities, with an overall decrease of \$1.3 million. 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 \$2.0 million during the year as result of decreases in accounts payable and the net pension liability. Total liabilities for business-type activities increased by \$2.1 million due to an increase in debt service, offset by the decrease in the net pension liability. Deferred inflows – pension is itemized at \$4.1 million for governmental activities and \$2.3 million for business-type activities,

with an overall decrease of \$6.2 million. Inclusion of these line items is a result of the implementation of GASB 68 as amended by GASB 71. Deferred revenues – grants is itemized at \$1.3 million for governmental activities, due to the receipt of \$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 (73%) 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, \$18.5 million (20%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City’s net position, \$6.8 million (17%), 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			
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,040,606	\$ 2,747,966	\$ 28,461,242	\$ 27,444,702	\$ 31,501,848	\$ 30,192,668
Operating grants and contributions	280,320	293,448	-	-	280,320	293,448
Capital grants and contributions	-	-	217,636	537,568	217,636	537,568
General revenues:						
Taxes	8,491,375	7,317,740	-	-	8,491,375	7,317,740
Interest income	12,295	39,251	4,066	29,029	16,361	68,280
Miscellaneous	(160,223)	13,826	147,042	256,539	(13,181)	270,365
<b>Total revenues</b>	<b>11,664,373</b>	<b>10,412,231</b>	<b>28,829,986</b>	<b>28,267,838</b>	<b>40,494,359</b>	<b>38,680,069</b>
<b>Expenses:</b>						
General government	2,493,684	2,552,010	-	-	2,493,684	2,552,010
Public safety	4,096,144	4,418,107	-	-	4,096,144	4,418,107
Public works	2,742,570	3,048,447	-	-	2,742,570	3,048,447
Parks and recreation	1,013,456	609,025	-	-	1,013,456	609,025
Building and grounds maintenance	524,195	499,387	-	-	524,195	499,387
Interest and fees	542,759	422,727	-	-	542,759	422,727
Electric	-	-	12,835,643	13,095,299	12,835,643	13,095,299
Gas	-	-	9,201,476	5,388,710	9,201,476	5,388,710
Water	-	-	1,609,272	1,731,630	1,609,272	1,731,630
Sewer	-	-	2,578,508	2,677,501	2,578,508	2,677,501
Solid Waste	-	-	1,730,060	1,741,727	1,730,060	1,741,727
Airport	-	-	321,793	298,751	321,793	298,751
Parking facilities	-	-	18,066	18,311	18,066	18,311
Golf course	-	-	827,065	862,133	827,065	862,133
<b>Total expenses</b>	<b>11,412,808</b>	<b>11,549,703</b>	<b>29,121,883</b>	<b>25,814,062</b>	<b>40,534,691</b>	<b>37,363,765</b>
<b>Change in net position before transfers</b>	<b>251,565</b>	<b>(1,137,472)</b>	<b>(291,897)</b>	<b>2,453,776</b>	<b>(40,332)</b>	<b>1,316,304</b>
<b>Transfers</b>	<b>1,833,000</b>	<b>5,496,540</b>	<b>(1,833,000)</b>	<b>(5,496,540)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>2,084,565</b>	<b>4,359,068</b>	<b>(2,124,897)</b>	<b>(3,042,764)</b>	<b>(40,332)</b>	<b>1,316,304</b>
<b>Net position, beginning</b>	<b>33,228,439</b>	<b>28,869,371</b>	<b>60,537,128</b>	<b>63,579,892</b>	<b>93,765,567</b>	<b>92,449,263</b>
<b>Net position, ending</b>	<b>\$ 35,313,004</b>	<b>\$ 33,228,439</b>	<b>\$ 58,412,231</b>	<b>\$ 60,537,128</b>	<b>\$ 93,725,235</b>	<b>\$ 93,765,567</b>

**Governmental Activities**

Governmental activities increased the City’s net position by \$2.1 million. Tax revenues, the largest governmental category, were \$8.5 million (73%). For the year ended December 31, 2021, revenues totaled \$40.5 million (governmental and business-type), of which revenues from governmental activities totaled \$11.7 million (29%). Governmental revenues increased \$1.3 million from the prior year, mainly due to increases in charges for services and taxes, offset by decreases in operating grants and contributions, interest and miscellaneous revenue.

Expenses totaled \$40.5 million (governmental and business-type), of which expenses from governmental activities totaled \$11.4 million (28%). 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**

	<b>Total Cost of Service</b>		<b>Net Cost of Service</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
General government	\$ 2,493,684	\$ 2,552,010	\$ 412,869	\$ 624,998
Public safety	4,096,144	4,418,107	3,755,480	4,049,202
Public works	2,742,570	3,048,447	2,134,603	2,450,246
Parks and recreation	1,013,456	609,025	790,083	537,166
Building and grounds maintenance	524,195	499,387	513,629	493,262
Interest and fees	542,759	422,727	485,218	353,415
<b>Total cost</b>	<b>\$ 11,412,808</b>	<b>\$ 11,549,703</b>	<b>\$ 8,091,882</b>	<b>\$ 8,508,289</b>

Expenses from governmental activities totaled \$11.4 million and decreased \$137,000. However, net costs of these services were \$8.1 million. The difference represents direct revenues received from charges for services of \$3 million and operating and capital grants of \$280,000. Taxes and other revenues of \$8.4 million were collected toward covering these net costs, along with transfers from business-type activities of \$1.8 million.

**Business-type Activities**

Business-type activities decreased the City’s net position by \$2.1 million.

Total revenues were consistent with the prior year. Charges for services increased \$1.0 million from the prior year due to weather variables that affect utility billings offset by an increase in natural gas prices. Operating and capital grants and contributions decreased \$320,000 and other revenues decreased \$134,000.

Total expenses increased \$3.3 million from the prior year, mainly due to the significant increase in the cost of natural gas for the month of February 2021.

**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 \$1.5 million. This was mainly due to a significant decrease in accounts payable, offset by a slight increase in accrued liabilities.

The fund balance in the Capital Improvement Sales Tax Fund increased by \$488,000. This was mainly due to an increase in tax revenues, offset by monthly water bond payments.

**Enterprise Funds**

The Electric Fund had an increase in net position of \$200,000. This was due to an increase in operating and non-operating revenues, offset by a decrease in expenses and transfers to other funds.

The Gas Fund had a decrease in net position of \$3.0 million. This was due to the significant cost of natural gas for the month of February 2021. Gas costs for the month exceeded the annual budget for cost of purchased gas.

The Water Fund had a decrease in net position of \$80,000. This was due to revenues in this fund not historically covering the cost of expenses unless it is a very dry year requiring extensive watering.

The Sewer Fund had an increase in net position of \$374,000. The increase was mainly due to a decrease in transfers to other funds. Revenues and expenses held relatively steady with the prior year.

The Solid Waste Fund had an increase in net position of \$141,000. This increase was mainly 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 \$95,000. This increase was mainly 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, 2021, amounts to approximately \$89.4 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,315,192	\$ 2,719,754	\$ 3,443,154	\$ 3,443,154	\$ 5,758,346	\$ 6,162,908
Construction in progress	81,842	9,251,121	296,473	1,678,122	378,315	10,929,243
Buildings	17,442,403	8,016,965	12,038,853	12,038,853	29,481,256	20,055,818
Equipment	7,019,289	6,698,069	16,883,486	16,790,872	23,902,775	23,488,941
Other improvements	38,275,213	37,653,139	95,653,471	93,368,567	133,928,684	131,021,706
Leased equipment	74,183	-	411,513	-	485,696	-
Depreciation/amortization	(28,714,396)	(26,963,768)	(75,864,046)	(72,954,582)	(104,578,442)	(99,918,350)
<b>Total capital assets</b>	<b>\$ 36,493,726</b>	<b>\$ 37,375,280</b>	<b>\$ 52,862,904</b>	<b>\$ 54,364,986</b>	<b>\$ 89,356,630</b>	<b>\$ 91,740,266</b>

Major capital asset acquisitions during 2021 include the following:

- Recreation Center totaling \$1.1 million
- 10<sup>th</sup> Street improvements totaling \$616,000
- South lift station rehab of \$175,000
- Route O lift station improvements totaling \$398,000
- Airport hangars totaling \$257,000

### General Fund Budgetary Highlights

Revisions of the original budget were done to reflect changes in budget assumptions or to reflect new information that became available after the original budget was approved. The original General Fund expenditures budget was for \$10,707,117. Actual expenditures were \$11,004,626, an increase of 3%.

Some departments were over budget; the remainder was under budget. The major differences and factors causing significant amendments of the original budget can be summarized as follows:

- The Police Department was over budget due to the actual cost of personnel.
- The Fire Department was over budget due to the actual cost of personnel.
- The Finance Department was over budget on credit card surcharges due to a large increase in the volume of credit card payments.
- The Administration Department was over budget on personnel costs and computer equipment.
- Parks and Rec was over budget on personnel costs, vehicle repair, computer equipment, and final payments to the contractor on the Recreation Center.
- All other General Fund departments were significantly under or close to budget due to personnel savings and capital outlay costs being less than originally forecasted.

### Capital Improvement Sales Tax Fund Budgetary Highlights

Revisions of the original budget were done to reflect changes in budget assumptions or to reflect new information that became available after the original budget was approved. The original Capital Improvement Sales Tax Fund transfers (out) budget was for (\$1,152,000). Actual transfers (out) were (\$464,432), a decrease of 60%. Actual revenues, primarily taxes, were over budget.

### Long-Term Debt

At the end of 2021, the City had a total of \$23.9 million of outstanding obligations. This was an increase of \$3.5 million from the previous year, due to increased debt of \$3.3 million from the Municipal Utility Emergency Loan Program and an additional \$1.1 million for the Recreation Center lease purchase agreement, offset by debt retirements during the year.

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	
	2021	2020	2021	2020	2021	2020
Special limited obligation bonds	\$ 7,010,000	\$ 7,765,000	\$ -	\$ -	\$ 7,010,000	\$ 7,765,000
Sewerage system revenue bonds	-	-	6,616,169	6,979,466	6,616,169	6,979,466
Municipal utility emergency loan	-	-	3,390,000	-	3,390,000	-
Financing leases	56,200	-	332,101	-	388,301	-
Financed purchases	4,682,611	3,404,985	1,800,001	2,200,000	6,482,612	5,604,985
Premiums and discounts, net	12,998	18,878	-	-	12,998	18,878
<b>Total Outstanding Debt</b>	<b>\$ 11,761,809</b>	<b>\$ 11,188,863</b>	<b>\$ 12,138,271</b>	<b>\$ 9,179,466</b>	<b>\$ 23,900,080</b>	<b>\$ 20,368,329</b>

### 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. Also, additional housing units are being constructed on the south end of the City. All future projects were taken into consideration when planning the 2022 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 Kathleen A. Holschlag, Chief Financial Officer, City of Fulton, 18 E 4<sup>th</sup> Street, PO Box 130, Fulton, MO 65251.

CITY OF FULTON

STATEMENT OF NET POSITION  
December 31, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,274,403	\$ 13,338,267	\$ 18,612,670
Restricted cash and cash equivalents	6,473,509	-	6,473,509
Restricted investments	285,464	75	285,539
Accounts receivable, net of allowance of \$596,219	2,229,056	4,213,662	6,442,718
Internal balances	(2,481,930)	2,481,930	-
Inventory	97,986	1,573,749	1,671,735
Prepaid items	263,367	166,879	430,246
Net pension asset	4,567,498	2,628,427	7,195,925
Capital assets:			
Non-depreciable	2,397,034	3,739,627	6,136,661
Depreciable, net	34,036,109	48,764,003	82,800,112
Right of use asset, net	60,583	359,274	419,857
Total assets	<u>53,203,079</u>	<u>77,265,893</u>	<u>130,468,972</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan contributions	315,099	181,323	496,422
Pension plan other	276,054	158,866	434,920
Total deferred outflows of resources	<u>591,153</u>	<u>340,189</u>	<u>931,342</u>
<b>LIABILITIES</b>			
Accounts payable	318,947	1,404,674	1,723,621
Accrued liabilities	183,001	58,957	241,958
Accrued interest payable	73,141	4,500	77,641
Claims payable	108,097	-	108,097
Customer deposits	-	697,931	697,931
Funds held on behalf of others	63,178	-	63,178
Long-term liabilities:			
Financing leases:			
Amounts due within one year	14,478	73,945	88,423
Amounts due beyond one year	41,722	258,156	299,878
Financed purchases:			
Amounts due within one year	256,217	400,001	656,218
Amounts due beyond one year	4,426,394	1,400,000	5,826,394
Compensated absences:			
Amounts due within one year	385,394	272,689	658,083
Amounts due beyond one year	257,756	74,601	332,357
Debt:			
Amounts due within one year	855,000	1,050,113	1,905,113
Amounts due beyond one year	6,167,998	8,956,056	15,124,054
Accrued landfill closure costs:			
Amounts due within one year	-	5,000	5,000
Amounts due beyond one year	-	2,201,384	2,201,384
Total liabilities	<u>13,151,323</u>	<u>16,858,007</u>	<u>30,009,330</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - grants	1,270,846	-	1,270,846
Pension plan other	4,059,059	2,335,844	6,394,903
Total deferred inflows of resources	<u>5,329,905</u>	<u>2,335,844</u>	<u>7,665,749</u>
<b>NET POSITION</b>			
Net investment in capital assets	24,671,334	43,755,359	68,426,693
Restricted for:			
Expendable:			
Public safety	47,362	-	47,362
Debt service	10,014,051	75	10,014,126
TIF Districts	878,101	-	878,101
Perpetual care	992	-	992
Post closure costs	-	340,001	340,001
Net pension asset	4,567,498	2,628,427	7,195,925
Nonexpendable:			
Perpetual care	26,000	-	26,000
Unrestricted	(4,892,334)	11,688,369	6,796,035
Total net position	<u>\$ 35,313,004</u>	<u>\$ 58,412,231</u>	<u>\$ 93,725,235</u>

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



CITY OF FULTON

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2021

Program/Function	Program revenues				Net (expense) revenue and change in net position		Total
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	
<b>Governmental activities:</b>							
General government	\$ 2,493,684	\$ 2,080,815	\$ -	\$ -	\$ (412,869)	\$ -	\$ (412,869)
Public safety	4,096,144	60,344	280,320	-	(3,755,480)	-	(3,755,480)
Public works	2,742,570	607,967	-	-	(2,134,603)	-	(2,134,603)
Parks and recreation	1,013,456	223,373	-	-	(790,083)	-	(790,083)
Building and grounds maintenance	524,195	10,566	-	-	(513,629)	-	(513,629)
Interest and fees	542,759	57,541	-	-	(485,218)	-	(485,218)
Total governmental activities	11,412,808	3,040,606	280,320	-	(8,091,882)	-	(8,091,882)
<b>Business-type activities:</b>							
Electrical	12,835,643	14,579,819	-	-	-	1,744,176	1,744,176
Gas	9,201,476	6,265,723	-	-	-	(2,935,753)	(2,935,753)
Water	1,609,272	1,533,202	-	-	-	(76,070)	(76,070)
Sewer	2,578,508	3,047,585	-	-	-	469,077	469,077
Solid waste	1,730,060	1,922,446	-	-	-	192,386	192,386
Airport	321,793	192,977	-	217,636	-	88,820	88,820
Parking facilities	18,066	18,495	-	-	-	429	429
Golf	827,065	900,995	-	-	-	73,930	73,930
Total business-type activities	29,121,883	28,461,242	-	217,636	-	(443,005)	(443,005)
Total	\$ 40,534,691	\$ 31,501,848	\$ 280,320	\$ 217,636	(8,091,882)	(443,005)	(8,534,887)
<b>General revenue:</b>							
Taxes:							
Property taxes, levied for general purposes					841,713	-	841,713
Payments in lieu of taxes					235,255	-	235,255
General sales tax					5,498,290	-	5,498,290
Franchise tax					1,383,207	-	1,383,207
Motor fuel tax					413,570	-	413,570
Other tax					119,340	-	119,340
Interest income					12,295	4,066	16,361
Miscellaneous income (expense)					(160,223)	147,042	(13,181)
Net transfers (to) from other funds					1,833,000	(1,833,000)	-
Total general revenues and transfers					10,176,447	(1,681,892)	8,494,555
Change in net position					2,084,565	(2,124,897)	(40,332)
Net position - beginning					33,228,439	60,537,128	93,765,567
Net position - ending					\$ 35,313,004	\$ 58,412,231	\$ 93,725,235

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

**CITY OF FULTON**  
**BALANCE SHEET**  
**ALL GOVERNMENTAL FUND TYPES**  
**December 31, 2021**

	Major Funds			Total
	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,282,171	\$ -	\$ 2,746,804	\$ 5,028,975
Restricted cash and cash equivalents	170,947	5,419,689	882,873	6,473,509
Restricted investments	-	-	285,464	285,464
Accounts receivable, net of allowance of \$12,644	1,614,231	164,343	442,046	2,220,620
Due from other funds	-	-	142,935	142,935
Inventory	86,142	-	-	86,142
Prepaid items	258,742	-	-	258,742
Total assets	4,412,233	5,584,032	4,500,122	14,496,387
<b>LIABILITIES</b>				
Accounts payable	311,550	-	940	312,490
Due to other funds	133,074	4,358	815,167	952,599
Accrued liabilities	182,090	-	-	182,090
Funds held on behalf of others	63,178	-	-	63,178
Total liabilities	689,892	4,358	816,107	1,510,357
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - grants	1,270,846	-	-	1,270,846
Unavailable revenue - property taxes	98,563	-	6,634	105,197
Total deferred inflows of resources	1,369,409	-	6,634	1,376,043
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	86,142	-	-	86,142
Prepaid items	258,742	-	-	258,742
Perpetual care	26,000	-	-	26,000
Restricted for:				
Public safety	-	-	47,362	47,362
Debt service	1,361,240	5,579,674	3,073,137	10,014,051
TIF Districts	-	-	878,101	878,101
Perpetual care	992	-	-	992
Unassigned	619,816	-	(321,219)	298,597
Total fund balances	2,352,932	5,579,674	3,677,381	11,609,987
Total liabilities, deferred inflows, and fund balances	\$ 4,412,233	\$ 5,584,032	\$ 4,500,122	\$ 14,496,387

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, 2021**

Fund balances - total governmental funds		\$ 11,609,987
<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	65,133,939	
Right of use asset - financing leases	74,183	
Less accumulated depreciation and amortization	(28,714,396)	
		36,493,726
<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 - property taxes		105,197
<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		4,495,534
Deferred outflows - pension plan contributions		310,136
Deferred outflows - pension plan other		271,706
<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>		
		(1,502,217)
<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		(73,141)
Financing leases		(56,200)
Financed purchases		(4,682,611)
Compensated absences		(641,004)
Debt (revenue bonds payable)		(7,022,998)
<p>Deferred inflows of resources are not financial resources, and, therefore, are not reported in the governmental funds:</p>		
Deferred inflows - pension plan other		(3,995,111)
Net position of governmental activities		\$ 35,313,004

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, 2021**

	Major Funds			Total
	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	
<b>REVENUES</b>				
Taxes	\$ 6,183,626	\$ 951,411	\$ 1,068,935	\$ 8,203,972
Licenses and permits	167,319	-	-	167,319
Intergovernmental revenues	316,056	-	-	316,056
Charges for services	2,277,377	-	-	2,277,377
Payments in lieu of taxes	-	-	235,255	235,255
Fines and forfeitures	10,654	-	-	10,654
Recreational fees	223,373	-	-	223,373
Miscellaneous:				
Rent	67,151	-	-	67,151
Interest	10,166	1,492	58,045	69,703
Contributions	37,360	-	-	37,360
Other	76,491	-	500	76,991
<b>TOTAL REVENUES</b>	<b>9,369,573</b>	<b>952,903</b>	<b>1,362,735</b>	<b>11,685,211</b>
<b>EXPENDITURES</b>				
General government	2,255,064	-	6,148	2,261,212
Public safety	4,675,511	-	-	4,675,511
Public works	2,248,426	-	-	2,248,426
Parks and recreation	1,031,040	-	-	1,031,040
Building and grounds maintenance	546,381	-	-	546,381
Debt service:				
Principal	101,599	-	755,000	856,599
Interest and fees	146,605	-	399,449	546,054
Miscellaneous	-	-	225,877	225,877
<b>TOTAL EXPENDITURES</b>	<b>11,004,626</b>	<b>-</b>	<b>1,386,474</b>	<b>12,391,100</b>
Excess (deficiency) of revenues over (under) expenditures	(1,635,053)	952,903	(23,739)	(705,889)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,983,000	-	1,274,204	3,257,204
Transfers (out)	(337,753)	(464,432)	(622,019)	(1,424,204)
Proceeds on property sale	129,988	-	-	129,988
Issuance of debt	1,361,240	-	-	1,361,240
Total other financing sources (uses)	3,136,475	(464,432)	652,185	3,324,228
Net change in fund balances	1,501,422	488,471	628,446	2,618,339
Fund balances, January 1	851,510	5,091,203	3,048,935	8,991,648
<b>FUND BALANCES, December 31</b>	<b>\$ 2,352,932</b>	<b>\$ 5,579,674</b>	<b>\$ 3,677,381</b>	<b>\$ 11,609,987</b>

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, 2021**

Net change in fund balances - total governmental funds		\$ 2,618,339
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays were less than the depreciation in the current period.		
Depreciation and amortization expense	(1,755,628)	
Loss on sale of governmental fund assets	(404,562)	
Capital outlay capitalized as assets	<u>1,278,636</u>	
		(881,554)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Taxes	<u>52,148</u>	
		52,148
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.		
Finance lease proceeds	(74,183)	
Financed purchases proceeds	(1,361,241)	
Repayment of principal (bonds, loans, and leases)	856,599	
Amortization of discounts or premiums	<u>3,295</u>	
		(575,530)
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.		(262,248)
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:		
Change in compensated absences	3,626	
Pension plan expense	<u>1,129,784</u>	
		<u>1,133,410</u>
Change in net position of governmental activities		<u><u>\$ 2,084,565</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, 2021**

	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		
<b>ASSETS</b>									
Current assets									
Cash and cash equivalents	\$ 3,726,887	\$ 2,098,890	\$ 1,578,804	\$ 4,592,676	\$ 1,110,174	\$ 758	\$ 230,078	\$ 13,338,267	\$ 245,428
Restricted investments	-	-	-	-	-	75	-	75	-
Accounts receivable, net of allowance of \$583,575	1,840,859	1,388,352	233,689	436,369	251,215	3,429	59,749	4,213,662	8,436
Due from other funds	5,795,214	3,265,082	-	-	-	-	-	9,060,296	-
Inventory	1,067,438	195,404	215,658	42,691	-	19,247	33,311	1,573,749	11,844
Prepaid items	51,300	21,346	36,005	21,825	21,414	13,242	1,747	166,879	4,625
Total current assets	12,481,698	6,969,074	2,064,156	5,093,561	1,382,803	36,751	324,885	28,352,928	270,333
Non-current assets									
Property, plant and equipment, net of accumulated depreciation	11,203,441	4,448,794	5,935,903	20,456,129	2,170,918	1,696,831	6,591,614	52,503,630	3,995
Right of use asset, net of accumulated amortization	-	-	-	-	-	359,274	-	359,274	-
Net pension asset	849,708	542,826	343,278	309,270	401,119	168,710	13,516	2,628,427	71,964
Total non-current assets	12,053,149	4,991,620	6,279,181	20,765,399	2,572,037	2,224,815	6,605,130	55,491,331	75,959
Total assets	24,534,847	11,960,694	8,343,337	25,858,960	3,954,840	2,261,566	6,930,015	83,844,259	346,292
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Pension plan contributions	58,619	37,446	23,681	21,335	27,670	11,637	935	181,323	4,963
Pension plan other	51,362	32,808	20,747	18,693	24,244	10,195	817	158,866	4,348
Total deferred outflows of resources	109,981	70,254	44,428	40,028	51,914	21,832	1,752	340,189	9,311
<b>LIABILITIES</b>									
Current liabilities									
Due to other funds	-	-	7,590	-	-	5,254,457	1,316,319	6,578,366	1,672,266
Accounts payable	526,134	718,643	25,742	45,736	61,039	22,707	4,673	1,404,674	6,457
Accrued expenses	23,387	9,791	7,040	7,143	7,262	4,334	-	58,957	911
Accrued interest payable	1,980	1,980	360	-	180	-	-	4,500	-
Claims liability	-	-	-	-	-	-	-	-	108,097
Customer deposits	369,732	250,763	70,985	-	-	-	6,451	697,931	-
Compensated absences	107,707	42,519	30,790	33,187	27,921	30,565	-	272,689	1,116
Bond payable	-	-	-	372,113	-	-	-	372,113	-
Financing leases	-	-	-	-	-	73,945	-	73,945	-
Financed purchases	176,000	176,000	32,000	-	16,001	-	-	400,001	-
Notes payable	32,910	645,090	-	-	-	-	-	678,000	-
Accrued landfill closure costs	-	-	-	-	5,000	-	-	5,000	-
Total current liabilities	1,237,850	1,844,786	174,507	458,179	117,403	5,386,008	1,327,443	10,546,176	1,788,847
Long-term liabilities									
Compensated absences	25,564	7,503	20,527	2,498	11,800	6,709	-	74,601	1,030
Bond payable	-	-	-	6,244,056	-	-	-	6,244,056	-
Financing leases	-	-	-	-	-	258,156	-	258,156	-
Financed purchases	616,000	616,000	112,000	-	56,000	-	-	1,400,000	-
Notes payable	131,644	2,580,356	-	-	-	-	-	2,712,000	-
Accrued landfill closure costs	-	-	-	-	2,201,384	-	-	2,201,384	-
Total long-term liabilities	773,208	3,203,859	132,527	6,246,554	2,269,184	264,865	-	12,890,197	1,030
Total liabilities	2,011,058	5,048,645	307,034	6,704,733	2,386,587	5,650,873	1,327,443	23,436,373	1,789,877
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Pension plan other	755,122	482,401	305,067	274,844	356,469	149,929	12,012	2,335,844	63,948
Total deferred inflows of resources	755,122	482,401	305,067	274,844	356,469	149,929	12,012	2,335,844	63,948
<b>NET POSITION</b>									
Net investment in capital assets	10,411,441	3,656,794	5,791,903	13,839,960	2,098,917	1,364,730	6,591,614	43,755,359	3,995
Restricted for:									
Debt service	-	-	-	-	-	75	-	75	-
Net pension asset	849,708	542,826	343,278	309,270	401,119	168,710	13,516	2,628,427	71,964
Post-closure costs	-	-	-	-	340,001	-	-	340,001	-
Unrestricted	10,617,499	2,300,282	1,640,483	4,770,181	(1,576,339)	(5,050,919)	(1,012,818)	11,688,369	(1,574,181)
<b>TOTAL NET POSITION</b>	<b>\$ 21,878,648</b>	<b>\$ 6,499,902</b>	<b>\$ 7,775,664</b>	<b>\$ 18,919,411</b>	<b>\$ 1,263,698</b>	<b>\$ (3,517,404)</b>	<b>\$ 5,592,312</b>	<b>\$ 58,412,231</b>	<b>\$ (1,498,222)</b>

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, 2021**

	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		
<b>OPERATING REVENUES</b>									
Charges for services	\$ 14,444,430	\$ 6,223,728	\$ 1,517,370	\$ 3,018,468	\$ 1,922,446	\$ 900,995	\$ 211,472	\$ 28,238,909	\$ 201,455
Free services for City departments	304,016	36,691	16,483	26,035	-	-	-	383,225	-
Contributions from City, employees, and other	-	-	-	-	-	-	-	-	1,392,533
Total charges for services	14,748,446	6,260,419	1,533,853	3,044,503	1,922,446	900,995	211,472	28,622,134	1,593,988
Less free services	(304,016)	(36,691)	(16,483)	(26,035)	-	-	-	(383,225)	-
Total net operating revenues	14,444,430	6,223,728	1,517,370	3,018,468	1,922,446	900,995	211,472	28,238,909	1,593,988
<b>OPERATING EXPENSES</b>									
Purchased power	9,701,013	7,166,525	-	-	-	-	-	16,867,538	-
System facilities and operations	2,342,069	1,631,333	1,102,560	1,483,579	874,863	709,700	84,014	8,228,118	282,224
Contractual expenses	-	-	-	-	401,415	-	28,245	429,660	-
General overhead	175,368	157,649	72,355	43,569	85,205	-	-	534,146	-
Depreciation and amortization	591,011	219,787	427,903	967,313	366,197	109,654	227,600	2,909,465	2,309
Claims expense	-	-	-	-	-	-	-	-	1,571,836
Total operating expenses	12,809,461	9,175,294	1,602,818	2,494,461	1,727,680	819,354	339,859	28,968,927	1,856,369
<b>OPERATING INCOME (LOSS)</b>	1,634,969	(2,951,566)	(85,448)	524,007	194,766	81,641	(128,387)	(730,018)	(262,381)
<b>NON-OPERATING REVENUES (EXPENSES)</b>									
Penalties	135,389	41,995	15,832	29,117	-	-	-	222,333	-
Interest income	1,767	1,173	248	685	157	-	36	4,066	133
Interest expense	(26,182)	(26,182)	(6,454)	(84,047)	(2,380)	(7,711)	-	(152,956)	-
Other	41,456	8,639	1,032	28,607	10,714	21,471	35,123	147,042	-
Total non-operating revenues (expenses)	152,430	25,625	10,658	(25,638)	8,491	13,760	35,159	220,485	133
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	1,787,399	(2,925,941)	(74,790)	498,369	203,257	95,401	(93,228)	(509,533)	(262,248)
Transfers in	150,000	-	-	-	-	-	-	150,000	-
Transfers (out)	(1,736,000)	(56,000)	(5,000)	(124,000)	(62,000)	-	-	(1,983,000)	-
Capital contributions	-	-	-	-	-	-	217,636	217,636	-
<b>NET INCOME (LOSS)</b>	201,399	(2,981,941)	(79,790)	374,369	141,257	95,401	124,408	(2,124,897)	(262,248)
<b>NET POSITION, JANUARY 1</b>	21,677,249	9,481,843	7,855,454	18,545,042	1,122,441	(3,612,805)	5,467,904	60,537,128	(1,235,974)
<b>NET POSITION, DECEMBER 31</b>	\$ 21,878,648	\$ 6,499,902	\$ 7,775,664	\$ 18,919,411	\$ 1,263,698	\$ (3,517,404)	\$ 5,592,312	\$ 58,412,231	\$ (1,498,222)

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, 2021**

	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		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Cash received from customers	\$ 14,323,275	\$ 6,236,059	\$ 1,523,836	\$ 3,032,787	\$ 1,970,890	\$ 897,995	\$ 213,115	\$ 28,197,957	\$ 1,585,552
Cash received from other sources	176,845	50,634	16,864	57,724	10,714	21,471	35,123	369,375	-
Cash paid to vendors	(11,436,475)	(8,300,655)	(825,675)	(1,167,581)	(1,001,535)	(376,377)	(193,813)	(23,302,111)	(1,616,508)
Cash paid to employees	(1,144,951)	(720,087)	(488,547)	(492,630)	(462,263)	(370,191)	(18,594)	(3,697,263)	(234,713)
Net cash provided (used) by operating activities	1,918,694	(2,734,049)	226,478	1,430,300	517,806	172,898	35,831	1,567,958	(265,669)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Transfers (out)	(1,736,000)	(56,000)	(5,000)	(124,000)	(62,000)	-	-	(1,983,000)	-
Transfers in	150,000	-	-	-	-	-	-	150,000	-
Net change in grant receivables	-	-	-	-	-	-	176,754	176,754	-
Advances on interfund payables	-	212,764	-	-	-	-	-	212,764	(344,695)
Payments on interfund payables	-	-	(103,752)	-	-	(88,955)	-	(192,707)	-
Advances on interfund receivables	522,952	-	-	-	-	-	(209,001)	313,951	-
Net cash provided (used) by noncapital financing activities	(1,063,048)	156,764	(108,752)	(124,000)	(62,000)	(88,955)	(32,247)	(1,322,238)	(344,695)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Payments for capital acquisitions	(112,266)	(5,463)	(3,073)	(667,943)	-	-	(207,123)	(995,868)	-
Principal payments on debt	-	-	-	(363,297)	-	-	-	(363,297)	-
Grant receipts	-	-	-	-	-	-	217,636	217,636	-
Proceeds from debt	164,554	3,225,446	-	-	-	-	-	3,390,000	-
Financing lease payments	-	-	-	-	-	(79,414)	-	(79,414)	-
Financed purchase payments	(176,000)	(176,000)	(32,000)	-	(15,999)	-	-	(399,999)	-
Interest payments on debt	(26,182)	(26,182)	(6,454)	(84,047)	(2,380)	(7,711)	-	(152,956)	-
Net cash provided (used) by capital and related financing activities	(149,894)	3,017,801	(41,527)	(1,115,287)	(18,379)	(87,125)	10,513	1,616,102	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Interest income	1,767	1,173	248	685	157	-	36	4,066	133
Net cash provided by investing activities	1,767	1,173	248	685	157	-	36	4,066	133
Net increase (decrease) in cash and cash equivalents	707,519	441,689	76,447	191,698	437,584	(3,182)	14,133	1,865,888	(610,231)
Cash and cash equivalents, beginning of year	3,019,368	1,657,201	1,502,357	4,400,978	672,590	3,940	215,945	11,472,379	855,659
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 3,726,887</b>	<b>\$ 2,098,890</b>	<b>\$ 1,578,804</b>	<b>\$ 4,592,676</b>	<b>\$ 1,110,174</b>	<b>\$ 758</b>	<b>\$ 230,078</b>	<b>\$ 13,338,267</b>	<b>\$ 245,428</b>
<b>NON-CASH TRANSACTION</b>									
Right to use asset acquired via financing leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 411,515	\$ -	\$ 411,515	\$ -

(Continued)



**CITY OF FULTON**  
**STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**Year Ended December 31, 2021**

	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		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>									
Operating income (loss)	\$ 1,634,969	\$ (2,951,566)	\$ (85,448)	\$ 524,007	\$ 194,766	\$ 81,641	\$ (128,387)	\$ (730,018)	\$ (262,381)
Adjustments:									
Depreciation and amortization	591,011	219,787	427,903	967,313	366,197	109,654	227,600	2,909,465	2,309
Penalties and other non-operating revenue	176,845	50,634	16,864	57,724	10,714	21,471	35,123	369,375	-
(Increase) decrease in assets and deferred outflows:									
Accounts receivable	(121,155)	2,234	4,334	14,319	48,444	(3,000)	-	(54,824)	(8,436)
Inventory	(106,337)	(15,997)	(10,195)	(9,695)	1,402	(832)	-	(141,654)	4,807
Prepaid items	(4,815)	12,495	(7,357)	5,480	(7,964)	(3,452)	6	(5,607)	1,079
Net pension asset	(849,708)	(542,826)	(343,278)	(309,270)	(401,119)	(168,710)	(13,516)	(2,628,427)	(71,964)
Deferred outflows - pension	148,933	95,150	60,171	54,209	70,311	29,574	2,368	460,716	12,614
Increase (decrease) in liabilities and deferred inflows:									
Accounts payable and accrued expenses	(42,563)	72,758	(39,389)	(57,127)	5,584	6,429	(95,120)	(149,428)	(2,941)
Claims liability	-	-	-	-	-	-	-	-	21,887
Compensated absences	11,220	1,647	3,727	5,844	(349)	3,297	-	25,386	(3,945)
Current liabilities related to restricted assets	(7,370)	10,097	2,132	-	-	-	-	4,859	-
Net pension liability	(242,547)	(154,950)	(97,989)	(88,281)	(114,498)	(48,156)	(3,859)	(750,280)	(20,540)
Deferred inflows - pension	730,211	466,488	295,003	265,777	344,708	144,982	11,616	2,258,785	61,842
Net cash provided (used) by operating activities	<u>\$ 1,918,694</u>	<u>\$ (2,734,049)</u>	<u>\$ 226,478</u>	<u>\$ 1,430,300</u>	<u>\$ 517,806</u>	<u>\$ 172,898</u>	<u>\$ 35,831</u>	<u>\$ 1,567,958</u>	<u>\$ (265,669)</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 at December 31, 2021.

#### *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 deferred 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, 2021, have been evaluated through June 23, 2022, 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, 2021, 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 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, 2021:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance:			
Insured by the FDIC	\$ 172,022	\$ -	\$ 172,022
Collateralized with securities pledged by the financial institution	25,023,309	-	25,023,309
Held in financial institution's trust department in the City's name but not subject to FDIC or collateralization rules	225,476	-	225,476
	<u>\$ 25,420,807</u>	<u>\$ -</u>	<u>\$ 25,420,807</u>
Carrying value	<u>\$ 25,081,851</u>	<u>\$ 4,328</u>	<u>\$ 25,086,179</u>

The City had the following investments as of December 31, 2021:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Money market mutual funds	\$ 285,539	\$ -	\$ -	\$ 285,539	\$ 285,539

The money market mutual funds held by the City at December 31, 2021, 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	\$ 25,086,179
Investments	<u>285,539</u>
Total cash and investments	<u><u>\$ 25,371,718</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	\$ 18,612,670
Restricted cash and cash equivalents	6,473,509
Restricted investments	<u>285,539</u>
Total	<u><u>\$ 25,371,718</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, 2021, 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>\$ 285,539</u>	<u>\$ 285,539</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, 2021, cash and cash equivalents and investments were restricted for various uses as follows:

Governmental funds:

General Fund	
Perpetual care	\$ 170,947
Special Revenue - Capital Improvement Sales Tax Fund	
Debt service	5,419,689
Debt Service	
South Business 54 Fund	73,323
Sewer Capital Improvement Sales Tax Fund	882,873
Water Capital Improvement Sales Tax fund	212,141
	<u>6,758,973</u>

Proprietary funds:

Golf Course Fund	
Debt service	75
	<u>75</u>
Total for all fund types	<u>\$ 6,759,048</u>

#### 5. RECEIVABLES

Accounts receivable as of December 31, 2021, for the City's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	Total
Payments in lieu of tax	\$ -	\$ -	\$ 260,746	\$ 260,746
Property taxes	749,731	-	-	749,731
Sales and franchise taxes	605,828	164,343	181,300	951,471
Use taxes	79,687	-	-	79,687
Motor vehicle taxes	46,219	-	-	46,219
Other	145,410	-	-	145,410
	<u>1,626,875</u>	<u>164,343</u>	<u>442,046</u>	<u>2,233,264</u>
Allowance for uncollectible accounts	(12,644)	-	-	(12,644)
	<u>\$ 1,614,231</u>	<u>\$ 164,343</u>	<u>\$ 442,046</u>	<u>\$ 2,220,620</u>

Receivables as of December 31, 2021, 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	\$ 260,746	\$ -	\$ 260,746
Property taxes	749,731	-	749,731
Billed service fees	-	3,004,737	3,004,737
Unbilled service fees	-	1,561,641	1,561,641
Sales and franchise taxes	951,471	167,165	1,118,636
Use taxes	79,687	-	79,687
Motor vehicle taxes	46,219	-	46,219
Other	153,846	63,694	217,540
	<u>2,241,700</u>	<u>4,797,237</u>	<u>7,038,937</u>
Allowance for uncollectible accounts	(12,644)	(583,575)	(596,219)
	<u>\$ 2,229,056</u>	<u>\$ 4,213,662</u>	<u>\$ 6,442,718</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 2021 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:

	2021 Calendar Year
Assessed valuation:	
Real estate	\$ 115,912,371
Personal property	29,060,436
Railroad and utility	819,975
TIF Districts	(3,849,769)
	<u>\$ 141,943,013</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, 2021, resulting from interfund transfers and interfund loans were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
General Fund	\$ -	\$ 133,074
Capital Improvement Sales Tax Fund	-	4,358
Non-Major Funds	142,935	815,167
Subtotal governmental funds	<u>142,935</u>	<u>952,599</u>
Proprietary funds:		
Electric Fund	5,795,214	-
Gas Fund	3,265,082	-
Water Fund	-	7,590
Golf Course Fund	-	5,254,457
Non-Major Funds	-	1,316,319
Subtotal proprietary funds	<u>9,060,296</u>	<u>6,578,366</u>
Internal service funds:		
Health Insurance Fund	-	279,155
Municipal Garage Fund	-	1,393,111
Subtotal internal service funds	<u>-</u>	<u>1,672,266</u>
Total	<u>\$ 9,203,231</u>	<u>\$ 9,203,231</u>

The balance due to the TIF Districts Fund (a non-major fund) from the General Fund is from taxes collected and not yet remitted. The balance due to the Electric and Gas Funds from the Water Fund is a result of funds loaned to the Water Fund in 2012 for water tower repairs. The balance will be repaid over a 10-year period, including interest at a rate of 3%. The remaining 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, 2021 was as follows:

	Balance December 31, 2020	Additions	Retirements	Transfers	Balance December 31, 2021
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 2,719,754	\$ -	\$ 404,562	\$ -	\$ 2,315,192
Construction in progress	9,251,121	669,795	-	(9,839,074)	81,842
Total capital assets, not being depreciated	<u>11,970,875</u>	<u>669,795</u>	<u>404,562</u>	<u>(9,839,074)</u>	<u>2,397,034</u>
Capital assets, being depreciated/amortized					
Buildings	8,016,965	10,336	-	9,415,102	17,442,403
Equipment	6,698,069	326,220	5,000	-	7,019,289
Improvements other than buildings	37,653,139	198,102	-	423,972	38,275,213
Right of use asset - financing leases	-	74,183	-	-	74,183
Total capital assets, being depreciated/amortized	<u>52,368,173</u>	<u>608,841</u>	<u>5,000</u>	<u>9,839,074</u>	<u>62,811,088</u>
Less accumulated depreciation for					
Buildings	3,436,903	252,640	-	-	3,689,543
Equipment	6,185,391	428,219	5,000	-	6,608,610
Improvements other than buildings	17,341,474	1,061,169	-	-	18,402,643
Less accumulated amortization for					
Right of use asset - financing leases	-	13,600	-	-	13,600
Total accumulated depreciation/amortization	<u>26,963,768</u>	<u>1,755,628</u>	<u>5,000</u>	<u>-</u>	<u>28,714,396</u>
Total capital assets being depreciated/amortized, net	<u>25,404,405</u>	<u>(1,146,787)</u>	<u>-</u>	<u>9,839,074</u>	<u>34,096,692</u>
Governmental activities capital assets, net	<u>\$ 37,375,280</u>	<u>\$ (476,992)</u>	<u>\$ 404,562</u>	<u>\$ -</u>	<u>\$ 36,493,726</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	\$ 390,841
Public safety	217,750
Public works	913,343
Parks and recreation	<u>233,694</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 1,755,628</u>

Capital asset activity for business-type activities for the year ended December 31, 2021, was as follows:

	Balance December 31, 2020	Additions	Retirements	Transfers	Balance December 31, 2021
<b>Business-type activities:</b>					
Capital assets, not being depreciated					
Land	\$ 3,443,154	\$ -	\$ -	\$ -	\$ 3,443,154
Construction in progress	1,678,122	680,290	-	(2,061,939)	296,473
Total capital assets, not being depreciated	5,121,276	680,290	-	(2,061,939)	3,739,627
Capital assets, being depreciated/amortized					
Buildings	12,038,853	-	-	-	12,038,853
Equipment	16,790,871	92,615	-	-	16,883,486
Improvements other than buildings	93,368,567	222,965	-	2,061,939	95,653,471
Right of use asset - financing leases	-	411,513	-	-	411,513
Total capital assets, being depreciated/amortized	122,198,291	727,093	-	2,061,939	124,987,323
Less accumulated depreciation for					
Buildings	3,295,450	265,134	-	-	3,560,584
Equipment	13,096,715	826,873	-	-	13,923,588
Improvements other than buildings	56,562,416	1,765,219	-	-	58,327,635
Less accumulated amortization for					
Right of use asset - financing leases	-	52,239	-	-	52,239
Total accumulated depreciation/amortization	72,954,581	2,909,465	-	-	75,864,046
Total capital assets being depreciated/amortized, net	49,243,710	(2,182,372)	-	2,061,939	49,123,277
Business-type activities capital assets, net	\$ 54,364,986	\$ (1,502,082)	\$ -	\$ -	\$ 52,862,904

## 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.

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, 2021.

	Governmental Activities	Business-type Activities
Year ending December 31:		
2022	\$ 17,984	\$ 86,079
2023	17,984	86,331
2024	17,984	86,583
2025	10,620	86,871
2026	-	34,416
2027	-	2,506
Total minimum lease payments	<u>64,572</u>	<u>382,786</u>
Less: amount representing interest	<u>(8,372)</u>	<u>(50,685)</u>
Present value of minimum lease payments	<u>\$ 56,200</u>	<u>\$ 332,101</u>

## 10. LONG-TERM DEBT

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

	December 31, 2020	Additions	Deletions	December 31, 2021	Amount Due in One Year
Governmental activities:					
Direct borrowing:					
Special limited obligation revenue bonds	\$ 7,765,000	\$ -	\$ 755,000	\$ 7,010,000	\$ 855,000
Plus (less):					
Unamortized bond premium	50,124	-	10,749	39,375	-
Unamortized bond discount	(31,246)	-	(4,869)	(26,377)	-
Financed purchases	3,404,985	1,361,241	83,615	4,682,611	256,217
Compensated absences	650,721	535,942	543,513	643,150	385,394
Subtotal governmental activities	<u>11,839,584</u>	<u>1,897,183</u>	<u>1,388,008</u>	<u>12,348,759</u>	<u>1,496,611</u>
Business-type activities:					
Direct borrowing:					
Sewerage system revenue bonds	6,979,466	-	363,297	6,616,169	372,113
Notes payable	-	3,390,000	-	3,390,000	678,000
Financed purchases	2,200,000	-	399,999	1,800,001	400,001
Compensated absences	321,904	289,919	264,533	347,290	272,689
Subtotal business-type activities	<u>9,501,370</u>	<u>3,679,919</u>	<u>1,027,829</u>	<u>12,153,460</u>	<u>1,722,803</u>
Total	<u>\$ 21,340,954</u>	<u>\$ 5,577,102</u>	<u>\$ 2,415,837</u>	<u>\$ 24,502,219</u>	<u>\$ 3,219,414</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, 2021, 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%. \$ 5,385,000

\$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. 1,625,000

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%. 4,682,611

Total governmental activities \$ 11,692,611

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. \$ 6,616,169

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. 3,390,000

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%. 1,800,001

Total business-type activities \$ 11,806,170

The annual requirements to amortize the City's long-term debt are as follows as of December 31, 2021:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
Year Ending December 31:				
2022	\$ 1,111,217	\$ 456,179	\$ 1,450,114	\$ 128,088
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
2027-2031	3,812,630	530,225	2,193,636	225,621
2032-2036	2,210,755	130,094	2,470,674	84,374
Total debt payments	<u>\$ 11,692,611</u>	<u>\$ 2,398,948</u>	<u>\$ 11,806,170</u>	<u>\$ 784,916</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, 2021. The total capitalized cost of the asset is \$9,415,102 with total accumulated amortization of \$58,844. 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, 2021. The total capitalized cost of the asset is \$8,113,258 with total accumulated amortization of \$1,200,571. 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, 2021, \$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 2021 are approximately 675% of the annual principal and interest payments made during 2021. The total principal and interest paid for the current year and total net revenues were \$447,344 and \$3,018,468, 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, 2021 of \$141,943,013, the constitutional total general obligation debt limit for "city purposes" was \$28,388,603, which provides a general obligation debt margin of \$28,388,603.

### 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 \$5,385,000 as of December 31, 2021. 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, 2021, pledged for the above debt issue totaled \$274,895 compared to total debt service expenditures of \$655,250.

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 \$1,625,000 as of December 31, 2021. 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, 2021 totaled \$951,411 compared to total debt service expenditures of \$481,650.

## 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, 2021 follows:

	Transferred To			Total
	Governmental funds		Proprietary funds	
	General Fund	Non-Major Funds	Electric Fund	
Transferred From:				
Governmental funds:				
General Fund	\$ -	\$ 187,753	\$ 150,000	\$ 337,753
Capital Improvement Sales Tax Fund	-	464,432	-	464,432
Non-Major Funds	-	622,019	-	622,019
Proprietary funds:				
Electric Fund	1,736,000	-	-	1,736,000
Gas Fund	56,000	-	-	56,000
Water Fund	5,000	-	-	5,000
Sewer Fund	124,000	-	-	124,000
Solid Waste Fund	62,000	-	-	62,000
Total	<u>\$ 1,983,000</u>	<u>\$ 1,274,204</u>	<u>\$ 150,000</u>	<u>\$ 3,407,204</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 2021. The City has recorded revenue of \$235,255 for 2021 and receivables of \$226,076 as of December 31, 2021.

### Interfund Charges for Support Services

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

Electric Fund	\$ 541,496
Gas Fund	541,496
Water Fund	154,713
Sewer Fund	154,713
Solid Waste Fund	154,713
Total	<u>\$ 1,547,131</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, 2021, is as follows:

Electric Fund	\$	304,016
Gas Fund		36,691
Water Fund		16,483
Sewer Fund		<u>26,035</u>
Total	\$	<u><u>383,225</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 2021. 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 2021 were:

<u>Beginning of Year</u>	<u>Current Year Changes</u>	<u>End of Year</u>
<u>\$ 2,206,774</u>	<u>\$ (390)</u>	<u>\$ 2,206,384</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 2021 were \$1,392,533. 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
2019	\$ 69,527	\$ 1,078,010	\$ 1,138,611	\$ 130,128
2020	130,128	1,148,608	1,104,692	86,212
2021	86,212	1,285,484	1,307,370	108,098

*E. Contracts for Construction*

As of December 31, 2021, the City had remaining commitments on contracts for various construction projects totaling \$550,189.

*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, 2021.

### **15. CONDUIT DEBT**

During 2013, the City issued \$3,730,000 in Industrial Revenue Bonds, of which \$145,784 is outstanding at December 31, 2021. 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.

**16. FUND BALANCE/NET POSITION**

As of December 31, 2021, the South Business 54 Fund, a non-major governmental debt service fund, had a deficit of \$321,219, 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, 2021, the Golf Course Fund, a major proprietary fund, had a deficit of \$3,517,404. The City is continuing to consider its options for covering the costs of operating the golf course.

As of December 31, 2021, the Municipal Garage Fund, an internal service fund, had a deficit of \$1,364,834, which is expected to be reduced by increased charges for use by other City funds.

As of December 31, 2021, the Health Insurance Fund, an internal service fund, had a deficit of \$133,388. 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](http://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>2021 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	173
Inactive employees entitled to but not yet receiving benefits	105
Active employees	173
	<hr/>
Total	451
	<hr/> <hr/>

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 11.0% (General), 5.8% (Police), and 15.8% (Fire) of annual covered payroll.

***Net Pension Liability (Asset)***

The City’s net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions

The total pension liability in the February 28, 2021, 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, 2021, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

Changes in actuarial assumptions from the February 29, 2020, actuarial valuation include the following: wage inflation was decreased from 3.25% to 2.75%, price inflation was decreased from 2.50% to 2.25%, the salary increase ranges changed, investment rate of return was decreased from 7.25%, net of investment expenses, to 7.00%, net of investment expenses, and mortality rates were based on different tables.

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, 2020	\$ 40,515,157	\$ 38,461,093	\$ 2,054,064
Changes for the year:			
Service cost	1,003,973	-	1,003,973
Interest	2,916,789	-	2,916,789
Difference between expected and actual experience	(1,107,424)	-	(1,107,424)
Changes of assumptions	(717,521)	-	(717,521)
Contributions - employer	-	883,969	(883,969)
Contributions - employee	-	315,177	(315,177)
Net investment income	-	10,391,849	(10,391,849)
Benefit payments, including refunds	(1,581,237)	(1,581,237)	-
Administrative expense	-	(41,288)	41,288
Other changes	-	(203,901)	203,901
Net changes	514,580	9,764,569	(9,249,989)
Balances at June 30, 2021	\$ 41,029,737	\$ 48,225,662	\$ (7,195,925)

**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	\$ 46,948,324	\$ 41,029,737	\$ 36,169,658
Plan fiduciary net position	\$ 48,225,660	\$ 48,225,662	\$ 48,225,660
Net pension liability/(asset)	\$ (1,277,336)	\$ (7,195,925)	\$ (12,056,002)

**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, 2021, the City recognized pension expense of (\$877,638). 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	\$ 413,320	\$ (903,820)
Projected and actual earnings on investments	-	(4,960,305)
Changes in assumptions*	21,600	(530,778)
Contributions subsequent to the measurement date**	496,422	-
Total	<u>\$ 931,342</u>	<u>\$ (6,394,903)</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, 2022.

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

Year ending:	
2022	\$ (1,681,583)
2023	(1,377,095)
2024	(1,337,230)
2025	(1,534,713)
2026	(25,784)
Thereafter	(3,578)
Total	<u>\$ (5,959,983)</u>

***Payable to the Pension Plan***

As of December 31, 2021, the City reported a payable of \$24,308 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 2021. Total property taxes abated under this agreement totaled approximately \$2,391 in 2021.

## **20. ADOPTION OF NEW ACCOUNTING STANDARD**

During the year ended December 31, 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement 87, *Leases*, which improved accounting and financial reporting for leases by requiring the recognition of certain lease assets and liabilities for leases previously classified as operating leases. These changes were incorporated in the City’s financial statements as of and for the year ended December 31, 2021, and had no effect on beginning net position.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF FULTON**

**LAGERS (PENSION PLAN)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS  
Year Ended December 31, 2021**

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 1,003,973	\$ 932,125	\$ 863,064	\$ 848,434	\$ 836,828	\$ 805,069	\$ 798,171
Interest on the total pension liability	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	(1,107,424)	776,862	(129,560)	(23,248)	(134,745)	159,276	799,735
Assumption changes	(717,521)	-	-	-	-	983,370	-
Benefit payments	(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	514,580	2,800,163	1,860,742	1,758,643	1,621,194	2,724,314	2,155,002
Total pension liability beginning	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	\$ 41,029,737	\$ 40,515,157	\$ 37,714,994	\$ 35,854,252	\$ 34,095,609	\$ 32,474,415	\$ 29,750,101
Plan fiduciary net position							
Contributions - employer	\$ 883,969	\$ 818,837	\$ 766,638	\$ 726,296	\$ 680,904	\$ 668,413	\$ 699,804
Contributions - employee	315,177	304,282	287,209	278,633	275,680	266,587	253,705
Pension plan net investment income	10,391,849	499,131	2,343,224	4,082,096	3,549,828	(57,593)	596,456
Benefit payments	(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	(41,288)	(54,449)	(47,326)	(32,693)	(32,363)	(32,383)	(34,951)
Other	(203,901)	182,483	(318,845)	(198,742)	(87,810)	53,818	7,556
Net change in plan fiduciary net position	9,764,569	131,577	1,579,653	3,340,846	2,971,536	(461,659)	101,216
Plan fiduciary net position beginning	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	\$ 48,225,662	\$ 38,461,093	\$ 38,329,516	\$ 36,749,863	\$ 33,409,017	\$ 30,437,481	\$ 30,899,140
Net pension liability/(asset)	\$ (7,195,925)	\$ 2,054,064	\$ (614,522)	\$ (895,611)	\$ 686,592	\$ 2,036,934	\$ (1,149,039)
Plan fiduciary net position as a percentage of the total pension liability	117.54%	94.93%	101.63%	102.50%	97.99%	93.73%	103.86%
Covered payroll	\$ 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	-90.35%	26.38%	-8.75%	-13.44%	10.26%	31.18%	-17.57%

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

**LAGERS (PENSION PLAN)**  
**SCHEDULE OF CONTRIBUTIONS – LAST TEN FISCAL YEARS**  
**Year Ended December 31, 2021**

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 937,763	\$ 881,696	\$ 801,539	\$ 763,058	\$ 718,885
Contributions in relation to the actuarially determined contribution	927,089	878,703	786,799	751,220	706,846
Contribution deficiency (excess)	\$ 10,674	\$ 2,993	\$ 14,740	\$ 11,838	\$ 12,039
Covered payroll	\$ 7,917,462	\$ 8,101,494	\$ 7,374,198	\$ 7,039,922	\$ 6,960,100
Contributions as a percentage of covered payroll	11.71%	10.85%	10.67%	10.67%	10.16%
	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 650,651	\$ 664,093	\$ 755,930	\$ 652,179	\$ 682,378
Contributions in relation to the actuarially determined contribution	650,651	664,093	755,930	632,871	608,253
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 19,308	\$ 74,125
Covered payroll	\$ 6,750,497	\$ 6,522,380	\$ 6,314,244	\$ 6,226,163	\$ 6,425,415
Contributions as a percentage of covered payroll	9.64%	10.18%	11.97%	10.16%	9.47%



**CITY OF FULTON**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 6,183,626	\$ 5,488,700	\$ 5,488,700	\$ 694,926
Licenses and permits	167,319	146,300	146,300	21,019
Intergovernmental revenues	316,056	43,200	43,200	272,856
Charges for services	2,277,377	2,270,320	2,270,320	7,057
Fines and forfeitures	10,654	57,000	57,000	(46,346)
Recreational fees	223,373	402,350	402,350	(178,977)
Miscellaneous:				
Rent	67,151	59,000	59,000	8,151
Interest	10,166	18,000	18,000	(7,834)
Contributions	37,360	-	-	37,360
Other	76,491	12,600	12,600	63,891
Total revenues	<u>9,369,573</u>	<u>8,497,470</u>	<u>8,497,470</u>	<u>872,103</u>
<b>EXPENDITURES</b>				
Administration	1,211,112	1,138,383	1,211,112	-
Finance Department	888,555	858,535	888,555	-
Purchasing Department	155,397	158,053	158,053	2,656
Police Department	2,543,977	2,344,244	2,544,451	474
Fire Department	1,823,983	1,585,790	1,823,983	-
Planning and Protective Administration	307,551	356,810	356,810	49,259
Engineering Department	641,778	656,011	656,011	14,233
Street Maintenance Department	1,467,912	1,637,999	1,637,999	170,087
Traffic Control Department	138,736	131,714	138,736	-
Buildings and Ground Maintenance	451,981	447,984	451,981	-
Cemeteries Department	94,400	96,168	96,168	1,768
Parks and Recreation Administration	795,444	624,507	795,444	-
Parks and Recreation Pool	87,279	80,294	87,279	-
Parks and Recreation Center	148,317	277,875	148,317	-
Debt Service Payments	248,204	312,750	248,204	-
Total expenditures	<u>11,004,626</u>	<u>10,707,117</u>	<u>11,243,103</u>	<u>238,477</u>
Deficiency of revenues under expenditures	<u>(1,635,053)</u>	<u>(2,209,647)</u>	<u>(2,745,633)</u>	<u>1,110,580</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,983,000	2,569,750	2,569,750	(586,750)
Transfers (out)	(337,753)	(300,000)	(337,753)	-
Proceeds on property sale	129,988	-	-	129,988
Issuance of debt	1,361,240	-	-	1,361,240
Total other financing sources	<u>3,136,475</u>	<u>2,269,750</u>	<u>2,231,997</u>	<u>904,478</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ 1,501,422</u>	<u>\$ 60,103</u>	<u>\$ (513,636)</u>	<u>\$ 2,015,058</u>

**CITY OF FULTON**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE -  
SPECIAL REVENUE FUND  
CAPITAL IMPROVEMENT SALES TAX  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 951,411	\$ 835,000	\$ 835,000	\$ 116,411
Miscellaneous:				
Interest	1,492	12,000	12,000	(10,508)
Total revenues	<u>952,903</u>	<u>847,000</u>	<u>847,000</u>	<u>105,903</u>
OTHER FINANCING (USES)				
Transfers (out)	<u>(464,432)</u>	<u>(1,152,000)</u>	<u>(464,432)</u>	<u>-</u>
Total other financing (uses)	<u>(464,432)</u>	<u>(1,152,000)</u>	<u>(464,432)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) other financing (uses)	<u>\$ 488,471</u>	<u>\$ (305,000)</u>	<u>\$ 382,568</u>	<u>\$ 105,903</u>

## CITY OF FULTON

### Required Supplementary Information Notes to the Budgetary Comparison Schedule

Year Ended December 31, 2021

#### 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, 2021.

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 amended for the year.

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF FULTON, MISSOURI  
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, 2021**

	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	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 47,362	\$ 481,054	\$ 2,218,388	\$ -	\$ -	\$ -	\$ 2,746,804
Restricted cash and cash equivalents	-	-	-	-	882,873	-	882,873
Restricted investments	-	-	-	73,323	-	212,141	285,464
Accounts receivable	-	260,746	181,300	-	-	-	442,046
Due from other funds	-	142,935	-	-	-	-	142,935
<b>Total assets</b>	<b>47,362</b>	<b>884,735</b>	<b>2,399,688</b>	<b>73,323</b>	<b>882,873</b>	<b>212,141</b>	<b>4,500,122</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	-	-	940	-	-	-	940
Due to other funds	-	-	5,505	394,542	280,804	134,316	815,167
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>6,445</b>	<b>394,542</b>	<b>280,804</b>	<b>134,316</b>	<b>816,107</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	6,634	-	-	-	-	6,634
<b>FUND BALANCES</b>							
Restricted for:							
Public safety	47,362	-	-	-	-	-	47,362
Debt service	-	-	2,393,243	-	602,069	77,825	3,073,137
TIF Districts	-	878,101	-	-	-	-	878,101
Unassigned	-	-	-	(321,219)	-	-	(321,219)
<b>Total fund balances</b>	<b>47,362</b>	<b>878,101</b>	<b>2,393,243</b>	<b>(321,219)</b>	<b>602,069</b>	<b>77,825</b>	<b>3,677,381</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 47,362</b>	<b>\$ 884,735</b>	<b>\$ 2,399,688</b>	<b>\$ 73,323</b>	<b>\$ 882,873</b>	<b>\$ 212,141</b>	<b>\$ 4,500,122</b>

**CITY OF FULTON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2021**

	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	
<b>REVENUES</b>							
Taxes	\$ -	\$ 39,626	\$ 950,539	\$ 78,770	\$ -	\$ -	\$ 1,068,935
Payments in lieu of taxes	-	235,255	-	-	-	-	235,255
Miscellaneous:							
Interest	8	14	482	41	-	57,500	58,045
Other	500	-	-	-	-	-	500
Total revenues	508	274,895	951,021	78,811	-	57,500	1,362,735
<b>EXPENDITURES</b>							
General government	-	6,148	-	-	-	-	6,148
Debt service:							
Principal	-	-	-	370,000	-	385,000	755,000
Interest and fees	-	-	-	292,000	-	107,449	399,449
Miscellaneous	-	-	225,877	-	-	-	225,877
Total expenditures	-	6,148	225,877	662,000	-	492,449	1,386,474
Excess (deficiency) of revenues over (under) expenditures	508	268,747	725,144	(583,189)	-	(434,949)	(23,739)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	247,065	-	592,363	-	434,776	1,274,204
Transfers (out)	-	(592,363)	(29,656)	-	-	-	(622,019)
Total other financing sources (uses)	-	(345,298)	(29,656)	592,363	-	434,776	652,185
Excess (deficiency) of revenues and other financing sources over (under) expenditures	508	(76,551)	695,488	9,174	-	(173)	628,446
Fund balances, January 1	46,854	954,652	1,697,755	(330,393)	602,069	77,998	3,048,935
<b>FUND BALANCES, December 31</b>	<b>\$ 47,362</b>	<b>\$ 878,101</b>	<b>\$ 2,393,243</b>	<b>\$ (321,219)</b>	<b>\$ 602,069</b>	<b>\$ 77,825</b>	<b>\$ 3,677,381</b>

**CITY OF FULTON**

**BUDGETARY COMPARISON SCHEDULE -  
SPECIAL REVENUE FUND  
POLICE FUND  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Interest	\$ 8	\$ 600	\$ 600	\$ (592)
Other	500	500	500	-
Total revenues	<u>508</u>	<u>1,100</u>	<u>1,100</u>	<u>(592)</u>
<b>EXPENDITURES</b>				
Public safety	-	1,000	1,000	1,000
Total expenditures	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Excess of revenues over expenditures	<u>\$ 508</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 408</u>



**CITY OF FULTON**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE -  
SPECIAL REVENUE FUND  
TIF DISTRICTS FUND  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 39,626	\$ 85,000	\$ 85,000	\$ (45,374)
Payments in lieu of taxes	235,255	165,000	165,000	70,255
Miscellaneous:				
Interest	14	500	500	(486)
Total revenues	<u>274,895</u>	<u>250,500</u>	<u>250,500</u>	<u>24,395</u>
<b>EXPENDITURES</b>				
General government	6,148	6,500	6,148	-
Total expenditures	<u>6,148</u>	<u>6,500</u>	<u>6,148</u>	<u>-</u>
Excess of revenues over expenditures	<u>268,747</u>	<u>244,000</u>	<u>244,352</u>	<u>24,395</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	247,065	255,000	255,000	(7,935)
Transfers (out)	(592,363)	(499,000)	(592,363)	-
Total other financing sources (uses)	<u>(345,298)</u>	<u>(244,000)</u>	<u>(337,363)</u>	<u>(7,935)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ (76,551)</u>	<u>\$ -</u>	<u>\$ (93,011)</u>	<u>\$ 16,460</u>

**CITY OF FULTON**

**BUDGETARY COMPARISON SCHEDULE -  
SPECIAL REVENUE FUND  
PARKS & RECREATION AND STORMWATER SALES TAX  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 950,539	\$ 835,000	\$ 835,000	\$ 115,539
Miscellaneous:				
Interest	482	-	-	482
Total revenues	<u>951,021</u>	<u>835,000</u>	<u>835,000</u>	<u>116,021</u>
EXPENDITURES				
Miscellaneous	<u>225,877</u>	<u>225,877</u>	<u>225,877</u>	-
Total expenditures	<u>225,877</u>	<u>225,877</u>	<u>225,877</u>	-
Excess of revenues over expenditures	<u>725,144</u>	<u>609,123</u>	<u>609,123</u>	<u>116,021</u>
OTHER FINANCING (USES)				
Transfers (out)	<u>(29,656)</u>	-	<u>(29,656)</u>	-
Total other financing (uses)	<u>(29,656)</u>	-	<u>(29,656)</u>	-
Excess of revenues over expenditures and other financing (uses)	<u>\$ 695,488</u>	<u>\$ 609,123</u>	<u>\$ 579,467</u>	<u>\$ 116,021</u>

**CITY OF FULTON**

**BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND  
SOUTH BUSINESS 54 FUND  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 78,770	\$ 50,000	\$ 50,000	\$ 28,770
Miscellaneous:				
Interest	41	1,000	1,000	(959)
Total revenues	<u>78,811</u>	<u>51,000</u>	<u>51,000</u>	<u>27,811</u>
<b>EXPENDITURES</b>				
Principal	370,000	288,375	370,000	-
Interest and fees	292,000	262,625	292,000	-
Total expenditures	<u>662,000</u>	<u>551,000</u>	<u>662,000</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(583,189)</u>	<u>(500,000)</u>	<u>(611,000)</u>	<u>27,811</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	592,363	500,000	500,000	92,363
Total other financing sources	<u>592,363</u>	<u>500,000</u>	<u>500,000</u>	<u>92,363</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ (111,000)</u>	<u>\$ 120,174</u>

**CITY OF FULTON**

**BUDGETARY COMPARISON SCHEDULE -  
DEBT SERVICE FUND  
WATER CAPITAL IMPROVEMENT SALES TAX FUND  
Year Ended December 31, 2021**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 57,500	\$ 40,000	\$ 40,000	\$ 17,500
Total revenues	<u>57,500</u>	<u>40,000</u>	<u>40,000</u>	<u>17,500</u>
<b>EXPENDITURES</b>				
Principal	385,000	385,000	385,000	-
Interest and fees	107,449	110,000	110,000	2,551
Total expenditures	<u>492,449</u>	<u>495,000</u>	<u>495,000</u>	<u>2,551</u>
Deficiency of revenues under expenditures	<u>(434,949)</u>	<u>(455,000)</u>	<u>(455,000)</u>	<u>20,051</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	434,776	424,000	424,000	10,776
Total other financing sources	<u>434,776</u>	<u>455,000</u>	<u>455,000</u>	<u>(20,224)</u>
Deficiency of revenues and other financing sources under expenditures	<u>\$ (173)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (173)</u>

## **CITY OF FULTON, MISSOURI 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, 2021**

	Municipal Garage Fund	Health Insurance Fund	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 245,428	\$ 245,428
Accounts receivable	-	8,436	8,436
Inventory	11,844	-	11,844
Prepaid items	4,625	-	4,625
Total current assets	<u>16,469</u>	<u>253,864</u>	<u>270,333</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	3,995	-	3,995
Net pension asset	71,964	-	71,964
Total non-current assets	<u>75,959</u>	<u>-</u>	<u>75,959</u>
Total assets	<u>92,428</u>	<u>253,864</u>	<u>346,292</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan contributions	4,963	-	4,963
Pension plan other	4,348	-	4,348
Total deferred outflows of resources	<u>9,311</u>	<u>-</u>	<u>9,311</u>
<b>LIABILITIES</b>			
Current liabilities			
Due to other funds	1,393,111	279,155	1,672,266
Accounts payable	6,457	-	6,457
Accrued expenses	911	-	911
Claims liability	-	108,097	108,097
Compensated absences	1,116	-	1,116
Total current liabilities	<u>1,401,595</u>	<u>387,252</u>	<u>1,788,847</u>
Long-term liabilities			
Compensated absences	1,030	-	1,030
Total long-term liabilities	<u>1,030</u>	<u>-</u>	<u>1,030</u>
Total liabilities	<u>1,402,625</u>	<u>387,252</u>	<u>1,789,877</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan other	63,948	-	63,948
Total deferred inflows of resources	<u>63,948</u>	<u>-</u>	<u>63,948</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,995	-	3,995
Restricted for net pension asset	71,964	-	71,964
Unrestricted	(1,440,793)	(133,388)	(1,574,181)
<b>TOTAL NET POSITION</b>	<u>\$ (1,364,834)</u>	<u>\$ (133,388)</u>	<u>\$ (1,498,222)</u>

**CITY OF FULTON**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2021**

	Municipal Garage Fund	Health Insurance Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 201,455	\$ -	\$ 201,455
Contributions from City, employees, retirees	-	1,392,533	1,392,533
Total net operating revenues	201,455	1,392,533	1,593,988
<b>OPERATING EXPENSES</b>			
System facilities and operations	282,224	-	282,224
Depreciation and amortization	2,309	-	2,309
Claims expense	-	1,571,836	1,571,836
Total operating expenses	284,533	1,571,836	1,856,369
<b>OPERATING LOSS</b>	<b>(83,078)</b>	<b>(179,303)</b>	<b>(262,381)</b>
<b>NON-OPERATING REVENUES</b>			
Interest income	-	133	133
Total non-operating revenues	-	133	133
<b>NET LOSS</b>	<b>(83,078)</b>	<b>(179,170)</b>	<b>(262,248)</b>
Net position, January 1	(1,281,756)	45,782	(1,235,974)
<b>NET POSITION, DECEMBER 31</b>	<b>\$ (1,364,834)</b>	<b>\$ (133,388)</b>	<b>\$ (1,498,222)</b>

**CITY OF FULTON**

**COMBINING SCHEDULE OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2021**

	Municipal Garage Fund	Health Insurance Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 201,455	\$ 1,384,097	\$ 1,585,552
Cash paid to vendors	(66,559)	(1,549,949)	(1,616,508)
Cash paid to employees	(234,713)	-	(234,713)
Net cash used by operating activities	<u>(99,817)</u>	<u>(165,852)</u>	<u>(265,669)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund payables	98,201	(442,896)	(344,695)
Net cash provided (used) by noncapital financing activities	<u>98,201</u>	<u>(442,896)</u>	<u>(344,695)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	-	133	133
Net cash provided by investing activities	<u>-</u>	<u>133</u>	<u>133</u>
Net change in cash and cash equivalents	(1,616)	(608,615)	(610,231)
Cash and cash equivalents, beginning of year	1,616	854,043	855,659
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 245,428</u>	<u>\$ 245,428</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (83,078)	\$ (179,303)	\$ (262,381)
Adjustments:			
Depreciation and amortization	2,309	-	2,309
(Increase) decrease in assets and deferred outflows:			
Accounts receivable	-	(8,436)	(8,436)
Inventory	4,807	-	4,807
Prepaid items	1,079	-	1,079
Net pension asset	(71,964)	-	(71,964)
Deferred outflows - pension	12,614	-	12,614
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	(2,941)	-	(2,941)
Claims liability	-	21,887	21,887
Compensated absences	(3,945)	-	(3,945)
Net pension liability	(20,540)	-	(20,540)
Deferred inflows - pension	61,842	-	61,842
Net cash used by operating activities	<u>\$ (99,817)</u>	<u>\$ (165,852)</u>	<u>\$ (265,669)</u>



**CITY OF FULTON, MISSOURI  
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, 2021**

	Airport Fund	Off Street Parking Fund	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 230,078	\$ 230,078
Accounts receivable	59,749	-	59,749
Inventory	33,311	-	33,311
Prepaid items	1,747	-	1,747
Total current assets	<u>94,807</u>	<u>230,078</u>	<u>324,885</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	6,256,615	334,999	6,591,614
Net pension asset	13,516	-	13,516
Total non-current assets	<u>6,270,131</u>	<u>334,999</u>	<u>6,605,130</u>
Total assets	<u>6,364,938</u>	<u>565,077</u>	<u>6,930,015</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan contributions	935	-	935
Pension plan other	817	-	817
Total deferred outflows of resources	<u>1,752</u>	<u>-</u>	<u>1,752</u>
<b>LIABILITIES</b>			
Current liabilities			
Due to other funds	1,316,319	-	1,316,319
Accounts payable	3,606	1,067	4,673
Customer deposits	6,451	-	6,451
Total current liabilities	<u>1,326,376</u>	<u>1,067</u>	<u>1,327,443</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan other	12,012	-	12,012
Total deferred inflows of resources	<u>12,012</u>	<u>-</u>	<u>12,012</u>
<b>NET POSITION</b>			
Invested in capital assets	6,256,615	334,999	6,591,614
Restricted for net pension asset	13,516	-	13,516
Unrestricted	(1,241,829)	229,011	(1,012,818)
<b>TOTAL NET POSITION</b>	<u>\$ 5,028,302</u>	<u>\$ 564,010</u>	<u>\$ 5,592,312</u>

**CITY OF FULTON**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
Year Ended December 31, 2021**

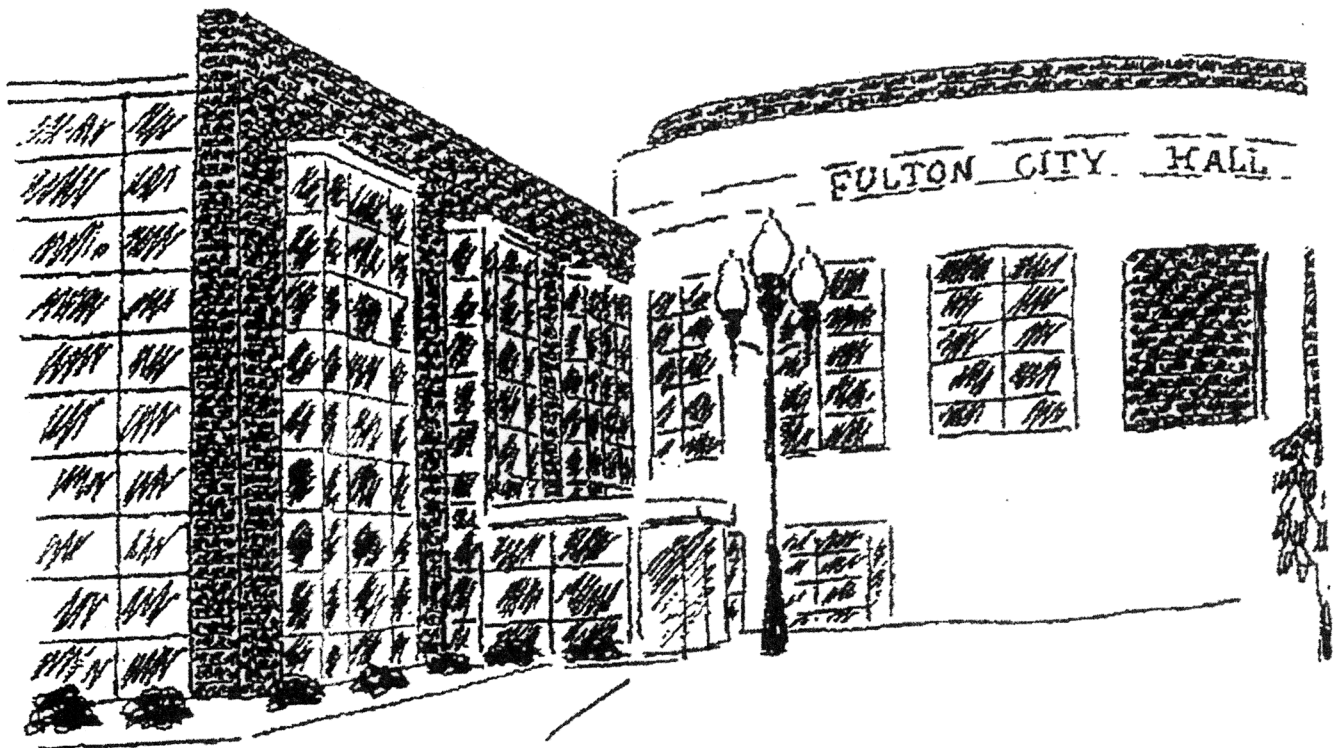
	Airport Fund	Off Street Parking Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 192,977	\$ 18,495	\$ 211,472
Total net operating revenues	192,977	18,495	211,472
<b>OPERATING EXPENSES</b>			
System facilities and operations	84,014	-	84,014
Contractual expenses	23,301	4,944	28,245
Depreciation and amortization	214,478	13,122	227,600
Total operating expenses	321,793	18,066	339,859
<b>OPERATING INCOME (LOSS)</b>	(128,816)	429	(128,387)
<b>NON-OPERATING REVENUES</b>			
Interest income	-	36	36
Other	35,123	-	35,123
Total non-operating revenues	35,123	36	35,159
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(93,693)	465	(93,228)
Capital contributions	217,636	-	217,636
<b>NET INCOME</b>	123,943	465	124,408
Net position, January 1	4,904,359	563,545	5,467,904
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 5,028,302</b>	<b>\$ 564,010</b>	<b>\$ 5,592,312</b>

**CITY OF FULTON**

**COMBINING SCHEDULE OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
Year Ended December 31, 2021**

	Airport Fund	Off Street Parking Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 194,620	\$ 18,495	\$ 213,115
Cash received from other sources	35,123	-	35,123
Cash paid to vendors	(189,415)	(4,398)	(193,813)
Cash paid to employees	(18,594)	-	(18,594)
Net cash provided by operating activities	<u>21,734</u>	<u>14,097</u>	<u>35,831</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Net change in grant receivables	176,754	-	176,754
Interfund receivables	(209,001)	-	(209,001)
Net cash used by noncapital financing activities	<u>(32,247)</u>	<u>-</u>	<u>(32,247)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Payment for capital acquisitions	(207,123)	-	(207,123)
Grant receipts	217,636	-	217,636
Net cash provided by capital and related financing activities	<u>10,513</u>	<u>-</u>	<u>10,513</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	-	36	36
Net cash provided by investing activities	<u>-</u>	<u>36</u>	<u>36</u>
Net change in cash and cash equivalents	-	14,133	14,133
Cash and cash equivalents, beginning of year	-	215,945	215,945
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 230,078</u>	<u>\$ 230,078</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (128,816)	\$ 429	\$ (128,387)
Adjustments:			
Depreciation and amortization	214,478	13,122	227,600
Other non-operating revenue	35,123	-	35,123
(Increase) decrease in assets and deferred outflows:			
Prepaid items	6	-	6
Net pension asset	(13,516)	-	(13,516)
Deferred outflows - pension	2,368	-	2,368
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	(95,666)	546	(95,120)
Net pension liability	(3,859)	-	(3,859)
Deferred inflows - pension	11,616	-	11,616
Net cash provided by operating activities	<u>\$ 21,734</u>	<u>\$ 14,097</u>	<u>\$ 35,831</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 18,734,658	\$ 17,740,676	\$ 17,526,324	\$ 19,205,501	\$ 19,300,373	\$ 19,339,440	\$ 20,737,220	\$ 21,617,016	\$ 26,186,417	\$ 24,671,334
Restricted	6,772,298	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
Unrestricted	(3,296,095)	(1,590,871)	(1,117,599)	(669,825)	883,046	2,013,796	(636,954)	(1,319,626)	(4,860,486)	(4,892,334)
Total governmental activities net position	<u>\$ 22,210,861</u>	<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>\$ 35,313,004</u>
Business-type activity										
Net investment in capital assets	\$ 36,143,373	\$ 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
Restricted	340,076	340,076	340,076	340,076	340,076	340,076	667,212	564,540	340,076	2,968,503
Unrestricted	15,236,349	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
Total business-type activity net position	<u>\$ 51,719,798</u>	<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>
Primary government										
Net investment in capital assets	\$ 53,840,308	\$ 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
Restricted	7,317,812	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
Unrestricted	13,447,098	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
Total primary government net position	<u>\$ 74,605,218</u>	<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>

NOTE: The City implemented GASB 54 for the fiscal year ended December 31, 2011.

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,106,774	\$ 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
Public safety	3,908,756	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
Public works	2,444,635	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
Parks and recreation	864,705	772,184	805,868	867,543	927,381	884,185	687,489	781,284	609,025	1,013,456
Building and grounds maintenance	412,003	401,447	396,791	387,806	492,975	499,179	458,272	491,852	499,387	524,195
Interest and fees	774,059	684,171	661,389	548,737	523,601	479,743	461,192	436,793	422,727	542,759
Total governmental activities expenses	<u>10,510,932</u>	<u>10,456,975</u>	<u>10,651,144</u>	<u>11,742,350</u>	<u>11,485,049</u>	<u>11,258,020</u>	<u>11,567,475</u>	<u>11,709,215</u>	<u>11,549,703</u>	<u>11,412,808</u>
Business-type activity:										
Electrical	11,337,318	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
Gas	4,092,204	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
Water	1,812,218	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
Sewer	1,826,565	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
Solid waste	1,935,638	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
Airport	324,294	316,910	295,073	232,645	252,808	321,688	335,451	338,559	298,751	321,793
Parking facilities	18,770	16,449	16,519	37,923	16,420	16,425	17,497	18,302	18,311	18,066
Golf	767,564	677,586	661,944	672,296	673,282	688,773	652,553	703,121	862,133	827,065
Total business-type activity expenses	<u>22,114,571</u>	<u>24,081,332</u>	<u>25,286,882</u>	<u>23,272,711</u>	<u>23,506,251</u>	<u>24,266,154</u>	<u>25,284,192</u>	<u>25,101,475</u>	<u>25,814,062</u>	<u>29,121,883</u>
Total primary government expenses	<u>\$ 32,625,503</u>	<u>\$ 34,538,307</u>	<u>\$ 35,938,026</u>	<u>\$ 35,015,061</u>	<u>\$ 34,991,300</u>	<u>\$ 35,524,174</u>	<u>\$ 36,851,667</u>	<u>\$ 36,810,690</u>	<u>\$ 37,363,765</u>	<u>\$ 40,534,691</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,690,959	\$ 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
Public safety	122,308	198,141	153,523	122,139	151,116	141,034	113,042	153,879	75,457	60,344
Public works	574,059	770,685	706,913	644,435	628,971	645,076	557,094	562,923	598,201	607,967
Parks and recreation	125,231	118,551	122,795	163,556	122,861	113,287	119,241	123,058	71,859	223,373
Building and grounds maintenance	2,478	4,754	6,678	4,599	8,896	3,063	4,990	5,749	6,125	10,566
Interest and fees	175,792	123,736	184,922	127,063	110,812	80,406	79,646	167,559	69,312	57,541
Miscellaneous										
Operating grants and contributions	102,318	60,463	48,381	71,582	51,203	61,004	191,691	239,559	293,448	280,320
Capital grants and contributions	-	241,010	322,690	49,097	-	-	182,858	-	-	-
Total governmental activities program revenues	<u>2,793,145</u>	<u>3,118,272</u>	<u>3,204,214</u>	<u>2,910,901</u>	<u>2,903,553</u>	<u>3,026,733</u>	<u>3,367,471</u>	<u>3,413,621</u>	<u>3,041,414</u>	<u>3,320,926</u>
Business-type activity:										
Electrical	13,885,775	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
Gas	4,745,764	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
Water	1,780,781	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
Sewer	2,561,915	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
Solid waste	1,534,913	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
Airport	195,091	175,199	161,853	133,134	121,579	149,106	164,841	186,324	146,678	192,977
Parking facilities	28,223	26,235	28,018	18,580	18,852	20,136	18,989	17,934	15,340	18,495
Golf	637,215	545,088	506,765	481,826	537,254	516,289	504,696	608,970	861,709	900,995
Operating grants and contributions	5,600	-	26,057	-	-	-	-	75,450	-	-
Capital grants and contributions	766,898	132,318	466,167	515,470	1,896,193	115,618	-	37,062	537,568	217,636
Total business-type activity program revenues	<u>26,142,175</u>	<u>26,372,846</u>	<u>27,325,742</u>	<u>26,102,274</u>	<u>28,372,601</u>	<u>26,333,361</u>	<u>27,601,158</u>	<u>27,773,853</u>	<u>27,982,270</u>	<u>28,678,878</u>
Total primary government program revenues	<u>\$ 28,935,320</u>	<u>\$ 29,491,118</u>	<u>\$ 30,529,956</u>	<u>\$ 29,013,175</u>	<u>\$ 31,276,154</u>	<u>\$ 29,360,094</u>	<u>\$ 30,968,629</u>	<u>\$ 31,187,474</u>	<u>\$ 31,023,684</u>	<u>\$ 31,999,804</u>

(continued)



TABLE 2

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense)/revenue										
Governmental activities	\$ (7,338,703)	\$ (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)
Business-type activity	2,291,514	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)
Total primary government net expense	<u>\$ (5,047,189)</u>	<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>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 556,824	\$ 554,002	\$ 553,889	\$ 637,883	\$ 680,398	\$ 889,412	\$ 654,097	\$ 778,900	\$ 718,291	\$ 841,713
Payments in lieu of taxes	1,102,123	1,124,965	1,128,300	545,461	182,155	116,421	200,169	150,516	215,237	235,255
General sales tax	2,932,088	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
Franchise tax	1,495,254	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
Motor fuel tax	380,724	377,533	385,042	394,270	398,396	402,316	400,838	404,947	380,839	413,570
Other tax	391,846	416,388	472,936	355,537	316,956	352,114	141,284	138,490	184,327	119,340
Interest income	41,556	39,716	31,446	32,095	46,844	70,169	150,700	183,478	39,251	12,295
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	34,052	7,719	133,156	79,982	70,312	227,151	36,249	57,880	13,826	(160,223)
Net transfers (to) from other funds	1,700,000	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
Capital contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>8,634,467</u>	<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>
Business-type activity:										
Interest income	31,616	56,338	43,761	39,232	62,882	170,215	293,764	360,116	29,029	4,066
Gain on sale of capital assets	56,717	-	-	-	-	-	-	-	-	-
Net transfers (to) from other funds	(1,700,000)	(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)
Capital contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	223,936	74,588	134,088	127,268	122,230	179,956	106,458	151,495	256,359	147,042
Total business-type activity	<u>(1,387,731)</u>	<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>
Total primary government	<u>\$ 7,246,736</u>	<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>
Changes in net position										
Governmental activities	\$ 1,295,764	\$ 585,124	\$ 604,214	\$ (738,571)	\$ (1,629,321)	\$ 1,254,889	\$ 910,819	\$ 1,304,998	\$ 4,359,068	\$ 2,084,565
Business-type activity	903,783	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)
Total primary government	<u>\$ 2,199,547</u>	<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>

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 287,916	\$ 272,879	\$ 293,204	\$ 280,392	\$ 286,153	\$ 311,559	\$ 385,669	\$ 330,869	\$ 361,948	\$ 370,884
Reserved/Restricted	992	992	992	992	992	992	992	992	3,405,977	1,362,232
Unreserved/Unassigned	(404,115)	(66,796)	159,376	141,257	1,049,490	2,183,366	1,123,275	582,649	(2,916,415)	619,816
Total General Fund	<u>\$ (115,207)</u>	<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>
All other governmental funds										
Reserved/Restricted	\$ 6,950,744	\$ 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
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Unassigned	(121,586)	(131,318)	(29,889)	(50,127)	(207,903)	(356,743)	(356,120)	(251,858)	(330,393)	(321,219)
Total all other governmental funds	<u>\$ 6,829,158</u>	<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>

Note: The City implemented GASB 54 for the fiscal year ended December 31, 2011.

TABLE 4

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Revenues</b>										
Taxes	\$ 5,756,735	\$ 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
Licenses and permits	142,399	141,499	149,294	149,740	161,283	156,104	152,551	162,010	154,449	167,319
Intergovernmental revenues	102,318	301,473	352,221	139,529	51,203	61,004	380,729	239,559	304,154	316,056
Charges for services	1,825,990	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
Payments in lieu of taxes	1,250,956	1,125,776	1,110,529	545,461	182,155	116,421	200,169	150,516	215,237	235,255
Fines and forfeitures	62,915	144,992	104,131	65,051	86,423	83,989	60,146	95,937	32,213	10,654
Recreational fees	125,231	118,551	122,795	163,556	122,861	113,287	119,241	123,058	71,859	223,373
Miscellaneous										
Rent	33,837	39,657	52,737	51,437	55,549	64,414	59,045	52,437	52,969	67,151
Interest	217,014	163,111	215,892	158,753	156,520	147,024	215,130	334,110	107,158	69,703
Contributions	-	-	137,265	27,550	50	415	10,960	1,774	2,130	37,360
Other	46,285	32,993	16,783	52,749	105,011	180,067	17,166	34,024	58,714	76,991
Total revenues	<u>9,563,680</u>	<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>
<b>Expenditures</b>										
General government	2,219,587	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
Public safety	4,249,987	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
Public works	1,714,320	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
Parks and recreation	800,187	595,685	966,510	730,740	714,284	665,799	739,920	1,268,144	8,794,170	1,031,040
Building and grounds maintenance	388,264	372,907	423,300	394,710	477,572	473,340	472,795	480,168	489,848	546,381
Debt service:										
Principal	1,215,000	1,265,000	1,615,000	760,000	800,000	830,000	325,000	390,000	630,000	856,599
Interest and fees	764,048	703,170	650,562	575,141	543,520	500,025	471,723	447,611	439,546	546,054
Issuance costs of bonds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,986	2,014	-	-	-	134,798	239,211	304,754	557,229	225,877
Total expenditures	<u>11,353,379</u>	<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>
Excess of revenues over (under) expenditures	(1,789,699)	(616,878)	(1,692,940)	(2,289,426)	(1,027,223)	11,074	(1,499,306)	(1,311,609)	(8,767,348)	(705,889)
<b>Other Financing Sources and (Uses)</b>										
Transfers in	3,430,237	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
Transfers (out)	(1,730,237)	(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)
Proceeds on property sale	800	5,400	2,648	-	10,050	34,582	7,200	22,275	39,888	129,988
Debt proceeds	-	-	-	-	-	-	-	-	3,404,985	1,361,240
Advance refunding escrow	-	-	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>1,700,800</u>	<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>
<b>Special Item</b>										
Proceeds from sale of land and police station	1,747,796	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 1,658,897</u>	<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>
Debt service as a percentage of noncapital expenditures (principal and interest only)	19.12%	19.34%	21.29%	12.31%	14.08%	14.05%	8.57%	8.53%	10.67%	12.62%

**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>
2012	2012	78,010,394	24,225,850	102,236,244	0.5167	424,038,216
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	140,046,111	0.5279	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				
2012	0.5167	0.5167	4.1892	0.9638	0.0300	5.6997
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

**TABLE 7**

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

Fiscal Year	City of Fulton					State of Missouri					Total Direct and Overlapping
	General	Transportation	Capital Improvements	Parks and Recreation/ Stormwater	Total Direct Rate	County of Callaway	Callaway Co. Ambulance District	General	Conservation	Parks and Soil	
2012	1.000	0.500	0.500		2.000	1.000	0.500	4.000	0.125	0.100	7.725
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

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	2021		2012	
		Assessed Valuation (1)	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Percentage of Total Assessed Valuation
Townsend Fulton, LLC	Distribution	\$ 7,821,194	5.65%	\$ 10,387,500	10.16%
Dolgen Corp (Dollar General)	Distribution	2,848,890	2.06%	2,489,060	2.43%
Callaway Electric Services, Co., LLC	Electric Utilities	2,115,936	1.53%	3,229,870	3.16%
Ovid Bell Press	Manufacturing	1,155,000	0.83%	1,765,740	1.73%
Wal-Mart Stores, Inc. #51	Retail	1,280,000	0.92%	2,304,330	2.25%
Harbison Walker International	Manufacturing	1,016,830	0.73%	1,564,940	1.53%
Nobel Health Real Estate, LLC/Healthmon	Health Care	967,210	0.70%	1,081,170	1.06%
Danuser Machine Co	Manufacturing	725,820	0.52%	774,130	0.76%
Tanglewood Hotels, LLC	Hotel	710,016	0.51%	729,950	0.71%
Hogan Truck Leasing	Trucking	432,550	0.31%	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>\$ 19,073,446</u>	<u>13.62%</u>	<u>\$ 30,458,620</u>	<u>29.79%</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>	Total Collections as Percent of <u>Net Current Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Net Levy</u>
2012	2012	525,786	494,344	94.0%	30,778	525,122	99.9%	86,614	16.5%
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%

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



**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&amp;R/ Stormwater Sales Tax</u>	<u>Total</u>	<u>Estimated Taxable Retail Sales</u>
2012	\$ 1,464,635	\$ 732,318	\$ 732,318	\$ -	\$ 2,929,271	\$ 146,464,000
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

**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
2012	\$ (16,527)	\$ 579,810	\$ 563,283	\$ 74,232	\$ 352,434	\$ 426,666	\$ 310,975	\$ 318,712	\$ 629,687
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

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	Loans	Sewerage System Revenue Bonds	Capital Leases			
2012	\$ 14,445,929	\$ -	\$ 1,075,000	\$ -	\$ -	\$ -	\$ -	\$ 15,520,929	1,216	6%
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	-	-	-	6,616,169	1,800,001	20,108,781	1,535	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			
2012	12,809	102,236,244	15,520,929	14,445,929	-	1,075,000	1.05%	83.93
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%	-

(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, 2021**

<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	\$ 7,010,000	100.00%	7,010,000
Fulton Public School District	24,537,425	60.25%	14,783,799
Callaway County	-	0%	-
Total direct and overlapping debt			<u>\$ 21,793,799</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, 2021**

**TABLE 15**

	With Existing Debt <u>December 2021</u>
Assessed Valuation, January 2021 (1) Net of property in TIF districts	\$ <u>112,062,602</u>
Debt limit - 20% of assessed value	22,412,520
Less general obligation debt outstanding	<u>                    -</u>
Legal debt margin	<u>\$ 22,412,520</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	
2012	\$ 2,337,011		\$ 191,768	\$ 2,528,779	\$ 311,614	\$ 2,217,165	\$ 1,215,000	\$ 764,048	\$ 1,979,048	\$ 238,117
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

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>
2012	12,809	2,260	6.10%	50,669	23,487
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

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	2021		2012	
		Total Employees	Percentage of Total City Employment	Total Employees	Percentage of Total City Employment
Fulton State Hospital	Mental Institution	1,150	20.52%	1,490	20.83%
Dollar General Distribution Center	Warehouse	700	12.49%	650	10.42%
Fulton Public Schools	Education	450	8.03%	450	6.94%
Fulton Reception & Diagnostic	Correctional Facility	400	7.14%	450	7.21%
Westminster College	Education	205	3.66%	170	3.37%
William Woods University	Education	250	4.46%	225	3.61%
Callaway Community Hospital	Medical	198	3.53%	145	2.32%
Wal-Mart Super Center	Retail	250	4.46%	240	3.85%
City of Fulton	Government	179	3.19%	180	3.04%
Callaway County	Government	182	3.25%	177	2.58%
Danuser Machine Company	Manufacturing	135	2.41%	-	0.00%
Missouri School for the Deaf	Education	120	2.14%	230	3.69%
The Callaway Bank	Financial Institution	120	2.14%	145	1.68%
Ovid Bell Press	Periodical Publishing	95	1.69%	125	1.92%
Harbison Walker International	Firebrick Manufacturing	60	1.07%	133	1.51%
		<u>4,494</u>	<u>80.18%</u>	<u>4,810</u>	<u>72.97%</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**

<b>Function/Program</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Government					
Administration	6	6	7	8	8
Finance	11	12	10	9	9
Purchasing	3	3	3	3	2
Public Buildings					
Public Safety					
Police	31	33	33	33	34
Municipal Court	0	0	0	1	1
Fire	23	24	24	24	24
Planning & Protective Administration	5	5	5	6	6
Public Works					
Engineering	7	8	8	7	7
Street Maintenance	10	12	12	12	11
Traffic Control	2	2	2	2	2
Buildings and Grounds Maintenance	5	6	6	6	6
Cemetery	1	1	1	1	1
Parks and Recreation	9	8	8	8	8
Utilities Administration	3	3	3	3	2
Electric Department	13	13	14	12	11
Gas Department	9	9	9	9	10
Solid Waste Department	11	9	9	9	10
Wastewater Department	10	10	10	6	7
Golf Course	4	4	4	3	4
Garage	3	3	3	3	3
Water Department	7	8	8	8	6
Power Plant	6	6	6	6	6
Total	<u>179</u>	<u>185</u>	<u>185</u>	<u>179</u>	<u>178</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>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>	<u>2012</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	a
Traffic Violations	-	-	69,237	30,250	56,157	58,350	40,864	56,408	34,283	a
% of general operating revenue from traffic violations	0.00%	0.00%	0.69%	0.30%	0.57%	0.60%	0.45%	0.57%	0.40%	a
Fire protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2
* Total Calls	1445	1063	1165	1099	933	1,206	1,138	1,092	1,085	1,147
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
** Total Calls	17982	17811	21694	18564	1356	1154	910	951	945	958
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	5679	5648	5609	5616	5,616	5,612	5,593	5,592	5,582
*** Peak demand on system	37MW	35MW	35MW	36MW	35MW	37MW	38MW	38MW	39MW	40 MW
Municipal Gas Department:										
Number of consumers	3993	3994	3978	3956	3959	3,961	3,961	3,955	3,948	3,957
Average daily consumption	1712 mcf	1778 mcf	1860 mcf	1846 mcf	1555 mcf	1447 mcf	1619 mcf	1686 mcf	1873 mcf	1590 mcf
Municipal Water Department:										
Number of consumers	4,581	4,544	4,504	4,461	4,454	4,452	4,446	4,420	4,401	4,404
Average daily consumption	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	1,708,128
*** Miles of water mains	106	106	105	105	97	97	97	97	97	97
Municipal Sewer Department:										
Number of connections	4466	4434	4387	4337	4,336	4,340	4,337	4,316	4,294	4,307
*** Miles of sanitary sewers	101	101	100	100	95	95	95	95	95	95
Building permits issued	76	220	76	170	142	66	135	114	115	112
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	174	174	168	178	168	164	166	199	167
**** Unclassified (Department heads)	10	11	11	11	12	12	12	13	13	13
**** Exempt (City Council, Mayor, and volunteer fire and police)	20	10	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)