

CITY OF FULTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2023

Prepared By:
Department of Finance and
Administration

CITY OF FULTON, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION



CITY OF FULTON, MISSOURI

Steve F. Myers
Mayor

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

June 20, 2024

Honorable Mayor, Members of the City Council and
the Citizens of the City of Fulton, Missouri:

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, 2023. The Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designated to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

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

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

Profile of the City

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

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

The City made numerous improvements throughout the City in 2023. The City completed the 2nd Street bridge project and started and completed two large pedestrian improvement projects on Business 54. The City also completed a major rehabilitation and tank painting project on Well # 5, making much needed repairs and extending its useful life. Additionally, the City made several street improvements in 2023 such as micro surfacing, chip seal and overlays.

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

In 2023, Callaway County maintained an impressively low unemployment rate of 2.6%, which continued to outperform the statewide average of 3.3%. Despite the consistency in sales tax revenue compared to the previous year, the City experienced a significant surge in use tax, which increased by 35.8%. This positive trend in use tax revenue, combined with the low unemployment rate, indicates a robust financial condition for the local economy, suggesting strong economic health.

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, 2022.

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,



Dustin Dougherty
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

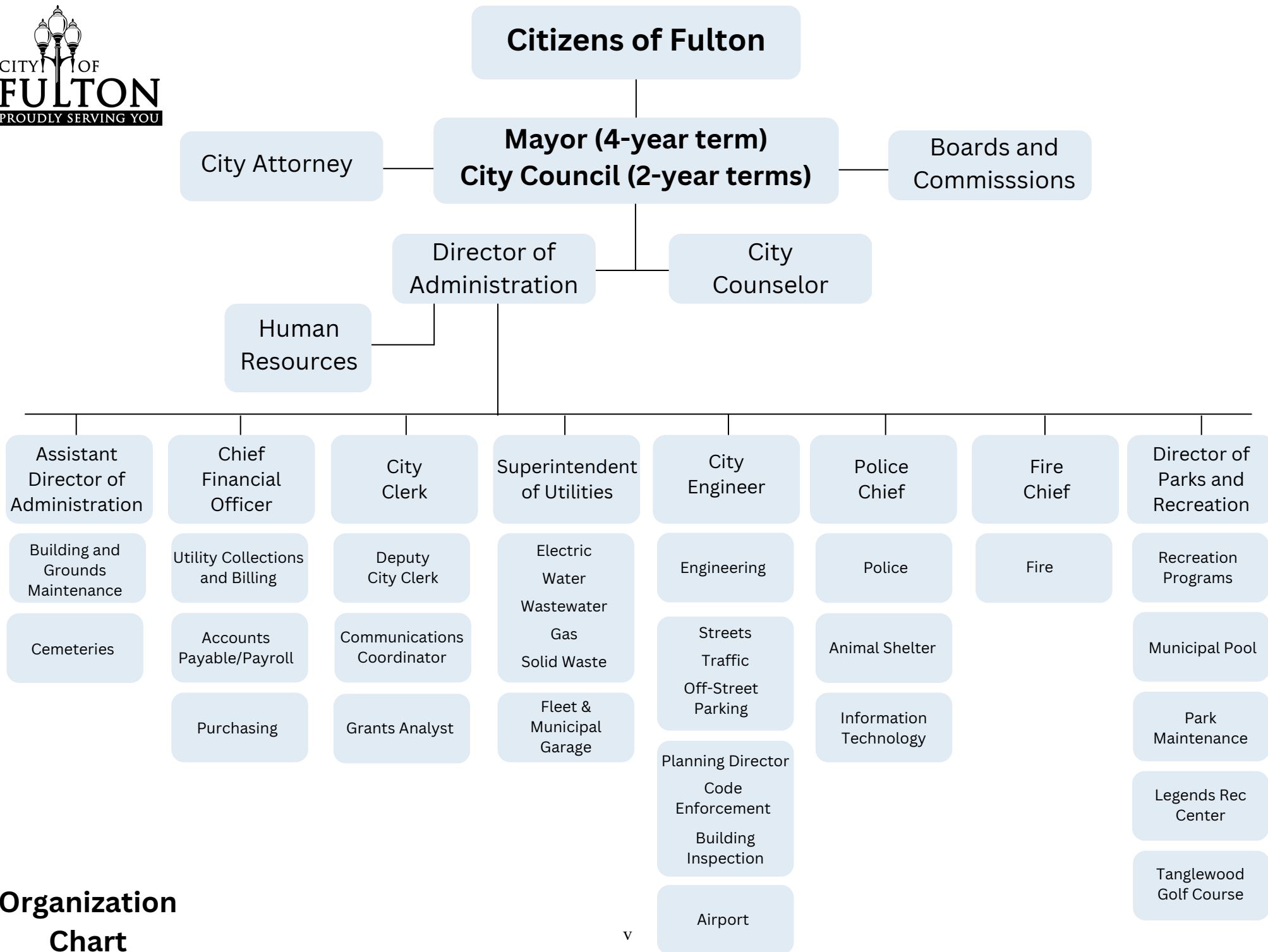
**City of Fulton
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



Organization Chart

CITY OF FULTON, MISSOURI

Principal Officers

MAYOR

Steve F. Myers

CITY COUNCIL

Bill Hinchie	Valerie Sebacher
Jeff Stone	Mary Rehlau
Alan Combs	Brad Leuther
Lauren EH Nelson	Bob Washington

ATTORNEY

Carol England, J.D.

ADMINISTRATION

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

INDEPENDENT AUDITORS

Williams-Keepers LLC

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fulton (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 judgement, 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

GAAP requires that the management's discussion and analysis, the budgetary comparison schedules, and the pension plan schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents (including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

William F. Keppel UC

Columbia, Missouri
June 20, 2024

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, 2023. 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 \$102 million. Of this amount, \$17.3 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 \$720,000 from "governmental activities." Net position from "business-type activities" increased by \$6.3 million. The total effect on net position from the prior year was an increase of \$7.0 million.
- The City's total assets increased by \$1.0 million. This was primarily a result of the receipt of the Panhandle Eastern settlement.

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 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, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$102 million. The largest portion of the City's net position is its investment in capital assets (i.e., land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF FULTON NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 14,723,609	\$ 17,695,677	\$ 24,967,668	\$ 22,416,632	\$ 39,691,277	\$ 40,112,309
Capital assets	37,325,903	35,809,257	51,160,185	51,354,545	88,486,088	87,163,802
Total assets	52,049,512	53,504,934	76,127,853	73,771,177	128,177,365	127,276,111
Deferred outflows - pension	1,298,169	605,542	747,047	348,471	2,045,216	954,013
Total deferred outflows	1,298,169	605,542	747,047	348,471	2,045,216	954,013
Long-term liabilities, including current portion	10,631,980	11,385,037	11,365,251	13,175,335	21,997,231	24,560,372
Other liabilities	860,513	672,712	2,398,467	3,604,768	3,258,980	4,277,480
Total liabilities	11,492,493	12,057,749	13,763,718	16,780,103	25,256,211	28,837,852
Unearned revenue - grants	2,576,150	2,566,186	-	-	2,576,150	2,566,186
Deferred inflows - pension	244,782	1,172,114	140,863	674,512	385,645	1,846,626
Total deferred inflows	2,820,932	3,738,300	140,863	674,512	2,961,795	4,412,812
Net position						
Net investment in capital assets	27,291,214	24,954,030	44,100,889	43,436,156	71,392,103	68,390,186
Restricted	11,953,399	13,709,036	1,339,312	2,122,102	13,292,711	15,831,138
Unrestricted	(210,357)	(348,639)	17,530,118	11,106,775	17,319,761	10,758,136
Total net position	\$ 39,034,256	\$ 38,314,427	\$ 62,970,319	\$ 56,665,033	\$ 102,004,575	\$ 94,979,460

Total assets for governmental activities decreased by \$1.5 million during the year, primarily due to the decrease in the net pension asset. Total assets for business-type activities increased by \$2.4 million, primarily due to the decrease in the net pension asset. Although there was a decrease in net pension assets and internal balances, the City's utilities had favorable operating conditions and cash and cash equivalents increased significantly, mainly due to the Panhandle Eastern settlement. Deferred outflows – pension is itemized at \$1.3 million for governmental activities and \$747,000 for business-type activities, with an overall increase of \$1.1 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 \$565,000 during the year as a result of decreases in amounts due beyond one year. Total liabilities for business-type activities decreased by \$3.0 million due to decreases in accounts payable, debt service and financed purchases. Deferred inflows – pension is itemized at \$245,000 for governmental activities and \$141,000 for business-type activities, with an overall decrease of \$1.5 million. Inclusion of these line items is a result of the implementation of GASB 68 as amended by GASB 71. Unearned revenue – grants is itemized at \$2.6 million for governmental activities due to the ARPA funding received in prior years that was not expended during the current 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, \$71.4 million (70%) 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, \$13.3 million (13%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City’s net position, \$17.4 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 Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,300,862	\$ 3,517,144	\$ 29,893,950	\$ 29,937,447	\$ 33,194,812	\$ 33,454,591
Operating grants and contributions	58,061	137,723	208,000	-	266,061	137,723
Capital grants and contributions	1,364,115	-	223,040	42,205	1,587,155	42,205
General revenues:						
Taxes	9,074,633	8,863,806	-	-	9,074,633	8,863,806
Interest income	571,393	122,005	611,828	115,264	1,183,221	237,269
Miscellaneous	358,379	13,510	3,471,864	166,963	3,830,243	180,473
Total revenues	14,727,443	12,654,188	34,408,682	30,261,879	49,136,125	42,916,067
Expenses:						
General government	3,166,323	2,503,164	-	-	3,166,323	2,503,164
Public safety	4,940,136	4,062,401	-	-	4,940,136	4,062,401
Public works	2,935,398	2,758,442	-	-	2,935,398	2,758,442
Parks and recreation	1,608,704	1,449,646	-	-	1,608,704	1,449,646
Building and grounds maintenance	579,776	579,525	-	-	579,776	579,525
Interest and fees	444,114	482,587	-	-	444,114	482,587
Electric	-	-	14,211,630	14,475,588	14,211,630	14,475,588
Gas	-	-	5,926,875	7,480,435	5,926,875	7,480,435
Water	-	-	1,672,041	1,572,830	1,672,041	1,572,830
Sewer	-	-	2,906,814	2,579,089	2,906,814	2,579,089
Solid Waste	-	-	2,205,104	1,854,526	2,205,104	1,854,526
Airport	-	-	337,393	401,155	337,393	401,155
Parking facilities	-	-	6,797	18,066	6,797	18,066
Golf course	-	-	1,169,905	1,005,724	1,169,905	1,005,724
Total expenses	13,674,451	11,835,765	28,436,559	29,387,413	42,111,010	41,223,178
Change in net position before transfers	1,052,992	818,423	5,972,123	874,466	7,025,115	1,692,889
Transfers	(333,163)	2,183,000	333,163	(2,183,000)	-	-
Change in net position	719,829	3,001,423	6,305,286	(1,308,534)	7,025,115	1,692,889
Net position, beginning	38,314,427	35,313,004	56,665,033	57,973,567	94,979,460	93,286,571
Net position, ending	\$ 39,034,256	\$ 38,314,427	\$ 62,970,319	\$ 56,665,033	\$ 102,004,575	\$ 94,979,460

Governmental Activities

Governmental activities increased the City's net position by \$720,000. Tax revenues, the largest governmental category, were \$9.0 million (62%). For the year ended December 31, 2023, revenues totaled \$49.1 million (governmental and business-type), of which revenues from governmental activities totaled \$14.7 million (30%). Governmental revenues increased \$2.1 million from the prior year, primarily due to steady increases in taxes and capital grants received.

Expenses totaled \$42.0 million (governmental and business-type), of which expenses from governmental activities totaled \$13.7 million (33%). Governmental expenses increased from the prior year mainly due to the change in pension-related balances.

CITY OF FULTON NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost of Service		Net Cost of Service	
	2023	2022	2023	2022
General government	\$ 3,166,323	\$ 2,503,164	\$ 1,086,810	\$ 293,572
Public safety	4,940,136	4,062,401	3,448,814	3,836,300
Public works	2,935,398	2,758,442	2,227,590	2,005,462
Parks and recreation	1,608,704	1,449,646	1,196,088	1,051,819
Building and grounds maintenance	579,776	579,525	563,351	560,185
Interest and fees	444,114	482,587	428,760	433,560
Total cost	\$ 13,674,451	\$ 11,835,765	\$ 8,951,413	\$ 8,180,898

Expenses from governmental activities totaled \$13.7 million and increased \$1.8 million. However, net costs of these services were \$8.9 million. The difference represents direct revenues received from charges for services of \$3.3 million and operating and capital grants of \$1.4 million. Taxes and other revenues of \$10.0 million were collected toward covering these net costs, along with transfers to business-type activities of \$333,000.

Business-type Activities

Business-type activities increased the City's net position by \$6.4 million.

Total revenues increased \$4.1 million from the prior year. Miscellaneous income increased \$3.3 million from the prior year due to the Panhandle Eastern settlement. This payment also resulted in a \$500,000 increase in interest income.

Total expenses decreased \$1.0 million from the prior year, primarily due to favorable conditions in the natural gas market.

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 decreased by \$759,000. This was primarily due to an increase in expenditures related to the 2nd Street bridge project, offset by an increase in grant funding received.

The fund balance in the Capital Improvement Sales Tax Fund decreased by \$947,000. This was primarily due to transfers to the utility funds for capital projects.

Enterprise Funds

The Electric Fund had a decrease in net position of \$176,000. This was due to an increase in purchased power expenses.

The Gas Fund had an increase in net position of \$4.3 million. This was primarily due to the Panhandle Eastern settlement.

The Water Fund had an increase in net position of \$1.2 million. This was due to the transfer from the Capital Improvement Sales Tax Fund for the rehabilitation and repainting of the water tower and ground storage tank for Well #5.

The Sewer Fund had an increase in net position of \$702,000. This was primarily due to the transfer from the Capital Improvement Sales Tax Fund for the purchase of a new vac truck.

The Solid Waste Fund had a decrease in net position of \$11,000. This was primarily due to the increase in operating expenses as revenues were ready.

The Golf Course Fund reported an increase in net position of \$224,000. This was primarily due to a grant received from Callaway County for irrigation system improvements.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to approximately \$88.5 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,315,192	\$ 2,315,192	\$ 3,443,154	\$ 3,443,154	\$ 5,758,346	\$ 5,758,346
Construction in progress	1,549,832	735,642	1,094,743	686,003	2,644,575	1,421,645
Buildings	17,484,549	17,469,556	12,038,853	12,038,853	29,523,402	29,508,409
Equipment	7,539,076	7,130,733	17,605,665	17,168,672	25,144,741	24,299,405
Other improvements	40,909,594	38,709,050	97,881,667	96,244,929	138,791,261	134,953,979
Leased equipment	74,183	74,183	430,847	430,847	505,030	505,030
Depreciation/amortization	(32,546,523)	(30,625,099)	(81,334,744)	(78,657,913)	(113,881,267)	(109,283,012)
Total capital assets	\$ 37,325,903	\$ 35,809,257	\$ 51,160,185	\$ 51,354,545	\$ 88,486,088	\$ 87,163,802

Major capital asset acquisitions during 2023 include the following:

- International Vactor Suction Truck for \$481,109.
- Business 54 Project East and West totaling \$684,873.
- Well #5 rehabilitation and repainting in the amount of \$1,429,715.
- 2nd Street Bridge project totaling \$1,355,539.

General Fund Budgetary Highlights

The original General Fund expenditures budget was for \$14,239,155. Actual expenditures were \$14,481,305, an unfavorable variance of 2%. Some departments were over budget; the remainder were under budget. The major differences and factors can be summarized as follows:

- The Administration Department was over budget due to the actual cost of personnel.
- The Police Department was over budget due to the actual cost of personnel and the purchase of patrol vehicles.
- The Fire Department was over budget due to the actual cost of personnel.
- The Engineering Department was over budget due to the actual cost of personnel.
- The Buildings and Ground Maintenance Department was over budget due the purchase of a new chiller at City Hall.
- The Cemeteries Department was over budget due to the actual cost of personnel.
- The Parks and Recreation Pool Department was over budget due to the actual cost of personnel.
- All other General Fund departments were under or close to budget due to personnel savings and capital outlay costs being less than originally forecasted.

Long-Term Debt

At the end of 2023, the City had a total of \$18.8 million of outstanding obligations. This was a decrease of \$2.7 million from the previous year, due to paying down the principal on outstanding obligations.

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	
	2023	2022	2023	2022	2023	2022
Special limited obligation bonds	\$ 5,845,000	\$ 6,380,000	\$ -	\$ -	\$ 5,845,000	\$ 6,380,000
Sewerage system revenue bonds	-	-	5,863,129	6,244,056	5,863,129	6,244,056
Municipal utility emergency loan	-	-	1,695,000	2,712,000	1,695,000	2,712,000
Financing leases	26,338	41,721	196,167	274,333	222,505	316,054
Financed purchases	4,162,115	4,426,390	1,000,000	1,400,000	5,162,115	5,826,390
Premiums and discounts, net	1,236	7,117	-	-	1,236	7,117
Total Outstanding Debt	\$ 10,034,689	\$ 10,855,228	\$ 8,754,296	\$ 10,630,389	\$ 18,788,985	\$ 21,485,617

Economic Factors and Next Year's Budget and Rates

The City continues to see signs of economic improvement. Use tax revenues increased at a significantly higher rate than inflation. The presence of two colleges has helped keep employment fairly stable. All future projects were taken into consideration when planning the 2024 budget.

Requests for Information

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

CITY OF FULTON

STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,249,764	\$ 14,181,533	\$ 21,431,297
Restricted cash and cash equivalents	6,136,524	-	6,136,524
Restricted investments	275,810	75	275,885
Accounts receivable, net of allowance of \$785,310	2,405,551	4,357,993	6,763,544
Internal balances	(3,467,685)	3,467,685	-
Inventory	94,559	1,771,122	1,865,681
Prepaid items	292,693	190,024	482,717
Net pension asset	1,736,393	999,236	2,735,629
Capital assets:			
Non-depreciable	3,865,024	4,537,897	8,402,921
Depreciable, net	33,429,970	46,406,169	79,836,139
Right of use asset, net	30,909	216,119	247,028
Total assets	<u>52,049,512</u>	<u>76,127,853</u>	<u>128,177,365</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	274,125	157,742	431,867
Pension plan other	1,024,044	589,305	1,613,349
Total deferred outflows of resources	<u>1,298,169</u>	<u>747,047</u>	<u>2,045,216</u>
LIABILITIES			
Accounts payable	517,849	1,454,234	1,972,083
Accrued liabilities	114,086	91,990	206,076
Accrued interest payable	46,910	4,500	51,410
Claims payable	89,894	-	89,894
Customer deposits	-	847,743	847,743
Funds held on behalf of others	91,774	-	91,774
Long-term liabilities:			
Financing leases:			
Amounts due within one year	16,341	79,563	95,904
Amounts due beyond one year	9,997	116,604	126,601
Financed purchases:			
Amounts due within one year	272,584	400,000	672,584
Amounts due beyond one year	3,889,531	600,000	4,489,531
Compensated absences:			
Amounts due within one year	350,822	315,968	666,790
Amounts due beyond one year	246,469	88,303	334,772
Debt:			
Amounts due within one year	945,000	729,372	1,674,372
Amounts due beyond one year	4,901,236	6,828,757	11,729,993
Accrued landfill closure costs:			
Amounts due within one year	-	5,000	5,000
Amounts due beyond one year	-	2,201,684	2,201,684
Total liabilities	<u>11,492,493</u>	<u>13,763,718</u>	<u>25,256,211</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - grants	2,576,150	-	2,576,150
Pension plan other	244,782	140,863	385,645
Total deferred inflows of resources	<u>2,820,932</u>	<u>140,863</u>	<u>2,961,795</u>
NET POSITION			
Net investment in capital assets	27,291,214	44,100,889	71,392,103
Restricted for:			
Expendable:			
Public safety	46,012	-	46,012
Debt service	8,826,987	75	8,827,062
TIF Districts	1,317,015	-	1,317,015
Perpetual care	992	-	992
Net pension asset	1,736,393	999,236	2,735,629
Post-closure costs	-	340,001	340,001
Nonexpendable:			
Perpetual care	26,000	-	26,000
Unrestricted	(210,357)	17,530,118	17,319,761
Total net position	<u>\$ 39,034,256</u>	<u>\$ 62,970,319</u>	<u>\$ 102,004,575</u>

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

CITY OF FULTON

**STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

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	
Governmental activities:							
General government	\$ 3,166,323	\$ 2,079,513	\$ -	\$ -	\$ (1,086,810)	\$ -	\$ (1,086,810)
Public safety	4,940,136	69,146	58,061	1,364,115	(3,448,814)	-	(3,448,814)
Public works	2,935,398	707,808	-	-	(2,227,590)	-	(2,227,590)
Parks and recreation	1,608,704	412,616	-	-	(1,196,088)	-	(1,196,088)
Building and grounds maintenance	579,776	16,425	-	-	(563,351)	-	(563,351)
Interest and fees	444,114	15,354	-	-	(428,760)	-	(428,760)
Total governmental activities	13,674,451	3,300,862	58,061	1,364,115	(8,951,413)	-	(8,951,413)
Business-type activities:							
Electrical	14,211,630	14,798,246	-	-	-	586,616	586,616
Gas	5,926,875	6,825,539	-	-	-	898,664	898,664
Water	1,672,041	1,615,161	-	-	-	(56,880)	(56,880)
Sewer	2,906,814	3,159,051	-	-	-	252,237	252,237
Solid waste	2,205,104	2,046,749	8,500	-	-	(149,855)	(149,855)
Airport	337,393	240,336	-	223,040	-	125,983	125,983
Parking facilities	6,797	15,837	-	-	-	9,040	9,040
Golf	1,169,905	1,193,031	199,500	-	-	222,626	222,626
Total business-type activities	28,436,559	29,893,950	208,000	223,040	-	1,888,431	1,888,431
Total	\$ 42,111,010	\$ 33,194,812	\$ 266,061	\$ 1,587,155	(8,951,413)	1,888,431	(7,062,982)
General revenue:							
Taxes:							
Property taxes, levied for general purposes					812,180	-	812,180
Payments in lieu of taxes					295,817	-	295,817
General sales tax					5,940,281	-	5,940,281
Franchise tax					1,380,612	-	1,380,612
Motor fuel tax					507,836	-	507,836
Other tax					137,907	-	137,907
Interest income					571,393	611,828	1,183,221
Miscellaneous income					358,379	3,471,864	3,830,243
Net transfers (to) from other funds					(333,163)	333,163	-
Total general revenues and transfers					9,671,242	4,416,855	14,088,097
Change in net position					719,829	6,305,286	7,025,115
Net position - beginning					38,314,427	56,665,033	94,979,460
Net position - ending					\$ 39,034,256	\$ 62,970,319	\$ 102,004,575

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

CITY OF FULTON
BALANCE SHEET
ALL GOVERNMENTAL FUND TYPES
December 31, 2023

	Major Funds			Total
	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	
ASSETS				
Cash and cash equivalents	\$ 3,115,209	\$ -	\$ 3,796,154	\$ 6,911,363
Restricted cash and cash equivalents	214,623	5,039,028	882,873	6,136,524
Restricted investments	-	-	275,810	275,810
Accounts receivable, net of allowance of \$12,644	1,742,036	174,608	488,754	2,405,398
Due from other funds	-	-	119,357	119,357
Inventory	85,176	-	-	85,176
Prepaid items	289,340	-	-	289,340
Total assets	<u>5,446,384</u>	<u>5,213,636</u>	<u>5,562,948</u>	<u>16,222,968</u>
LIABILITIES				
Accounts payable	508,074	3,750	-	511,824
Due to other funds	59,816	5,018	873,857	938,691
Accrued liabilities	111,723	-	-	111,723
Funds held on behalf of others	91,774	-	-	91,774
Total liabilities	<u>771,387</u>	<u>8,768</u>	<u>873,857</u>	<u>1,654,012</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - grants	2,576,113	-	-	2,576,113
Unavailable revenue - taxes	89,095	-	-	89,095
Total deferred inflows of resources	<u>2,665,208</u>	<u>-</u>	<u>-</u>	<u>2,665,208</u>
FUND BALANCES				
Nonspendable:				
Inventory	85,176	-	-	85,176
Prepaid items	289,340	-	-	289,340
Perpetual care	26,000	-	-	26,000
Restricted for:				
Public safety	-	-	46,012	46,012
Debt service	-	5,204,868	3,622,119	8,826,987
TIF Districts	-	-	1,317,015	1,317,015
Perpetual care	992	-	-	992
Unassigned	1,608,281	-	(296,055)	1,312,226
Total fund balances	<u>2,009,789</u>	<u>5,204,868</u>	<u>4,689,091</u>	<u>11,903,748</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,446,384</u>	<u>\$ 5,213,636</u>	<u>\$ 5,562,948</u>	<u>\$ 16,222,968</u>

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, 2023**

Fund balances - total governmental funds		\$ 11,903,748
<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	69,798,244	
Right of use asset - financing leases	74,182	
Less accumulated depreciation and amortization	<u>(32,546,523)</u>	
		37,325,903
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Unavailable revenue - taxes		89,058
<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		1,709,041
Deferred outflows - pension plan contributions		269,806
Deferred outflows - pension plan other		1,007,903
<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>		
		(2,356,312)
<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		(46,910)
Financing leases		(26,338)
Financed purchases		(4,162,115)
Compensated absences		(592,367)
Debt (revenue bonds payable)		(5,846,236)
<p>Deferred inflows of resources are not financial resources, and, therefore, are not reported in the governmental funds:</p>		
Deferred inflows - pension plan other		<u>(240,925)</u>
Net position of governmental activities		<u><u>\$ 39,034,256</u></u>

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, 2023**

	Major Funds			Total
	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	
REVENUES				
Taxes	\$ 6,722,568	\$ 986,548	\$ 1,121,923	\$ 8,831,039
Licenses and permits	179,914	-	-	179,914
Intergovernmental revenues	1,422,176	-	-	1,422,176
Charges for services	2,330,006	-	-	2,330,006
Payments in lieu of taxes	-	-	295,817	295,817
Fines and forfeitures	6,686	-	-	6,686
Recreational fees	412,616	-	-	412,616
Miscellaneous:				
Rent	66,610	-	-	66,610
Interest	151,296	274,454	141,369	567,119
Contributions	2,625	-	-	2,625
Other	302,127	-	35,668	337,795
TOTAL REVENUES	11,596,624	1,261,002	1,594,777	14,452,403
EXPENDITURES				
General government	2,244,616	-	6,027	2,250,643
Public safety	5,030,706	-	3,000	5,033,706
Public works	4,858,995	-	-	4,858,995
Parks and recreation	1,205,795	-	-	1,205,795
Building and grounds maintenance	728,040	-	-	728,040
Debt service:				
Principal	279,656	-	535,000	814,656
Interest and fees	133,497	6,588	322,750	462,835
TOTAL EXPENDITURES	14,481,305	6,588	866,777	15,354,670
Excess (deficiency) of revenues over (under) expenditures	(2,884,681)	1,254,414	728,000	(902,267)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,331,338	-	955,177	3,286,515
Transfers (out)	(205,971)	(2,201,810)	(1,211,897)	(3,619,678)
Total other financing sources (uses)	2,125,367	(2,201,810)	(256,720)	(333,163)
Net change in fund balances	(759,314)	(947,396)	471,280	(1,235,430)
Fund balances, January 1	2,769,103	6,152,264	4,217,811	13,139,178
FUND BALANCES, December 31	\$ 2,009,789	\$ 5,204,868	\$ 4,689,091	\$ 11,903,748

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, 2023**

Net change in fund balances - total governmental funds		\$ (1,235,430)
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	(1,920,054)	
Capital outlay capitalized as assets	<u>3,438,065</u>	1,518,011
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Taxes	<u>(52,224)</u>	(52,224)
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.		
Repayment of principal (bonds, loans, and leases)	814,656	
Amortization of discounts or premiums	<u>18,721</u>	833,377
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.		
		(531,212)
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	(68,271)	
Pension plan expense	<u>255,578</u>	<u>187,307</u>
Change in net position of governmental activities		<u>\$ 719,829</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, 2023

	Major Funds							Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund	Non-Major Funds		
ASSETS									
Current assets									
Cash and cash equivalents	\$ 2,692,138	\$ 2,462,899	\$ 1,872,567	\$ 5,345,745	\$ 1,545,773	\$ 758	\$ 261,653	\$ 14,181,533	\$ 338,401
Restricted investments	-	-	-	-	-	75	-	75	-
Accounts receivable, net of allowance of \$772,666	1,956,344	1,350,118	254,055	458,538	153,812	312	184,814	4,357,993	153
Due from other funds	5,076,612	4,644,333	-	-	-	-	-	9,720,945	-
Inventory	1,169,241	267,718	243,222	38,378	-	19,252	33,311	1,771,122	9,383
Prepaid items	59,245	33,617	22,385	29,372	30,286	13,410	1,709	190,024	3,353
Total current assets	10,953,580	8,758,685	2,392,229	5,872,033	1,729,871	33,807	481,487	30,221,692	351,290
Non-current assets									
Property, plant and equipment, net of accumulated depreciation	10,266,945	4,099,259	6,690,729	19,999,517	1,730,862	1,816,310	6,340,444	50,944,066	1,264
Right of use asset, net of accumulated amortization	-	-	-	-	-	216,119	-	216,119	-
Net pension asset	323,029	206,363	130,502	117,573	152,492	64,139	5,138	999,236	27,352
Total non-current assets	10,589,974	4,305,622	6,821,231	20,117,090	1,883,354	2,096,568	6,345,582	52,159,421	28,616
Total assets	21,543,554	13,064,307	9,213,460	25,989,123	3,613,225	2,130,375	6,827,069	82,381,113	379,906
DEFERRED OUTFLOWS OF RESOURCES									
Pension plan contributions	50,996	32,576	20,601	18,561	24,071	10,123	814	157,742	4,319
Pension plan other	190,512	121,703	76,963	69,340	89,932	37,823	3,032	589,305	16,141
Total deferred outflows of resources	241,508	154,279	97,564	87,901	114,003	47,946	3,846	747,047	20,460
LIABILITIES									
Current liabilities									
Due to other funds	-	-	-	-	-	5,136,952	1,116,308	6,253,260	2,648,351
Accounts payable	445,710	523,028	57,499	209,947	83,615	31,928	102,507	1,454,234	6,025
Accrued expenses	26,900	12,641	10,153	10,277	10,719	20,773	527	91,990	2,363
Accrued interest payable	1,980	1,980	360	-	180	-	-	4,500	-
Claims liability	-	-	-	-	-	-	-	-	89,894
Customer deposits	467,399	289,657	83,943	-	-	-	6,744	847,743	-
Compensated absences	123,988	49,251	29,321	45,687	40,837	26,884	-	315,968	2,560
Bond payable	-	-	-	390,372	-	-	-	390,372	-
Financing leases	-	-	-	-	-	79,563	-	79,563	-
Financed purchases	176,000	176,000	32,000	-	16,000	-	-	400,000	-
Notes payable	16,455	322,545	-	-	-	-	-	339,000	-
Accrued landfill closure costs	-	-	-	-	5,000	-	-	5,000	-
Total current liabilities	1,258,432	1,375,102	213,276	656,283	156,351	5,296,100	1,226,086	10,181,630	2,749,193
Long-term liabilities									
Compensated absences	34,138	8,693	19,548	3,439	16,584	5,901	-	88,303	2,364
Bond payable	-	-	-	5,472,757	-	-	-	5,472,757	-
Financing leases	-	-	-	-	-	116,604	-	116,604	-
Financed purchases	264,000	264,000	48,000	-	24,000	-	-	600,000	-
Notes payable	65,832	1,290,168	-	-	-	-	-	1,356,000	-
Accrued landfill closure costs	-	-	-	-	2,201,684	-	-	2,201,684	-
Total long-term liabilities	363,970	1,562,861	67,548	5,476,196	2,242,268	122,505	-	9,835,348	2,364
Total liabilities	1,622,402	2,937,963	280,824	6,132,479	2,398,619	5,418,605	1,226,086	20,016,978	2,751,557
DEFERRED INFLOWS OF RESOURCES									
Pension plan other	45,537	29,090	18,397	16,575	21,498	9,041	725	140,863	3,857
Total deferred inflows of resources	45,537	29,090	18,397	16,575	21,498	9,041	725	140,863	3,857
NET POSITION									
Net investment in capital assets	9,826,945	3,659,259	6,610,729	14,136,388	1,690,862	1,836,262	6,340,444	44,100,889	1,264
Restricted for:									
Debt service	-	-	-	-	-	75	-	75	-
Net pension asset	323,029	206,363	130,502	117,573	152,492	64,139	5,138	999,236	27,352
Post-closure costs	-	-	-	-	340,001	-	-	340,001	-
Unrestricted	9,967,149	6,385,911	2,270,572	5,674,009	(876,244)	(5,149,801)	(741,478)	17,530,118	(2,383,664)
TOTAL NET POSITION	\$ 20,117,123	\$ 10,251,533	\$ 9,011,803	\$ 19,927,970	\$ 1,307,111	\$ (3,249,325)	\$ 5,604,104	\$ 62,970,319	\$ (2,355,048)

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, 2023**

	Major Funds							Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund	Non-Major Funds		
OPERATING REVENUES									
Charges for services	\$ 14,685,738	\$ 6,781,663	\$ 1,600,974	\$ 3,133,175	\$ 2,046,749	\$ 1,193,031	\$ 256,173	\$ 29,697,503	\$ 289,676
Free services for City departments	309,961	35,804	14,125	14,974	-	-	-	374,864	-
Contributions from City, employees, and other	-	-	-	-	-	-	-	-	1,215,750
Total charges for services	14,995,699	6,817,467	1,615,099	3,148,149	2,046,749	1,193,031	256,173	30,072,367	1,505,426
Less free services	(309,961)	(35,804)	(14,125)	(14,974)	-	-	-	(374,864)	-
Total net operating revenues	14,685,738	6,781,663	1,600,974	3,133,175	2,046,749	1,193,031	256,173	29,697,503	1,505,426
OPERATING EXPENSES									
Purchased power	10,805,933	3,778,062	-	-	-	-	-	14,583,995	-
System facilities and operations	2,693,398	1,772,328	1,202,614	1,801,540	1,254,774	1,012,146	110,268	9,847,068	216,940
Contractual expenses	-	-	-	-	419,253	-	31,079	450,332	-
General overhead	142,596	169,326	118,595	79,594	181,850	-	-	691,961	-
Depreciation and amortization	553,634	191,090	347,910	950,659	347,766	145,856	202,843	2,739,758	1,365
Claims expense	-	-	-	-	-	-	-	-	1,855,920
Total operating expenses	14,195,561	5,910,806	1,669,119	2,831,793	2,203,643	1,158,002	344,190	28,313,114	2,074,225
OPERATING INCOME (LOSS)	490,177	870,857	(68,145)	301,382	(156,894)	35,029	(88,017)	1,384,389	(568,799)
NON-OPERATING REVENUES (EXPENSES)									
Grant revenue	-	-	-	-	8,500	199,500	-	208,000	-
Penalties	112,508	43,876	14,187	25,876	-	-	-	196,447	-
Interest income	244,589	124,970	51,595	141,225	42,071	-	7,378	611,828	19,628
Interest expense	(16,069)	(16,069)	(2,922)	(75,021)	(1,461)	(11,903)	-	(123,445)	-
Other	17,557	3,389,636	1,484	34,795	4,698	1,570	22,124	3,471,864	17,959
Total non-operating revenues	358,585	3,542,413	64,344	126,875	53,808	189,167	29,502	4,364,694	37,587
INCOME (LOSS) BEFORE TRANSFERS									
AND CAPITAL CONTRIBUTIONS	848,762	4,413,270	(3,801)	428,257	(103,086)	224,196	(58,515)	5,749,083	(531,212)
Transfers in	-	-	1,159,450	588,713	-	-	-	1,748,163	-
Transfers out	(1,025,000)	(70,000)	(5,000)	(315,000)	-	-	-	(1,415,000)	-
Capital contributions	-	-	-	-	-	-	223,040	223,040	-
NET INCOME (LOSS)	(176,238)	4,343,270	1,150,649	701,970	(103,086)	224,196	164,525	6,305,286	(531,212)
NET POSITION, JANUARY 1	20,293,361	5,908,263	7,861,154	19,226,000	1,410,197	(3,473,521)	5,439,579	56,665,033	(1,823,836)
NET POSITION, DECEMBER 31	\$ 20,117,123	\$ 10,251,533	\$ 9,011,803	\$ 19,927,970	\$ 1,307,111	\$ (3,249,325)	\$ 5,604,104	\$ 62,970,319	\$ (2,355,048)

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, 2023

	Major Funds						Non-Major Funds	Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund			
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers	\$ 14,739,096	\$ 6,959,146	\$ 1,618,406	\$ 3,145,505	\$ 2,152,521	\$ 1,196,374	\$ 257,282	\$ 30,068,330	\$ 1,505,426
Cash received from other sources	130,062	3,433,510	15,670	60,670	204	1,570	22,124	3,663,810	17,959
Cash paid to vendors	(13,401,079)	(5,691,352)	(798,385)	(1,374,590)	(1,392,516)	(741,570)	(42,336)	(23,441,828)	(1,870,082)
Cash paid to employees	(1,010,784)	(569,194)	(453,738)	(461,391)	(436,447)	(421,929)	(767)	(3,354,250)	(162,359)
Net cash provided (used) by operating activities	457,295	4,132,110	381,953	1,370,194	323,762	34,445	236,303	6,936,062	(509,056)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers out	(1,025,000)	(70,000)	(5,000)	(315,000)	-	-	-	(1,415,000)	-
Transfers in	-	-	1,159,450	588,713	-	-	-	1,748,163	-
Net change in grant receivables	-	-	-	-	-	-	(180,656)	(180,656)	-
Advances on interfund payables	-	-	-	-	-	(143,876)	-	(143,876)	545,785
Payments on interfund payables	1,252,859	-	-	-	-	-	-	1,252,859	-
Advances on interfund receivables	-	(1,536,628)	-	-	-	-	(71,931)	(1,608,559)	(49,130)
Net cash provided (used) by noncapital financing activities	227,859	(1,606,628)	1,154,450	273,713	-	(143,876)	(252,587)	(347,069)	496,655
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Payments for capital acquisitions	(73,950)	-	(1,478,076)	(797,650)	-	-	(195,723)	(2,545,399)	-
Proceeds on sale of capital assets	-	-	-	-	4,494	-	-	4,494	-
Principal payments on debt	-	-	-	(380,927)	-	-	-	(380,927)	-
Grant receipts	-	-	-	-	8,500	199,500	223,040	431,040	-
Financing lease payments	-	-	-	-	-	(78,166)	-	(78,166)	-
Financed purchase payments	(192,445)	(1,176,555)	(32,000)	-	(16,001)	-	-	(1,417,001)	-
Interest payments on debt	(16,069)	(16,069)	(2,922)	(75,021)	(1,461)	(11,903)	-	(123,445)	-
Net cash provided (used) by capital and related financing activities	(282,464)	(1,192,624)	(1,512,998)	(1,253,598)	(4,468)	109,431	27,317	(4,109,404)	-
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest income	244,589	124,970	51,595	141,225	42,071	-	7,378	611,828	19,628
Net cash provided by investing activities	244,589	124,970	51,595	141,225	42,071	-	7,378	611,828	19,628
Net change in cash and cash equivalents	647,279	1,457,828	75,000	531,534	361,365	-	18,411	3,091,417	7,227
Cash and cash equivalents, beginning of year	2,044,859	1,005,071	1,797,567	4,814,211	1,184,408	758	243,242	11,090,116	331,174
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,692,138	\$ 2,462,899	\$ 1,872,567	\$ 5,345,745	\$ 1,545,773	\$ 758	\$ 261,653	\$ 14,181,533	\$ 338,401

(Continued)

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

(Continued)

CITY OF FULTON
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended December 31, 2023

	Major							Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund	Non-Major Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating income (loss)	\$ 490,177	\$ 870,857	\$ (68,145)	\$ 301,382	\$ (156,894)	\$ 35,029	\$ (88,017)	\$ 1,384,389	\$ (568,799)
Adjustments:									
Depreciation and amortization	553,634	191,090	347,910	950,659	347,766	145,856	202,843	2,739,758	1,365
Penalties and other non-operating revenue	130,065	3,433,512	15,671	60,671	204	1,570	22,124	3,663,817	17,959
(Increase) decrease in assets and deferred outflows:									
Accounts receivable	53,358	158,091	11,991	12,330	105,772	3,343	799	345,684	-
Inventory	109,714	(57,428)	55,956	2,130	-	2,835	-	113,207	2,838
Prepaid items	(17,754)	(5,988)	7,110	(2,874)	(447)	(453)	-	(20,406)	572
Net pension asset	253,058	161,663	102,234	92,106	119,460	50,244	4,025	782,790	21,439
Deferred outflows - pension	(128,850)	(82,315)	(52,055)	(46,898)	(60,825)	(25,583)	(2,050)	(398,576)	(10,923)
Increase (decrease) in liabilities and deferred inflows:									
Accounts payable and accrued expenses	(424,170)	(454,058)	19,475	51,128	33,680	(143,747)	99,010	(818,682)	(22,137)
Claims liability	-	-	-	-	-	-	-	-	63,236
Compensated absences	24,004	7,504	6,061	12,351	16,485	(396)	-	66,009	-
Current liabilities related to restricted assets	(413,425)	19,392	5,441	-	-	-	-	(388,592)	-
Deferred inflows - pension	(172,516)	(110,210)	(69,696)	(62,791)	(81,439)	(34,253)	(2,744)	(533,649)	(14,606)
Customer deposits	-	-	-	-	-	-	313	313	-
Net cash provided (used) by operating activities	\$ 457,295	\$ 4,132,110	\$ 381,953	\$ 1,370,194	\$ 323,762	\$ 34,445	\$ 236,303	\$ 6,936,062	\$ (509,056)

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

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

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

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

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

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

Property tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

E. Budgets

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. There were no encumbrances outstanding as of December 31, 2023.

F. Cash and Investments

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

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

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

G. Unbilled Revenues

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

H. Inventories

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

I. Prepaid Expenses

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

J. Interfund Receivables/Payables

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

K. Capital Assets

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

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

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

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

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

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

L. Compensated Absences

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The City has two items that qualify for reporting in this category, which are the pension plan contributions and pension plan other reported in the government-wide and proprietary funds statements of net position.

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

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in all statements as incurred.

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

O. Fund Balance and Net Position

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

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

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

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

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

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

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

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

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

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

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

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

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

P. Estimates

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

Q. Pensions

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

R. Subsequent Events

Events that have occurred subsequent to December 31, 2023, have been evaluated through June 20, 2024, 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, 2023, except for the capital projects funds. All appropriations are legally controlled at the departmental level for the individual funds.

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

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

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

3. CASH AND INVESTMENTS

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

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

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

Deposits, categorized by level of custodial risk, were as follows as of December 31, 2023:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance:			
Insured by the FDIC	\$ 372,125	\$ -	\$ 372,125
Collateralized with securities pledged by the financial institution	27,065,485	-	27,065,485
Held in financial institution's trust department in the City's name but not subject to FDIC or collateralization rules	230,925	-	230,925
	<u>\$ 27,668,535</u>	<u>\$ -</u>	<u>\$ 27,668,535</u>
Carrying value	<u>\$ 27,562,843</u>	<u>\$ 4,978</u>	<u>\$ 27,567,821</u>

The City had the following investments as of December 31, 2023:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Money market mutual funds	<u>\$ 275,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,885</u>	<u>\$ 275,885</u>

The money market mutual funds held by the City as of December 31, 2023, 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	\$ 27,567,821
Investments	<u>275,885</u>
Total cash and investments	<u><u>\$ 27,843,706</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	\$ 21,431,297
Restricted cash and cash equivalents	6,136,524
Restricted investments	<u>275,885</u>
Total	<u><u>\$ 27,843,706</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, 2023, 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>\$ 275,885</u>	<u>\$ 275,885</u>	<u>\$ -</u>	<u>\$ -</u>

The 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, 2023, cash and cash equivalents and investments were restricted for various uses as follows:

Governmental funds:

General Fund	
Perpetual care	\$ 214,623
Special Revenue - Capital Improvement Sales Tax Fund	
Debt service	5,039,028
Debt Service	
South Business 54 Fund	58,731
Sewer Capital Improvement Sales Tax Fund	882,873
Water Capital Improvement Sales Tax fund	<u>217,079</u>
Total for governmental funds	<u>6,412,334</u>

Proprietary funds:

Golf Course Fund	
Debt service	<u>75</u>
Total for all fund types	<u>\$ 6,412,409</u>

5. RECEIVABLES

Accounts receivable as of December 31, 2023, 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	\$ -	\$ -	\$ 314,236	\$ 314,236
Property taxes	793,499	-	-	793,499
Sales and franchise taxes	627,436	174,608	174,518	976,562
Use taxes	178,867	-	-	178,867
Motor vehicle taxes	53,411	-	-	53,411
Other	<u>101,467</u>	<u>-</u>	<u>-</u>	<u>101,467</u>
	1,754,680	174,608	488,754	2,418,042
Allowance for uncollectible accounts	<u>(12,644)</u>	<u>-</u>	<u>-</u>	<u>(12,644)</u>
	<u>\$ 1,742,036</u>	<u>\$ 174,608</u>	<u>\$ 488,754</u>	<u>\$ 2,405,398</u>

Receivables as of December 31, 2023, 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	\$ 314,236	\$ -	\$ 314,236
Property taxes	793,499	-	793,499
Billed service fees	-	3,100,084	3,100,084
Unbilled service fees	-	1,619,507	1,619,507
Sales and franchise taxes	976,562	225,293	1,201,855
Use taxes	178,867	-	178,867
Motor vehicle taxes	53,411	-	53,411
Other	101,620	185,775	287,395
	<u>2,418,195</u>	<u>5,130,659</u>	<u>7,548,854</u>
Allowance for uncollectible accounts	(12,644)	(772,666)	(785,310)
	<u>\$ 2,405,551</u>	<u>\$ 4,357,993</u>	<u>\$ 6,763,544</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 2023 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:

	2023 Calendar Year
Assessed valuation:	
Real estate	\$ 120,478,514
Personal property	36,607,077
Railroad and utility	977,565
TIF Districts	(4,676,595)
	<u>\$ 153,386,561</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, 2023, resulting from interfund transfers and interfund loans were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
General Fund	\$ -	\$ 59,816
Capital Improvement Sales Tax Fund	-	5,018
Non-Major Funds	119,357	873,857
Subtotal governmental funds	<u>119,357</u>	<u>938,691</u>
Proprietary funds:		
Electric Fund	5,076,612	-
Gas Fund	4,644,333	-
Water Fund	-	-
Golf Course Fund	-	5,136,952
Non-Major Funds	-	1,116,308
Subtotal proprietary funds	<u>9,720,945</u>	<u>6,253,260</u>
Internal service funds:		
Health Insurance Fund	-	1,134,539
Municipal Garage Fund	-	1,513,812
Subtotal internal service funds	<u>-</u>	<u>2,648,351</u>
Total	<u>\$ 9,840,302</u>	<u>\$ 9,840,302</u>

The balances due to the Electric and Gas Funds are the result of overdrafts from the City's cash pool by other funds. The balances due to non-major governmental funds are the result of a billing error between the General Fund and TIF Districts Fund.

8. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Additions	Retirements	Transfers	Balance December 31, 2023
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 2,315,192	\$ -	\$ -	\$ -	\$ 2,315,192
Construction in progress	735,649	2,519,945	-	(1,705,762)	1,549,832
Total capital assets, not being depreciated	<u>3,050,841</u>	<u>2,519,945</u>	<u>-</u>	<u>(1,705,762)</u>	<u>3,865,024</u>
Capital assets, being depreciated/amortized					
Buildings	17,469,556	14,993	-	-	17,484,549
Equipment	7,130,731	408,345	-	-	7,539,076
Improvements other than buildings	38,709,050	494,782	-	1,705,762	40,909,594
Right of use asset - financing leases	74,183	-	-	-	74,183
Total capital assets, being depreciated/amortized	<u>63,383,520</u>	<u>918,120</u>	<u>-</u>	<u>1,705,762</u>	<u>66,007,402</u>
Less accumulated depreciation for					
Buildings	4,121,963	427,771	-	-	4,549,734
Equipment	7,006,601	402,820	-	-	7,409,421
Improvements other than buildings	19,468,103	1,075,991	-	-	20,544,094
Less accumulated amortization for					
Right of use asset - financing leases	28,437	14,837	-	-	43,274
Total accumulated depreciation/amortization	<u>30,625,104</u>	<u>1,921,419</u>	<u>-</u>	<u>-</u>	<u>32,546,523</u>
Total capital assets being depreciated/amortized, net	<u>32,758,416</u>	<u>(1,003,299)</u>	<u>-</u>	<u>1,705,762</u>	<u>33,460,879</u>
Governmental activities capital assets, net	<u>\$ 35,809,257</u>	<u>\$ 1,516,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,325,903</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	\$ 381,815
Public safety	225,427
Public works	916,220
Parks and recreation	<u>397,957</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 1,921,419</u>

Capital asset activity for business-type activities for the year ended December 31, 2023, was as follows:

	Balance December 31, 2022	Additions	Retirements	Transfers	Balance December 31, 2023
Business-type activities:					
Capital assets, not being depreciated					
Land	\$ 3,443,154	\$ -	\$ -	\$ -	\$ 3,443,154
Construction in progress	686,003	1,837,388	-	(1,428,648)	1,094,743
Total capital assets, not being depreciated	4,129,157	1,837,388	-	(1,428,648)	4,537,897
Capital assets, being depreciated/amortized					
Buildings	12,038,853	-	-	-	12,038,853
Equipment	17,168,672	499,920	62,927	-	17,605,665
Improvements other than buildings	96,244,929	208,090	-	1,428,648	97,881,667
Right of use asset - financing leases	430,847	-	-	-	430,847
Total capital assets, being depreciated/amortized	125,883,301	708,010	62,927	1,428,648	127,957,032
Less accumulated depreciation for					
Buildings	3,825,718	265,134	-	-	4,090,852
Equipment	14,606,394	692,336	62,927	-	15,235,803
Improvements other than buildings	60,093,000	1,700,362	-	-	61,793,362
Less accumulated amortization for					
Right of use asset - financing leases	132,801	81,926	-	-	214,727
Total accumulated depreciation/amortization	78,657,913	2,739,758	62,927	-	81,334,744
Total capital assets being depreciated/amortized, net	47,225,388	(2,031,748)	-	1,428,648	46,622,288
Business-type activities capital assets, net	\$ 51,354,545	\$ (194,360)	\$ -	\$ -	\$ 51,160,185

9. FINANCING LEASES

Governmental Activities

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

Business-type Activities

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

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

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

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

See Note 8 for additional information regarding the right of use assets and Note 10 for additional information regarding the long-term debt 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, 2023:

	Governmental Activities	Business-type Activities
Year ending December 31:		
2024	\$ 17,984	\$ 90,321
2025	10,620	90,609
2026	-	38,154
2027	-	6,273
Total minimum lease payments	28,604	225,357
Less: amount representing interest	(2,266)	(29,190)
Present value of minimum lease payments	<u>\$ 26,338</u>	<u>\$ 196,167</u>

10. LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended December 31, 2023:

	December 31, 2022	Additions	Deletions	December 31, 2023	Amount Due in One Year
Governmental activities:					
Direct borrowing:					
Special limited obligation revenue bonds	\$ 6,380,000	\$ -	\$ 535,000	\$ 5,845,000	\$ 945,000
Plus (less):					
Unamortized bond premium	28,625	-	10,750	17,875	-
Unamortized bond discount	(21,508)	-	(4,869)	(16,639)	-
Financing leases (see Note 9)	41,721	-	15,383	26,338	16,341
Financed purchases	4,426,390	-	264,275	4,162,115	272,584
Compensated absences	529,810	460,691	393,210	597,291	350,822
Subtotal governmental activities	<u>11,385,038</u>	<u>460,691</u>	<u>1,213,749</u>	<u>10,631,980</u>	<u>1,584,747</u>
Business-type activities:					
Direct borrowing:					
Sewerage system revenue bonds	6,244,056	-	380,927	5,863,129	390,372
Notes payable	2,712,000	-	1,017,000	1,695,000	339,000
Financing leases (see Note 9)	274,333	-	78,166	196,167	79,563
Financed purchases	1,400,000	-	400,000	1,000,000	400,000
Compensated absences	343,976	297,509	237,214	404,271	315,968
Subtotal business-type activities	<u>10,974,365</u>	<u>297,509</u>	<u>2,113,307</u>	<u>9,158,567</u>	<u>1,524,903</u>
Total	<u>\$ 22,359,403</u>	<u>\$ 758,200</u>	<u>\$ 3,327,056</u>	<u>\$ 19,790,547</u>	<u>\$ 3,109,650</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, 2023, 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%. \$ 5,010,000

\$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. 835,000

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%. 4,162,115

Total governmental activities \$ 10,007,115

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. \$ 5,863,129

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. 1,695,000

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%. 1,000,000

Total business-type activities \$ 8,558,129

The annual requirements to amortize the City's long-term debt are as follows as of December 31, 2023:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
Year Ending December 31:				
2024	\$ 1,217,584	\$ 350,312	\$ 1,129,372	\$ 94,847
2025	1,276,155	293,616	1,477,186	78,058
2026	899,996	234,025	1,287,261	62,407
2027	949,114	193,407	418,075	55,637
2028	1,878,520	128,501	428,149	50,506
2029-2033	1,694,363	294,492	2,300,674	171,125
2034-2036	2,091,383	43,919	1,517,412	32,727
Total debt payments	<u>\$ 10,007,115</u>	<u>\$ 1,538,272</u>	<u>\$ 8,558,129</u>	<u>\$ 545,307</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, 2023. The total capitalized cost of the asset is \$9,415,102 with total accumulated amortization of \$529,600. 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, 2023. The total capitalized cost of the asset is \$8,113,258 with total accumulated amortization of \$1,606,206. 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, 2023, \$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 2023 are approximately 687% of the annual principal and interest payments made during 2023. The total principal and interest paid for the current year and total net revenues were \$455,948 and \$3,133,175, 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, 2023 of \$153,386,561, the constitutional total general obligation debt limit for "city purposes" was \$30,677,312, which provides a general obligation debt margin of \$30,677,312.

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 \$5,010,000 as of December 31, 2023. 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, 2023, pledged for the above debt issue totaled \$409,859 compared to total debt service expenditures of \$389,250.

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 \$835,000 as of December 31, 2023. 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, 2023 totaled \$986,548 compared to total debt service expenditures of \$461,750.

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, 2023 follows:

	Transferred To			
	Governmental Funds		Proprietary funds	
	General Fund	Non-Major Funds	Water Fund	Sewer Fund
Transferred From:				
Governmental Funds:				
General Fund	\$ -	\$ 205,971	\$ -	\$ -
Capital Improvement Sales Tax Fund	-	453,647	1,159,450	588,713
Non-Major Funds	916,338	295,559	-	-
Proprietary Funds:				
Electric Fund	1,025,000	-	-	-
Gas Fund	70,000	-	-	-
Water Fund	5,000	-	-	-
Sewer Fund	315,000	-	-	-
Total	<u>\$ 2,331,338</u>	<u>\$ 955,177</u>	<u>\$ 1,159,450</u>	<u>\$ 588,713</u>

Transfers were made from the Capital Improvement Sales Tax Fund to the Water Fund to assist in financing the rehabilitation and repainting of the water tower and ground storage tank for Well #5. Transfers were made from the Capital Improvement Sales Tax Fund to the Sewer Fund to assist in financing the purchase of a new vac truck. 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 2023. The City has recorded revenue of \$295,817 for 2023 and receivables of \$267,769 as of December 31, 2023.

Interfund Charges for Support Services

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

Electric Fund	\$ 583,762
Gas Fund	583,762
Water Fund	83,400
Sewer Fund	166,789
Solid Waste Fund	106,789
Total	<u>\$ 1,524,502</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, 2023, is as follows:

Electric Fund	\$	309,961
Gas Fund		35,804
Water Fund		14,125
Sewer Fund		14,974
Total	\$	<u>374,864</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 2023. 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 2023 were:

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

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

D. Health Insurance Plan

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

All funds of the City from which employees' salaries are paid participate in the health insurance program and make payments to the Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Total contributions and transfers to the program during 2023 were \$1,215,750. 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
2021	\$ 86,212	\$ 1,285,484	\$ 1,307,370	\$ 108,098
2022	108,098	1,304,959	1,222,730	25,869
2023	25,869	1,481,053	1,545,078	89,894

E. Contracts for Construction

As of December 31, 2023, the City had remaining commitments on contracts for various construction projects totaling \$1,102,518.

F. Electric Power

The City is a member of the Missouri Joint Municipal Electric Utility Commission d/b/a the Missouri Electric Commission (MEC). Through its membership in MEC, 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. MEC 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. MEC 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 MEC, the City will pay to MEC 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, 2023.

15. FUND BALANCE/NET POSITION

As of December 31, 2023, the South Business 54 Fund, a non-major governmental debt service fund, had a deficit of \$296,055, 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, 2023, the Golf Course Fund, a major proprietary fund, had a deficit of \$3,249,325. The City is continuing to consider its options for covering the costs of operating the golf course.

As of December 31, 2023, the Municipal Garage Fund, an internal service fund, had a deficit of \$1,467,245, which is expected to be reduced by increased charges for use by other City funds.

As of December 31, 2023, the Health Insurance Fund, an internal service fund, had a deficit of \$887,803. The City is currently considering several options to reduce this deficit, including increasing the rate the City charges itself for employee coverage.

16. PENSION PLAN

General Information About the Pension Plan

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

Plan Description

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

Benefits Provided

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

	<u>2023 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	190
Inactive employees entitled to but not yet receiving benefits	117
Active employees	149
	<hr/>
Total	456
	<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 11.2% (General), 2.8% (Police), and 15.1% (Fire) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions

The total pension liability in the February 28, 2023, 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, 2023, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Discount Rate

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2022	\$ 43,165,067	\$ 48,043,776	\$ (4,878,709)
Changes for the year:			
Service cost	983,279	-	983,279
Interest	2,983,872	-	2,983,872
Difference between expected and actual experience	929,997	-	929,997
Changes of assumptions	-	-	-
Contributions - employer	-	884,344	(884,344)
Contributions - employee	-	331,777	(331,777)
Net investment income	-	1,681,175	(1,681,175)
Benefit payments, including refunds	(2,078,437)	(2,078,437)	-
Administrative expense	-	(63,471)	63,471
Other changes	-	(79,757)	79,757
Net changes	2,818,711	675,631	2,143,080
Balances at June 30, 2023	\$ 45,983,778	\$ 48,719,407	\$ (2,735,629)

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	\$ 52,470,963	\$ 45,983,778	\$ 40,655,183
Plan fiduciary net position	\$ 48,719,407	\$ 48,719,407	\$ 48,719,407
Net pension liability/(asset)	\$ 3,751,556	\$ (2,735,629)	\$ (8,064,224)

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, 2023, the City recognized pension expense of \$437,848. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 893,395	\$ (228,353)
Projected and actual earnings on investments	719,954	-
Changes in assumptions	-	(157,292)
Contributions subsequent to the measurement date*	431,867	-
Total	<u>\$ 2,045,216</u>	<u>\$ (385,645)</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, 2024.

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

Year ending:	
2024	\$ 27,578
2025	(224,562)
2026	1,044,250
2027	377,756
2028	2,682
Total	<u>\$ 1,227,704</u>

Payable to the Pension Plan

As of December 31, 2023, the City reported a payable of \$23,508 for the outstanding amount of contributions to the pension plan required for the year then ended.

17. 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FULTON
LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
Year Ended December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 983,279	\$ 1,005,486	\$ 1,003,973	\$ 932,125	\$ 863,064	\$ 848,434	\$ 836,828	\$ 805,069	\$ 798,171
Interest on the total pension liability	2,983,872	2,835,688	2,916,789	2,709,883	2,578,485	2,448,201	2,333,814	2,137,100	1,978,450
Difference between expected and actual experience	929,997	357,336	(1,107,424)	776,862	(129,560)	(23,248)	(134,745)	159,276	799,735
Assumption changes	-	-	(717,521)	-	-	-	-	983,370	-
Benefit payments	(2,078,437)	(2,063,180)	(1,581,237)	(1,618,707)	(1,451,247)	(1,514,744)	(1,414,703)	(1,360,501)	(1,421,354)
Net change in total pension liability	2,818,711	2,135,330	514,580	2,800,163	1,860,742	1,758,643	1,621,194	2,724,314	2,155,002
Total pension liability beginning	43,165,067	41,029,737	40,515,157	37,714,994	35,854,252	34,095,609	32,474,415	29,750,101	27,595,099
Total pension liability ending	\$ 45,983,778	\$ 43,165,067	\$ 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	\$ 884,344	\$ 899,602	\$ 883,969	\$ 818,837	\$ 766,638	\$ 726,296	\$ 680,904	\$ 668,413	\$ 699,804
Contributions - employee	331,777	318,322	315,177	304,282	287,209	278,633	275,680	266,587	253,705
Pension plan net investment income	1,681,175	36,457	10,391,849	499,131	2,343,224	4,082,096	3,549,828	(57,593)	596,456
Benefit payments	(2,078,437)	(2,063,180)	(1,581,237)	(1,618,707)	(1,451,247)	(1,514,744)	(1,414,703)	(1,360,501)	(1,421,354)
Pension plan administrative expense	(63,471)	(44,193)	(41,288)	(54,449)	(47,326)	(32,693)	(32,363)	(32,383)	(34,951)
Other	(79,757)	671,106	(203,901)	182,483	(318,845)	(198,742)	(87,810)	53,818	7,556
Net change in plan fiduciary net position	675,631	(181,886)	9,764,569	131,577	1,579,653	3,340,846	2,971,536	(461,659)	101,216
Plan fiduciary net position beginning	48,043,776	48,225,662	38,461,093	38,329,516	36,749,863	33,409,017	30,437,481	30,899,140	30,797,924
Plan fiduciary net position ending	\$ 48,719,407	\$ 48,043,776	\$ 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)	\$ (2,735,629)	\$ (4,878,709)	\$ (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	105.95%	111.30%	117.54%	94.93%	101.63%	102.50%	97.99%	93.73%	103.86%
Covered payroll	\$ 7,644,274	\$ 7,585,686	\$ 7,964,070	\$ 7,786,308	\$ 7,025,935	\$ 6,665,358	\$ 6,693,809	\$ 6,533,535	\$ 6,540,481
Net pension liability/(asset) as a percentage of covered payroll	-35.79%	-64.31%	-90.35%	26.38%	-8.75%	-13.44%	10.26%	31.18%	-17.57%

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

CITY OF FULTON

**LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS – LAST TEN FISCAL YEARS
Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 851,575	\$ 872,443	\$ 937,763	\$ 881,696	\$ 801,539
Contributions in relation to the actuarially determined contribution	851,575	872,443	927,089	878,703	786,799
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,674</u>	<u>\$ 2,993</u>	<u>\$ 14,740</u>
Covered payroll	\$ 8,310,049	\$ 8,036,975	\$ 7,917,462	\$ 8,101,494	\$ 7,374,198
Contributions as a percentage of covered payroll	10.25%	10.86%	11.71%	10.85%	10.67%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 763,058	\$ 718,885	\$ 650,651	\$ 664,093	\$ 755,930
Contributions in relation to the actuarially determined contribution	751,220	706,846	650,651	664,093	755,930
Contribution deficiency (excess)	<u>\$ 11,838</u>	<u>\$ 12,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,039,922	\$ 6,960,100	\$ 6,750,497	\$ 6,522,380	\$ 6,314,244
Contributions as a percentage of covered payroll	10.67%	10.16%	9.64%	10.18%	11.97%

CITY OF FULTON

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended December 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 6,722,568	\$ 6,499,700	\$ 6,499,700	\$ 222,868
Licenses and permits	179,914	168,800	168,800	11,114
Intergovernmental revenues	1,422,176	1,758,025	1,758,025	(335,849)
Charges for services	2,330,006	2,326,578	2,326,578	3,428
Fines and forfeitures	6,686	14,500	14,500	(7,814)
Recreational fees	412,616	423,400	423,400	(10,784)
Miscellaneous:				
Rent	66,610	68,000	68,000	(1,390)
Interest	151,296	42,000	42,000	109,296
Contributions	2,625	-	-	2,625
Other	302,127	26,600	26,600	275,527
Total revenues	11,596,624	11,327,603	11,327,603	269,021
EXPENDITURES				
Administration	1,268,497	1,255,054	1,255,054	(13,443)
Finance Department	794,815	940,198	940,198	145,383
Purchasing Department	181,304	194,595	194,595	13,291
Police Department	2,739,170	2,322,435	2,322,435	(416,735)
Fire Department	2,195,638	2,026,136	2,026,136	(169,502)
Planning and Protective Administration	95,898	458,567	458,567	362,669
Engineering Department	733,320	700,177	700,177	(33,143)
Street Maintenance Department	3,980,096	3,981,298	3,981,298	1,202
Traffic Control Department	145,579	168,326	168,326	22,747
Buildings and Ground Maintenance	618,422	454,080	454,080	(164,342)
Cemeteries Department	109,618	102,002	102,002	(7,616)
Parks and Recreation Administration	643,895	641,318	641,318	(2,577)
Parks and Recreation Pool	134,280	108,345	108,345	(25,935)
Parks and Recreation Center	427,620	488,853	488,853	61,233
Debt Service Payments	413,153	397,771	397,771	(15,382)
Total expenditures	14,481,305	14,239,155	14,239,155	(242,150)
Deficiency of revenues under expenditures	(2,884,681)	(2,911,552)	(2,911,552)	26,871
OTHER FINANCING SOURCES (USES)				
Transfers in	2,331,338	3,179,415	3,179,415	(848,077)
Transfers (out)	(205,971)	(235,000)	(235,000)	29,029
Total other financing sources	2,125,367	2,944,415	2,944,415	(819,048)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (759,314)	\$ 32,863	\$ 32,863	\$ (792,177)

CITY OF FULTON

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
CAPITAL IMPROVEMENT SALES TAX
Year Ended December 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 986,548	\$ 997,500	\$ 997,500	\$ (10,952)
Miscellaneous:				
Interest	274,454	180,000	180,000	94,454
Total revenues	<u>1,261,002</u>	<u>1,177,500</u>	<u>1,177,500</u>	<u>83,502</u>
EXPENDITURES				
Interest and fees	6,588	-	-	(6,588)
Total expenditures	<u>6,588</u>	<u>-</u>	<u>-</u>	<u>(6,588)</u>
Excess of revenues over expenditures	<u>1,254,414</u>	<u>1,177,500</u>	<u>1,177,500</u>	<u>76,914</u>
OTHER FINANCING USES				
Transfers out	(2,201,810)	(2,227,100)	(2,227,100)	25,290
Total other financing uses	<u>(2,201,810)</u>	<u>(2,227,100)</u>	<u>(2,227,100)</u>	<u>25,290</u>
Deficiency of revenues under expenditures and other financing uses	<u>\$ (947,396)</u>	<u>\$ (1,049,600)</u>	<u>\$ (1,049,600)</u>	<u>\$ 102,204</u>

CITY OF FULTON

Required Supplementary Information Notes to the Budgetary Comparison Schedule Year Ended December 31, 2023

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, 2023.

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

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

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

The General Fund's actual expenditures exceeded budgeted expenditures by \$242,150 for the year ended December 31, 2023. This is due to additional expenditures being incurred that either were not budgeted for, or that the budget was not amended for.

The Capital Improvement Sales Tax Fund's actual expenditures exceeded budgeted expenditures by \$6,588 for the year ended December 31, 2023. This is also due to additional expenditures being incurred that either were not budgeted for, or that the budget was not amended for.

OTHER SUPPLEMENTARY INFORMATION

CITY OF FULTON

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

DEBT SERVICE FUNDS

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

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

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

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

CITY OF FULTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue Funds			Debt Service Funds			Total
	Police Fund	TIF Districts Fund	Parks and Recreation/ Stormwater Sales Tax Fund	South Business 54 Fund	Sewer Capital Improvement Sales Tax Fund	Water Capital Improvement Sales Tax Fund	
ASSETS							
Cash and cash equivalents	\$ 46,012	\$ 982,432	\$ 2,767,710	\$ -	\$ -	\$ -	\$ 3,796,154
Restricted cash and cash equivalents	-	-	-	-	882,873	-	882,873
Restricted investments	-	-	-	58,731	-	217,079	275,810
Accounts receivable	-	314,236	174,518	-	-	-	488,754
Due from other funds	-	69,852	-	49,505	-	-	119,357
Total assets	46,012	1,366,520	2,942,228	108,236	882,873	217,079	5,562,948
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other funds	-	49,505	5,018	404,291	280,804	134,239	873,857
Total liabilities	-	49,505	5,018	404,291	280,804	134,239	873,857
FUND BALANCES							
Restricted for:							
Public safety	46,012	-	-	-	-	-	46,012
Debt service	-	-	2,937,210	-	602,069	82,840	3,622,119
TIF Districts	-	1,317,015	-	-	-	-	1,317,015
Unassigned	-	-	-	(296,055)	-	-	(296,055)
Total fund balances	46,012	1,317,015	2,937,210	(296,055)	602,069	82,840	4,689,091
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 46,012	\$ 1,366,520	\$ 2,942,228	\$ 108,236	\$ 882,873	\$ 217,079	\$ 5,562,948

CITY OF FULTON

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023**

	Special Revenue Funds			Debt Service Funds			Total
	Police Fund	TIF Districts Fund	Parks and Recreation/ Stormwater Sales Tax Fund	South Business 54 Fund	Sewer Capital Improvement Sales Tax Fund	Water Capital Improvement Sales Tax Fund	
REVENUES							
Taxes	\$ -	\$ 97,257	\$ 986,064	\$ 38,602	\$ -	\$ -	\$ 1,121,923
Payments in lieu of taxes	-	295,817	-	-	-	-	295,817
Miscellaneous:							
Interest	1,387	16,785	107,843	6,696	-	8,658	141,369
Other	-	-	-	-	-	35,668	35,668
Total revenues	1,387	409,859	1,093,907	45,298	-	44,326	1,594,777
EXPENDITURES							
General government	-	6,027	-	-	-	-	6,027
Public safety	3,000	-	-	-	-	-	3,000
Debt service:							
Principal	-	-	-	135,000	-	400,000	535,000
Interest and fees	-	-	-	261,000	-	61,750	322,750
Total expenditures	3,000	6,027	-	396,000	-	461,750	866,777
Excess (deficiency) of revenues over (under) expenditures	(1,613)	403,832	1,093,907	(350,702)	-	(417,424)	728,000
OTHER FINANCING SOURCES (USES)							
Transfers in	-	264,724	-	269,933	-	420,520	955,177
Transfers (out)	-	(266,183)	(945,714)	-	-	-	(1,211,897)
Total other financing sources (uses)	-	(1,459)	(945,714)	269,933	-	420,520	(256,720)
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	(1,613)	402,373	148,193	(80,769)	-	3,096	471,280
Fund balances, January 1	47,625	914,642	2,789,017	(215,286)	602,069	79,744	4,217,811
FUND BALANCES, December 31	\$ 46,012	\$ 1,317,015	\$ 2,937,210	\$ (296,055)	\$ 602,069	\$ 82,840	\$ 4,689,091

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
POLICE FUND**

Year Ended December 31, 2023

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Miscellaneous:				
Interest	\$ 1,387	\$ 40	\$ 40	\$ 1,347
Other	-	500	500	(500)
Total revenues	<u>1,387</u>	<u>540</u>	<u>540</u>	<u>847</u>
EXPENDITURES				
Public safety	<u>3,000</u>	<u>300</u>	<u>300</u>	<u>(2,700)</u>
Total expenditures	<u>3,000</u>	<u>300</u>	<u>300</u>	<u>(2,700)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,613)</u>	<u>\$ 240</u>	<u>\$ 240</u>	<u>\$ (1,853)</u>

CITY OF FULTON

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
TIF DISTRICTS FUND
Year Ended December 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 97,257	\$ 85,000	\$ 85,000	\$ 12,257
Payments in lieu of taxes	295,817	234,000	234,000	61,817
Miscellaneous:				
Interest	16,785	500	500	16,285
Total revenues	<u>409,859</u>	<u>319,500</u>	<u>319,500</u>	<u>90,359</u>
EXPENDITURES				
General government	6,027	6,000	6,000	(27)
Total expenditures	<u>6,027</u>	<u>6,000</u>	<u>6,000</u>	<u>(27)</u>
Excess of revenues over expenditures	<u>403,832</u>	<u>313,500</u>	<u>313,500</u>	<u>90,332</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	264,724	250,000	250,000	14,724
Transfers (out)	<u>(266,183)</u>	<u>(563,500)</u>	<u>(563,500)</u>	<u>297,317</u>
Total other financing (uses)	<u>(1,459)</u>	<u>(313,500)</u>	<u>(313,500)</u>	<u>312,041</u>
Excess of revenues over expenditures and other financing (uses)	<u>\$ 402,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,373</u>

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
PARKS & RECREATION AND STORMWATER SALES TAX
Year Ended December 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 986,064	\$ 997,500	\$ 997,500	\$ (11,436)
Miscellaneous:				
Interest	107,843	-	-	107,843
Total revenues	<u>1,093,907</u>	<u>997,500</u>	<u>997,500</u>	<u>96,407</u>
OTHER FINANCING USES				
Transfers out	<u>(945,714)</u>	<u>-</u>	<u>-</u>	<u>(945,714)</u>
Total other financing uses	<u>(945,714)</u>	<u>-</u>	<u>-</u>	<u>(945,714)</u>
Excess of revenues over other financing uses	<u>\$ 148,193</u>	<u>\$ 997,500</u>	<u>\$ 997,500</u>	<u>\$ (849,307)</u>

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
SOUTH BUSINESS 54 FUND
Year Ended December 31, 2023**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 38,602	\$ 45,000	\$ 45,000	\$ (6,398)
Miscellaneous:				
Interest	6,696	350	350	6,346
Total revenues	<u>45,298</u>	<u>45,350</u>	<u>45,350</u>	<u>(52)</u>
EXPENDITURES				
Principal	135,000	392,850	392,850	257,850
Interest and fees	261,000	216,000	216,000	(45,000)
Total expenditures	<u>396,000</u>	<u>608,850</u>	<u>608,850</u>	<u>212,850</u>
Deficiency of revenues under expenditures	<u>(350,702)</u>	<u>(563,500)</u>	<u>(563,500)</u>	<u>212,798</u>
OTHER FINANCING SOURCES				
Transfers in	269,933	563,500	563,500	(293,567)
Total other financing sources	<u>269,933</u>	<u>563,500</u>	<u>563,500</u>	<u>(293,567)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ (80,769)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,769)</u>

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
WATER CAPITAL IMPROVEMENT SALES TAX FUND
Year Ended December 31, 2023**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES				
Miscellaneous:				
Interest	\$ 8,658	\$ 500	\$ 500	\$ 8,158
Other	35,668	47,000	47,000	(11,332)
Total revenues	<u>44,326</u>	<u>47,500</u>	<u>47,500</u>	<u>(3,174)</u>
EXPENDITURES				
Principal	400,000	400,000	400,000	-
Interest and fees	61,750	53,250	53,250	(8,500)
Total expenditures	<u>461,750</u>	<u>453,250</u>	<u>453,250</u>	<u>(8,500)</u>
Deficiency of revenues under expenditures	<u>(417,424)</u>	<u>(405,750)</u>	<u>(405,750)</u>	<u>(11,674)</u>
OTHER FINANCING SOURCES				
Transfers in	420,520	424,000	424,000	(3,480)
Total other financing sources	<u>420,520</u>	<u>424,000</u>	<u>424,000</u>	<u>(3,480)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 3,096</u>	<u>\$ 18,250</u>	<u>\$ 18,250</u>	<u>\$ (15,154)</u>

CITY OF FULTON

INTERNAL SERVICE FUNDS

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

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

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

CITY OF FULTON

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2023**

	Municipal Garage Fund	Health Insurance Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 338,401	\$ 338,401
Accounts receivable	-	153	153
Inventory	9,383	-	9,383
Prepaid items	3,353	-	3,353
Total current assets	<u>12,736</u>	<u>338,554</u>	<u>351,290</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	1,264	-	1,264
Net pension asset	27,352	-	27,352
Total non-current assets	<u>28,616</u>	<u>-</u>	<u>28,616</u>
Total assets	<u>41,352</u>	<u>338,554</u>	<u>379,906</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	4,319	-	4,319
Pension plan other	16,141	-	16,141
Total deferred outflows of resources	<u>20,460</u>	<u>-</u>	<u>20,460</u>
LIABILITIES			
Current liabilities			
Due to other funds	1,513,812	1,134,539	2,648,351
Accounts payable	4,101	1,924	6,025
Accrued expenses	2,363	-	2,363
Claims liability	-	89,894	89,894
Compensated absences	2,560	-	2,560
Total current liabilities	<u>1,522,836</u>	<u>1,226,357</u>	<u>2,749,193</u>
Long-term liabilities			
Compensated absences	2,364	-	2,364
Total long-term liabilities	<u>2,364</u>	<u>-</u>	<u>2,364</u>
Total liabilities	<u>1,525,200</u>	<u>1,226,357</u>	<u>2,751,557</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan other	3,857	-	3,857
Total deferred inflows of resources	<u>3,857</u>	<u>-</u>	<u>3,857</u>
NET POSITION			
Net investment in capital assets	1,264	-	1,264
Restricted for net pension asset	27,352	-	27,352
Unrestricted	(1,495,861)	(887,803)	(2,383,664)
TOTAL NET POSITION	<u>\$ (1,467,245)</u>	<u>\$ (887,803)</u>	<u>\$ (2,355,048)</u>

CITY OF FULTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2023**

	Municipal Garage Fund	Health Insurance Fund	Total
OPERATING REVENUES			
Charges for services	\$ 289,676	\$ -	\$ 289,676
Contributions from City, employees, retirees	-	1,215,750	1,215,750
Total operating revenues	<u>289,676</u>	<u>1,215,750</u>	<u>1,505,426</u>
OPERATING EXPENSES			
System facilities and operations	216,940	-	216,940
Depreciation and amortization	1,365	-	1,365
Claims expense	-	1,855,920	1,855,920
Total operating expenses	<u>218,305</u>	<u>1,855,920</u>	<u>2,074,225</u>
OPERATING INCOME (LOSS)	<u>71,371</u>	<u>(640,170)</u>	<u>(568,799)</u>
NON-OPERATING REVENUES			
Interest income	-	19,628	19,628
Other	-	17,959	17,959
Total non-operating revenues	<u>-</u>	<u>37,587</u>	<u>37,587</u>
NET INCOME (LOSS)	<u>71,371</u>	<u>(602,583)</u>	<u>(531,212)</u>
Net position, January 1	<u>(1,538,616)</u>	<u>(285,220)</u>	<u>(1,823,836)</u>
NET POSITION, DECEMBER 31	<u><u>\$ (1,467,245)</u></u>	<u><u>\$ (887,803)</u></u>	<u><u>\$ (2,355,048)</u></u>

CITY OF FULTON

**COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2023**

	Municipal Garage Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 289,676	\$ 1,215,750	\$ 1,505,426
Cash received from other sources	-	17,959	17,959
Cash paid to vendors	(78,187)	(1,791,895)	(1,870,082)
Cash paid to employees	(162,359)	-	(162,359)
Net cash provided (used) by operating activities	<u>49,130</u>	<u>(558,186)</u>	<u>(509,056)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund payables	-	545,785	545,785
Interfund receivables	(49,130)	-	(49,130)
Net cash provided (used) by noncapital financing activities	<u>(49,130)</u>	<u>545,785</u>	<u>496,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	19,628	19,628
Net cash provided by investing activities	<u>-</u>	<u>19,628</u>	<u>19,628</u>
Net change in cash and cash equivalents	-	7,227	7,227
Cash and cash equivalents, beginning of year	-	331,174	331,174
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 338,401</u></u>	<u><u>\$ 338,401</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 71,371	\$ (640,170)	\$ (568,799)
Adjustments:			
Depreciation and amortization	1,365	-	1,365
(Increase) decrease in assets and deferred outflows:			
Inventory	2,838	-	2,838
Prepaid items	572	-	572
Net pension asset	21,439	-	21,439
Deferred outflows - pension	(10,923)	-	(10,923)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	(22,137)	-	(22,137)
Claims liability	(789)	64,025	63,236
Deferred inflows - pension	(14,606)	-	(14,606)
Net cash provided (used) by operating activities	<u><u>\$ 49,130</u></u>	<u><u>\$ (558,186)</u></u>	<u><u>\$ (509,056)</u></u>

CITY OF FULTON

NON-MAJOR PROPRIETARY FUNDS

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

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

CITY OF FULTON

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
December 31, 2023**

	Airport Fund	Off Street Parking Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 261,653	\$ 261,653
Accounts receivable	183,733	1,081	184,814
Inventory	33,311	-	33,311
Prepaid items	1,709	-	1,709
Total current assets	<u>218,753</u>	<u>262,734</u>	<u>481,487</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	6,020,421	320,023	6,340,444
Net pension asset	5,138	-	5,138
Total non-current assets	<u>6,025,559</u>	<u>320,023</u>	<u>6,345,582</u>
Total assets	<u>6,244,312</u>	<u>582,757</u>	<u>6,827,069</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	814	-	814
Pension plan other	3,032	-	3,032
Total deferred outflows of resources	<u>3,846</u>	<u>-</u>	<u>3,846</u>
LIABILITIES			
Current liabilities			
Due to other funds	1,116,308	-	1,116,308
Accounts payable	102,101	406	102,507
Accrued expenses	527	-	527
Customer deposits	6,744	-	6,744
Total current liabilities	<u>1,225,680</u>	<u>406</u>	<u>1,226,086</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan other	725	-	725
Total deferred inflows of resources	<u>725</u>	<u>-</u>	<u>725</u>
NET POSITION			
Invested in capital assets	6,020,421	320,023	6,340,444
Restricted for net pension asset	5,138	-	5,138
Unrestricted	(1,003,806)	262,328	(741,478)
TOTAL NET POSITION	<u>\$ 5,021,753</u>	<u>\$ 582,351</u>	<u>\$ 5,604,104</u>

CITY OF FULTON

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
Year Ended December 31, 2023**

	Airport Fund	Off Street Parking Fund	Total
OPERATING REVENUES			
Charges for services	\$ 240,336	\$ 15,837	\$ 256,173
Total operating revenues	240,336	15,837	256,173
OPERATING EXPENSES			
System facilities and operations	110,268	-	110,268
Contractual expenses	26,135	4,944	31,079
Depreciation and amortization	200,990	1,853	202,843
Total operating expenses	337,393	6,797	344,190
OPERATING INCOME (LOSS)	(97,057)	9,040	(88,017)
NON-OPERATING REVENUES			
Interest income	-	7,378	7,378
Other	22,124	-	22,124
Total non-operating revenues	22,124	7,378	29,502
INCOME (LOSS) BEFORE CONTRIBUTIONS	(74,933)	16,418	(58,515)
Capital contributions	223,040	-	223,040
NET INCOME	148,107	16,418	164,525
Net position, January 1	4,873,646	565,933	5,439,579
NET POSITION, DECEMBER 31	\$ 5,021,753	\$ 582,351	\$ 5,604,104

CITY OF FULTON

**COMBINING SCHEDULE OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
Year Ended December 31, 2023**

	Airport Fund	Off Street Parking Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 240,646	\$ 16,636	\$ 257,282
Cash received from other sources	22,124	-	22,124
Cash paid to vendors	(36,733)	(5,603)	(42,336)
Cash paid to employees	(767)	-	(767)
Net cash provided by operating activities	<u>225,270</u>	<u>11,033</u>	<u>236,303</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net change in grant receivables	(180,656)	-	(180,656)
Interfund receivables	(71,931)	-	(71,931)
Net cash used by noncapital financing activities	<u>(252,587)</u>	<u>-</u>	<u>(252,587)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment for capital acquisitions	(195,723)	-	(195,723)
Grant receipts	223,040	-	223,040
Net cash provided by capital and related financing activities	<u>27,317</u>	<u>-</u>	<u>27,317</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	7,378	7,378
Net cash provided by investing activities	<u>-</u>	<u>7,378</u>	<u>7,378</u>
Net change in cash and cash equivalents	-	18,411	18,411
Cash and cash equivalents, beginning of year	-	243,242	243,242
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ 261,653</u>	<u>\$ 261,653</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (97,057)	\$ 9,040	\$ (88,017)
Adjustments:			
Depreciation and amortization	200,990	1,853	202,843
Other non-operating revenue	22,124	-	22,124
(Increase) decrease in assets and deferred outflows:			
Accounts receivable	-	799	799
Net pension asset	4,025	-	4,025
Deferred outflows - pension	(2,050)	-	(2,050)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	99,669	(659)	99,010
Deferred inflows - pension	(2,744)	-	(2,744)
Customer deposits	313	-	313
Net cash provided by operating activities	<u>\$ 225,270</u>	<u>\$ 11,033</u>	<u>\$ 236,303</u>

SINGLE AUDIT REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fulton (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

William F. Keppel, UC

Columbia, Missouri
June 20, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fulton (the City's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibility for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

William J. Keppers UC

Columbia, Missouri
June 20, 2024

CITY OF FULTON

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023**

	Assistance Listing Number	Pass-Through Number	Expenditures
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 4,086
Total U.S. Department of Justice			4,086
U.S. Department of Transportation			
Passed through the MO Department of Transportation:			
Airport Improvement Program	20.106	21-040A-1 21-040A-2 23-040A-1	223,040
Highway Planning and Construction	20.205	TIDP-2700509 TAP-2700510 TAP-2700511 TEAP-069	1,093,344
Total U.S. Department of Transportation			1,316,384
Total expenditures of federal awards			\$ 1,320,470

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes only the current year federal grant activity of the City and is presented on the accrual basis of accounting. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in the preparation of, the basic financial statements, although such differences are not material.

2. INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF FULTON

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023**

A. SUMMARY OF AUDIT RESULTS

1. The auditors’ report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. No deficiencies relating to the audit of the financial statements are reported in the “Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.”
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs is reported in the “Independent Auditors’ Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance.”
5. The auditors’ report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal program.
6. No audit findings relative to the major federal award programs for the City, that are required to be reported in accordance with 2 CFR section 200.516(a), are reported in Part C of this Schedule.
7. The program tested as a major federal program includes:

	Assistance Listing Number
Highway Planning and Construction	<hr style="width: 100%; border: 0.5px solid black;"/> 20.205
8. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
9. The City did not qualify as a low-risk auditee for the year ended December 31, 2023.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

CITY OF FULTON

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2023**

There were no prior audit findings.

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 17,526,324	\$ 19,205,501	\$ 19,300,373	\$ 19,339,440	\$ 20,737,220	\$ 21,617,016	\$ 26,186,417	\$ 246,713,334	\$ 24,954,030	\$ 27,291,214
Restricted	7,103,708	6,965,490	6,115,373	5,300,318	7,464,107	8,571,981	11,902,508	15,534,004	13,709,036	11,953,399
Unrestricted	(1,117,599)	(669,825)	883,046	2,013,796	(636,954)	(1,319,626)	(4,860,486)	(4,892,334)	(348,639)	(210,357)
Total governmental activities net position	<u>\$ 23,512,433</u>	<u>\$ 25,501,166</u>	<u>\$ 26,298,792</u>	<u>\$ 26,653,554</u>	<u>\$ 27,564,373</u>	<u>\$ 28,869,371</u>	<u>\$ 33,228,439</u>	<u>\$ 257,355,004</u>	<u>\$ 38,314,427</u>	<u>\$ 39,034,256</u>
Business-type activity										
Net investment in capital assets	\$ 38,482,738	\$ 41,869,758	\$ 44,103,209	\$ 44,291,280	\$ 44,796,016	\$ 44,379,692	\$ 45,185,520	\$ 43,755,359	\$ 43,436,156	\$ 44,100,889
Restricted	340,076	340,076	340,076	340,076	667,212	564,540	340,076	2,968,503	2,122,102	1,339,312
Unrestricted	14,586,133	13,691,121	16,529,512	16,920,819	17,018,135	18,635,660	15,011,532	11,688,369	11,106,775	17,530,118
Total business-type activity net position	<u>\$ 53,408,947</u>	<u>\$ 55,900,955</u>	<u>\$ 60,972,797</u>	<u>\$ 61,552,175</u>	<u>\$ 62,481,363</u>	<u>\$ 63,579,892</u>	<u>\$ 60,537,128</u>	<u>\$ 58,412,231</u>	<u>\$ 56,665,033</u>	<u>\$ 62,970,319</u>
Primary government										
Net investment in capital assets	\$ 57,688,239	\$ 61,170,131	\$ 63,311,361	\$ 63,630,720	\$ 65,533,236	\$ 65,996,708	\$ 71,371,937	\$ 68,426,693	\$ 68,390,186	\$ 71,392,103
Restricted	7,305,566	6,455,449	5,081,243	5,640,394	8,131,319	9,136,521	12,242,584	18,502,507	15,831,138	13,292,711
Unrestricted	13,916,308	14,574,167	17,978,858	18,934,615	16,381,181	17,316,034	10,151,406	6,796,035	10,758,136	17,319,761
Total primary government net position	<u>\$ 78,910,113</u>	<u>\$ 82,199,747</u>	<u>\$ 86,371,462</u>	<u>\$ 88,205,729</u>	<u>\$ 90,045,736</u>	<u>\$ 92,449,263</u>	<u>\$ 93,765,927</u>	<u>\$ 93,725,235</u>	<u>\$ 94,979,460</u>	<u>\$ 102,004,575</u>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 2,168,239	\$ 3,397,107	\$ 2,465,933	\$ 2,160,756	\$ 2,833,511	\$ 2,555,661	\$ 2,552,010	\$ 2,493,684	\$ 2,503,164	\$ 3,166,323
Public safety	4,002,037	3,991,169	4,330,403	4,360,530	4,352,641	4,461,197	4,418,107	4,096,144	4,062,401	4,940,136
Public works	2,616,820	2,549,988	2,744,756	2,873,627	2,774,370	2,982,428	3,048,447	2,742,570	2,758,442	2,935,398
Parks and recreation	805,868	867,543	927,381	884,185	687,489	781,284	609,025	1,013,456	1,449,646	1,608,704
Building and grounds maintenance	396,791	387,806	492,975	499,179	458,272	491,852	499,387	524,195	579,525	579,776
Interest and fees	661,389	548,737	523,601	479,743	461,192	436,793	422,727	542,759	482,587	444,114
Total governmental activities expenses	<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>	<u>11,835,765</u>	<u>13,674,451</u>
Business-type activity:										
Electrical	13,407,571	13,221,218	12,572,328	12,805,677	13,477,925	12,810,812	13,095,299	12,835,643	14,475,588	14,211,630
Gas	5,850,379	4,409,801	4,536,348	4,835,429	5,176,298	5,114,923	5,388,710	9,201,476	7,480,435	5,926,875
Water	1,655,557	1,356,531	1,672,767	1,639,553	1,658,445	1,759,733	1,731,630	1,609,272	1,572,830	1,672,041
Sewer	1,853,535	1,817,689	2,036,193	2,078,611	2,206,998	2,493,238	2,677,501	2,578,508	2,579,089	2,906,814
Solid waste	1,546,304	1,524,608	1,746,105	1,879,998	1,759,025	1,862,787	1,741,727	1,730,060	1,854,526	2,205,104
Airport	295,073	232,645	252,808	321,688	335,451	338,559	298,751	321,793	401,155	337,393
Parking facilities	16,519	37,923	16,420	16,425	17,497	18,302	18,311	18,066	18,066	6,797
Golf	661,944	672,296	673,282	688,773	652,553	703,121	862,133	827,065	1,005,724	1,169,905
Total business-type activity expenses	<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>	<u>29,387,413</u>	<u>28,436,559</u>
Total primary government expenses	<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>	<u>\$ 41,223,178</u>	<u>\$ 42,111,010</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,658,312	\$ 1,728,430	\$ 1,829,694	\$ 1,982,863	\$ 2,118,909	\$ 2,160,894	\$ 1,927,012	\$ 2,080,815	\$ 2,209,592	\$ 2,079,513
Public safety	153,523	122,139	151,116	141,034	113,042	153,879	75,457	60,344	88,378	69,146
Public works	706,913	644,435	628,971	645,076	557,094	562,923	598,201	607,967	752,980	707,808
Parks and recreation	122,795	163,556	122,861	113,287	119,241	123,058	71,859	223,373	397,827	412,616
Building and grounds maintenance	6,678	4,599	8,896	3,063	4,990	5,749	6,125	10,566	19,340	16,425
Interest and fees	184,922	127,063	110,812	80,406	79,646	167,559	69,312	57,541	49,027	15,354
Miscellaneous										
Operating grants and contributions	48,381	71,582	51,203	61,004	191,691	239,559	293,448	280,320	137,723	58,061
Capital grants and contributions	322,690	49,097	-	-	182,858	-	-	-	-	1,364,115
Total governmental activities program revenues	<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>	<u>3,654,867</u>	<u>4,723,038</u>
Business-type activity:										
Electrical	14,071,058	13,864,321	15,028,201	14,228,316	15,097,352	14,919,585	14,125,458	14,579,819	14,962,261	14,798,246
Gas	6,184,447	4,891,823	4,479,703	4,763,105	5,331,277	5,623,934	5,961,139	6,265,723	6,886,594	6,825,539
Water	1,656,169	1,672,336	1,600,920	1,576,529	1,576,715	1,494,880	1,506,052	1,533,202	1,652,594	1,615,161
Sewer	2,536,614	2,801,048	2,943,813	3,111,947	3,115,816	3,015,931	3,015,890	3,047,585	3,151,779	3,159,051
Solid waste	1,688,594	1,723,736	1,746,086	1,852,315	1,791,472	1,793,783	1,812,436	1,922,446	2,054,115	2,046,749
Airport	161,853	133,134	121,579	149,106	164,841	186,324	146,678	192,977	215,148	240,336
Parking facilities	28,018	18,580	18,852	20,136	18,989	17,934	18,495	18,640	18,640	15,837
Golf	506,765	481,826	537,254	516,289	504,696	608,970	861,709	900,995	996,316	1,193,031
Operating grants and contributions	26,057	-	-	-	-	75,450	-	-	-	208,000
Capital grants and contributions	466,167	515,470	1,896,193	115,618	-	37,062	537,568	217,636	42,205	223,040
Total business-type activity program revenues	<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>	<u>29,979,652</u>	<u>30,324,990</u>
Total primary government program revenues	<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>	<u>\$ 33,634,519</u>	<u>\$ 35,048,028</u>

(continued)

TABLE 2

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	\$ (8,831,449)	\$ (8,831,449)	\$ (8,581,496)	\$ (8,231,287)	\$ (8,200,004)	\$ (8,295,594)	\$ (8,508,289)	\$ (8,091,882)	\$ (8,180,898)	\$ (8,951,413)
Business-type activity	2,829,563	2,829,563	4,866,350	2,067,207	2,316,966	2,671,378	2,168,208	(443,005)	592,239	1,888,431
Total primary government net expense	<u>\$ (6,001,886)</u>	<u>\$ (6,001,886)</u>	<u>\$ (3,715,146)</u>	<u>\$ (6,164,080)</u>	<u>\$ (5,883,038)</u>	<u>\$ (5,624,216)</u>	<u>\$ (6,340,081)</u>	<u>\$ (8,534,887)</u>	<u>\$ (7,588,659)</u>	<u>\$ (7,062,982)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 553,889	\$ 637,883	\$ 680,398	\$ 889,412	\$ 654,097	\$ 778,900	\$ 718,291	\$ 841,713	\$ 862,659	\$ 812,180
Payments in lieu of taxes	1,128,300	545,461	182,155	116,421	200,169	150,516	215,237	235,255	238,573	295,817
General sales tax	3,284,273	3,240,058	3,421,841	4,146,345	4,247,519	4,293,571	4,468,015	5,498,290	5,742,799	5,940,281
Franchise tax	1,546,621	1,419,592	1,435,948	1,444,248	1,491,967	1,508,350	1,351,031	1,383,207	1,406,475	1,380,612
Motor fuel tax	385,042	394,270	398,396	402,316	400,838	404,947	380,839	413,570	479,981	507,836
Other tax	472,936	355,537	316,956	352,114	141,284	138,490	184,327	119,340	133,319	137,907
Interest income	31,446	32,095	46,844	70,169	150,700	183,478	39,251	12,295	122,005	571,393
Miscellaneous income	133,156	79,982	70,312	227,151	36,249	57,880	13,826	(160,223)	13,510	358,379
Net transfers (to) from other funds	1,900,000	1,388,000	399,325	1,838,000	1,788,000	2,084,460	5,496,540	1,833,000	2,183,000	(333,163)
Total governmental activities	<u>9,435,663</u>	<u>8,092,878</u>	<u>6,952,175</u>	<u>9,486,176</u>	<u>9,110,823</u>	<u>9,600,592</u>	<u>12,867,357</u>	<u>10,176,447</u>	<u>11,182,321</u>	<u>9,671,242</u>
Business-type activity:										
Interest income	43,761	39,232	62,882	170,215	293,764	360,116	29,029	4,066	115,264	611,828
Net transfers (to) from other funds	(1,900,000)	(1,388,000)	(399,325)	(1,838,000)	(1,788,000)	(2,084,460)	(5,496,540)	(1,833,000)	(2,183,000)	333,163
Miscellaneous income	134,088	127,268	122,230	179,956	106,458	151,495	256,359	147,042	166,963	3,471,864
Total business-type activity	<u>(1,722,151)</u>	<u>(1,221,500)</u>	<u>(214,213)</u>	<u>(1,487,829)</u>	<u>(1,387,778)</u>	<u>(1,572,849)</u>	<u>(5,211,152)</u>	<u>(1,681,892)</u>	<u>(1,900,773)</u>	<u>4,416,855</u>
Total primary government	<u>\$ 7,713,512</u>	<u>\$ 6,871,378</u>	<u>\$ 6,737,962</u>	<u>\$ 7,998,347</u>	<u>\$ 7,723,045</u>	<u>\$ 8,027,743</u>	<u>\$ 7,656,205</u>	<u>\$ 8,494,555</u>	<u>\$ 9,281,548</u>	<u>\$ 14,088,097</u>
Changes in net position										
Governmental activities	\$ 604,214	\$ (738,571)	\$ (1,629,321)	\$ 1,254,889	\$ 910,819	\$ 1,304,998	\$ 4,359,068	\$ 2,084,565	\$ 3,001,423	\$ 719,829
Business-type activity	1,107,412	1,608,063	4,652,137	579,378	929,188	1,098,529	(3,042,764)	(2,124,897)	(1,308,534)	6,305,286
Total primary government	<u>\$ 1,711,626</u>	<u>\$ 869,492</u>	<u>\$ 3,022,816</u>	<u>\$ 1,834,267</u>	<u>\$ 1,840,007</u>	<u>\$ 2,403,527</u>	<u>\$ 1,316,304</u>	<u>\$ (40,332)</u>	<u>\$ 1,692,889</u>	<u>\$ 7,025,115</u>

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 293,204	\$ 280,392	\$ 286,153	\$ 311,559	\$ 385,669	\$ 330,869	\$ 361,948	\$ 370,884	\$ 389,919	\$ 400,516
Reserved/Restricted	992	992	992	992	992	992	3,405,977	1,362,232	992	992
Unreserved/Unassigned	159,376	141,257	1,049,490	2,183,366	1,123,275	582,649	(2,916,415)	619,816	2,378,192	1,608,281
Total General Fund	<u>\$ 453,572</u>	<u>\$ 422,641</u>	<u>\$ 1,336,635</u>	<u>\$ 2,495,917</u>	<u>\$ 1,509,936</u>	<u>\$ 914,510</u>	<u>\$ 851,510</u>	<u>\$ 2,352,932</u>	<u>\$ 2,769,103</u>	<u>\$ 2,009,789</u>
All other governmental funds										
Reserved/Restricted	\$ 6,938,498	\$ 6,088,241	\$ 4,714,175	\$ 5,587,389	\$ 6,868,641	\$ 8,154,931	\$ 8,470,531	\$ 9,578,274	\$ 10,585,361	\$ 10,190,014
Unassigned	(29,889)	(50,127)	(207,903)	(356,743)	(356,120)	(251,858)	(330,393)	(321,219)	(215,286)	(296,055)
Total all other governmental funds	<u>\$ 6,908,609</u>	<u>\$ 6,038,114</u>	<u>\$ 4,506,272</u>	<u>\$ 5,230,646</u>	<u>\$ 6,512,521</u>	<u>\$ 7,903,073</u>	<u>\$ 8,140,138</u>	<u>\$ 9,257,055</u>	<u>\$ 10,370,075</u>	<u>\$ 9,893,959</u>

TABLE 4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 6,242,761	\$ 6,053,698	\$ 6,195,877	\$ 7,278,067	\$ 6,930,385	\$ 7,076,262	\$ 7,164,717	\$ 8,203,972	\$ 8,589,147	\$ 8,831,039
Licenses and permits	149,294	149,740	161,283	156,104	152,551	162,010	154,449	167,319	212,622	179,914
Intergovernmental revenues	352,221	139,529	51,203	61,004	380,729	239,559	304,154	316,056	155,445	1,422,176
Charges for services	1,953,016	1,943,647	2,056,445	2,120,236	2,276,247	2,307,472	2,190,501	2,277,377	2,561,433	2,330,006
Payments in lieu of taxes	1,110,529	545,461	182,155	116,421	200,169	150,516	215,237	235,255	238,573	295,817
Fines and forfeitures	104,131	65,051	86,423	83,989	60,146	95,937	32,213	10,654	5,050	6,686
Recreational fees	122,795	163,556	122,861	113,287	119,241	123,058	71,859	223,373	397,827	412,616
Miscellaneous										
Rent	52,737	51,437	55,549	64,414	59,045	52,437	52,969	67,151	66,324	66,610
Interest	215,892	158,753	156,520	147,024	215,130	334,110	107,158	69,703	167,521	567,119
Contributions	137,265	27,550	50	415	10,960	1,774	2,130	37,360	3,999	2,625
Other	16,783	52,749	105,011	180,067	17,166	34,024	58,714	76,991	14,201	337,795
Total revenues	<u>10,457,424</u>	<u>9,351,171</u>	<u>9,173,377</u>	<u>10,321,028</u>	<u>10,421,769</u>	<u>10,577,159</u>	<u>10,354,101</u>	<u>11,685,211</u>	<u>12,412,142</u>	<u>14,452,403</u>
Expenditures										
General government	2,025,700	3,174,945	1,836,858	1,910,471	2,153,542	2,235,130	2,133,411	2,261,212	2,401,628	2,250,643
Public safety	4,095,659	4,040,034	3,949,165	4,292,335	4,552,406	4,216,634	4,237,648	4,675,511	4,645,299	5,033,706
Public works	2,373,633	1,965,027	1,879,201	1,503,186	2,966,478	2,546,327	1,839,597	2,248,426	2,883,459	4,858,995
Parks and recreation	966,510	730,740	714,284	665,799	739,920	1,268,144	8,794,170	1,031,040	1,136,352	1,205,795
Building and grounds maintenance	423,300	394,710	477,572	473,340	472,795	480,168	489,848	546,381	606,618	728,040
Debt service:										
Principal	1,615,000	760,000	800,000	830,000	325,000	390,000	630,000	856,599	900,700	814,656
Interest and fees	650,562	575,141	543,520	500,025	471,723	447,611	439,546	546,054	501,860	462,835
Miscellaneous	-	-	-	134,798	239,211	304,754	557,229	225,877	2,285	-
Total expenditures	<u>12,150,364</u>	<u>11,640,597</u>	<u>10,200,600</u>	<u>10,309,954</u>	<u>11,921,075</u>	<u>11,888,768</u>	<u>19,121,449</u>	<u>12,391,100</u>	<u>13,078,201</u>	<u>15,354,670</u>
Excess of revenues over (under) expenditures	(1,692,940)	(2,289,426)	(1,027,223)	11,074	(1,499,306)	(1,311,609)	(8,767,348)	(705,889)	(666,059)	(902,267)
Other Financing Sources and (Uses)										
Transfers in	4,032,279	2,406,715	3,330,604	2,565,106	2,664,979	3,354,357	7,203,820	3,257,204	4,044,776	3,286,515
Transfers (out)	(2,132,279)	(1,018,715)	(2,931,279)	(727,106)	(876,979)	(1,269,897)	(1,707,280)	(1,424,204)	(1,861,776)	(3,619,678)
Proceeds on property sale	2,648	-	10,050	34,582	7,200	22,275	39,888	129,988	12,250	-
Debt proceeds	-	-	-	-	-	-	3,404,985	1,361,240	-	-
Total other financing sources	<u>1,902,648</u>	<u>1,388,000</u>	<u>409,375</u>	<u>1,872,582</u>	<u>1,795,200</u>	<u>2,106,735</u>	<u>8,941,413</u>	<u>3,324,228</u>	<u>2,195,250</u>	<u>(333,163)</u>
Net change in fund balances	<u>\$ 209,708</u>	<u>\$ (901,426)</u>	<u>\$ (617,848)</u>	<u>\$ 1,883,656</u>	<u>\$ 295,894</u>	<u>\$ 795,126</u>	<u>\$ 174,065</u>	<u>\$ 2,618,339</u>	<u>\$ 1,529,191</u>	<u>\$ (1,235,430)</u>
Debt service as a percentage of noncapital expenditures (principal and interest only)	21.29%	12.31%	14.08%	14.05%	8.57%	8.53%	10.67%	12.62%	11.89%	10.72%

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>
2014	2014	78,269,705	23,431,048	101,700,753	0.5291	490,471,937
2015	2015	78,570,540	23,435,269	102,005,809	0.5306	487,694,396
2016	2016	93,726,348	25,088,374	118,814,722	0.5587	496,469,027
2017	2017	105,705,011	23,964,520	129,669,531	0.5291	554,463,491
2018	2018	105,504,979	20,924,809	126,429,788	0.5353	546,002,041
2019	2019	116,981,901	22,028,270	139,010,171	0.5022	595,045,333
2020	2020	110,985,675	27,483,758	138,469,433	0.5279	594,954,748
2021	2021	112,062,602	29,060,436	141,123,038	0.5271	607,957,002
2022	2022	116,931,963	37,670,529	154,602,492	0.5271	607,957,002
2023	2023	115,801,919	36,607,077	152,408,996	0.5271	634,701,620

(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				
2014	0.5291	0.5291	4.2306	0.9679	0.0300	5.7576
2015	0.5306	0.5306	4.2022	0.8963	0.0300	5.6591
2016	0.5587	0.5587	4.3019	0.8975	0.0300	5.7881
2017	0.5291	0.5291	4.0862	0.8965	0.0300	5.5418
2018	0.5353	0.5353	4.7695	1.0053	0.0300	6.3401
2019	0.5022	0.5022	4.6076	0.8770	0.0300	6.0168
2020	0.5279	0.5279	4.7083	0.9581	0.0300	6.2243
2021	0.5271	0.5271	4.6287	0.9523	0.0300	6.1381
2022	0.5271	0.5271	4.6439	0.9542	0.0300	6.1552
2023	0.5271	0.5271	4.6456	0.9523	0.0300	6.1550

TABLE 7

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

Fiscal Year	City of Fulton					County of Callaway	Callaway Co. Ambulance District	State of Missouri			Total Direct and Overlapping
	General	Transportation	Capital Improvements	Parks and Recreation/Stormwater	Total Direct Rate			General	Conservation	Parks and Soil	
2014	1.000	0.500	0.500		2.000	1.000	0.500	4.000	0.125	0.100	7.725
2015	1.000	0.500	0.500		2.000	1.000	0.500	4.000	0.125	0.100	7.725
2016	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2017	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2018	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2019	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2020*	1.000	0.500	0.500	0.500	2.500	2.000	0.500	4.000	0.125	0.100	9.225
2021	1.000	0.500	0.500	0.500	2.500	2.000	0.500	4.000	0.125	0.100	9.225
2022	1.000	0.500	0.500	0.500	2.500	2.000	0.500	4.000	0.125	0.100	9.225
2023	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	2023		2014	
		Assessed Valuation (1)	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Percentage of Total Assessed Valuation
Townsend Fulton, LLC	Distribution	\$ 7,821,200	5.13%	\$ 10,387,500	10.21%
Dollar General Distribution Center	Distribution	2,974,850	1.95%	2,523,640	2.48%
Callaway Electric Cooperative	Utilities	2,501,800	1.64%	3,236,670	3.18%
Harbison Walker International	Manufacturing	2,428,340	1.59%	2,215,470	2.18%
Walsworth Publishing	Manufacturing	2,416,370	1.59%	1,574,700	1.55%
Wal-Mart Stores	Hotel	1,597,690	1.05%	1,799,990	1.77%
Noble Health	Healthcare	967,210	0.63%	1,574,700	1.55%
Danuser Machine Co	Manufacturing	901,910	0.59%	606,570	0.60%
Fulton Hospitality	Hotel	710,020	0.47%	-	0.00%
Churchill Partners	Real Estate Holdings	580,920	0.38%	-	0.00%
Backers Potato Chips	Manufacturing	-	0.00%	8,819,980	8.67%
The Fulton Group LLC	Real Estate Holdings	-	0.00%	2,549,820	2.51%
		<u>\$ 22,900,310</u>	<u>15.03%</u>	<u>\$ 35,289,040</u>	<u>34.70%</u>

(1) Per Callaway County Collector's office.

TABLE 9

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

Fiscal Year Ended	Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2014	2014	538,099	531,869	98.8%	5,536	537,405	99.9%
2015	2015	543,550	499,481	91.9%	36,919	536,400	98.7%
2016	2016	635,871	567,314	89.2%	67,250	634,564	99.8%
2017	2017	690,066	616,631	89.4%	67,525	684,156	99.1%
2018	2018	709,729	512,356	72.2%	90,366	602,723	84.9%
2019	2019	687,208	549,324	79.9%	9,285	558,609	81.3%
2020	2020	727,934	638,900	87.8%	142,341	781,241	107.3% *
2021	2021	749,451	659,653	88.0%	117,838	777,491	103.7% *
2022	2022	814,909	811,799	99.6%	3,110	814,909	100.0%
2023	2023	801,310	654,501	81.7%	-	654,501	81.7%

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

* Due to delinquent tax collections.

TABLE 10

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

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

TABLE 11

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

Fiscal Year Ended	Atkinson Road TIF Plan			Fulton Public Improvements TIF Plan			South Business 54 TIF Plan		
	Economic Activity Taxes	Payments in Lieu of Taxes	Total	Economic Activity Taxes	Payments in Lieu of Taxes	Total	Economic Activity Taxes	Payments in Lieu of Taxes	Total
2014	\$ 9,329	\$ 583,493	\$ 592,822	\$ 91,380	\$ 354,475	\$ 445,855	\$ 312,441	\$ 172,561	\$ 485,002
2015	-	442,676	442,676	-	359,927	359,927	285,584	176,815	462,399
2016	-	-	-	-	-	-	289,746	180,867	470,613
2017	-	-	-	-	-	-	327,369	139,688	467,057
2018	-	-	-	-	-	-	86,084	200,169	286,253
2019	-	-	-	-	-	-	86,476	150,516	236,992
2020	-	-	-	-	-	-	143,086	215,237	358,323
2021	-	-	-	-	-	-	39,626	235,255	274,881
2022	-	-	-	-	-	-	96,516	238,573	335,089
2023	-	-	-	-	-	-	97,257	295,817	393,074

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	Financing Leases	Neighborhood Improvement District Bonds	Certificates of Participation	Notes Payable	Sewerage System Revenue Bonds	Financed Purchases	Financing Leases				
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	56,200	-	-	3,390,000	6,616,169	1,800,001	332,101	-	23,887,082	1,878	10%
2022	6,380,000	4,426,390	41,720	-	-	2,712,000	6,244,056	1,400,000	274,333	-	21,478,499	1,690	9%
2023	5,846,236	4,162,115	26,338	-	-	1,695,000	5,863,129	1,000,000	196,167	-	18,788,985	1,491	5%

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			
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	7,010,000	7,010,000	-	-	0.00%	-
2022	12,721	141,123,038	6,380,000	6,380,000	-	-	0.00%	-
2023	12,600	152,408,996	5,846,236	5,846,236	-	-	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, 2023**

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Fulton (2)</u>	<u>Amount Applicable to City of Fulton</u>
City of Fulton	\$ 10,034,689	100.00%	10,034,689
Fulton Public School District	31,037,425	59.35%	18,420,901
Callaway County	-	0%	-
Total direct and overlapping debt			<u>\$ 28,455,590</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, 2023

TABLE 15

	With Existing Debt <u>December 2023</u>
Assessed Valuation, January 2023 (1) Net of property in TIF districts	\$ <u>115,801,919</u>
Debt limit - 20% of assessed value	23,160,384
Less general obligation debt outstanding	<u>0.00%</u>
Legal debt margin	<u>\$ 23,160,384</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	
2014	\$ 2,365,505		\$ 193,952	\$ 2,559,457	\$ 310,935	\$ 2,248,522	\$ 1,615,000	\$ 650,562	\$ 2,265,562	\$ (17,040)
2015	1,670,631		137,968	1,808,599	1,344,497	464,102	760,000	575,141	1,335,141	(871,039)
2016	1,419,964		139,407	1,559,371	3,891	1,555,480	800,000	543,520	1,343,520	211,960
2017	2,020,709		116,421	2,137,130	3,685	2,133,445	830,000	536,467	1,366,467	766,978
2018	1,970,671		197,405	2,168,076	243,273	1,924,803	325,000	471,325	796,325	1,128,478
2019	1,935,761		306,374	2,242,135	308,237	1,933,898	390,000	447,611	837,611	1,096,287
2020	2,083,629		83,887	2,167,516	562,499	1,605,017	630,000	431,978	1,061,978	543,039
2021	2,255,601		59,529	2,315,130	232,025	2,083,105	755,000	399,449	1,154,449	928,656
2022	2,348,242		130,302	2,478,544	8,466	2,470,078	630,000	351,625	981,625	1,488,453
2023	2,404,288		450,104	2,854,392	6,027	2,848,365	535,000	322,750	857,750	1,990,615

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>
2014	12,760	2,275	5.60%	41,201	19,716
2015	12,939	2,293	4.70%	40,274	18,436
2016	13,103	2,302	4.10%	41,451	16,990
2017	12,844	2,259	3.50%	41,275	18,139
2018	12,635	2,347	2.90%	40,935	16,672
2019	12,809	2,347	3.20%	43,623	17,874
2020	12,596	2,177	4.50%	47,040	18,436
2021	12,721	2,255	3.40%	47,356	18,047
2022	12,710	2,222	4.30%	47,040	19,451
2023	12,600	2,249	2.60%	59,544	31,874

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	2023		2014	
		Total Employees	Percentage of Total City Employment	Total Employees	Percentage of Total City Employment
Fulton State Hospital	Mental Institution	1,200	21.84%	1,150	21.26%
Dollar General Distribution Center	Warehouse	750	13.65%	650	12.02%
Fulton Public Schools	Education	450	8.19%	450	8.32%
Fulton Reception & Diagnostic	Correctional Facility	288	5.24%	400	7.40%
Westminster College	Education	380	6.92%	205	3.79%
William Woods University	Education	256	4.66%	163	3.01%
City of Fulton	Government	179	3.26%	190	3.51%
Callaway County	Government	191	3.48%	148	2.74%
Danuser Machine Company	Manufacturing	135	2.46%	-	0.00%
Walsworth Fulton (formerly Ovid Bell)	Periodical Publishing	125	2.28%	125	2.31%
Harbison Walker International	Manufacturing	52	0.95%	93	1.72%
		<u>4,006</u>	<u>72.92%</u>	<u>3,574</u>	<u>66.08%</u>

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

TABLE 19

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

Function/Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Government					
Administration	7	6	6	6	7
Finance	10	11	11	12	10
Purchasing	2	3	3	3	3
Public Buildings					
Public Safety					
Police	34	31	31	33	33
Municipal Court	0	0	0	0	0
Fire	21	23	23	24	24
Planning & Protective Administration	1	5	5	5	5
Public Works					
Engineering	7	7	7	8	8
Street Maintenance	12	10	10	12	12
Traffic Control	1	2	2	2	2
Buildings and Grounds Maintenance	5	5	5	6	6
Cemetery	1	1	1	1	1
Parks and Recreation	11	9	9	8	8
Utilities Administration	3	3	3	3	3
Electric Department	13	13	13	13	14
Gas Department	9	9	9	9	9
Solid Waste Department	11	11	11	9	9
Wastewater Department	11	10	10	10	10
Golf Course	4	4	4	4	4
Garage	2	3	3	3	3
Water Department	8	7	7	8	8
Power Plant	3	6	6	6	6
Total	<u>176</u>	<u>179</u>	<u>179</u>	<u>185</u>	<u>185</u>

Source: City of Fulton Human Resources Department

TABLE 20

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Date of Incorporation	1859									
Form of Government	Charter City									
Area	12									
Miles of streets	76.96 miles									
Municipal Court										
General Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ 10,107,350	\$ 10,007,942	\$ 9,912,140	\$ 9,734,563	\$ 8,929,318	\$ 9,820,364
Traffic Violations	-	-	-	-	69,237	30,250	56,157	58,350	40,864	56,408
% of general operating revenue from traffic violations	0.00%	0.00%	0.00%	0.00%	0.69%	0.30%	0.57%	0.60%	0.45%	0.57%
Fire protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2
* Total Calls	2,017	2,033	1,445	1,063	1,165	1,099	933	1,206	1,138	1,092
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
** Total Calls	15,249	16,846	17,982	17,811	21,694	18,564	1,356	1,154	910	951
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	5,808	5,721	5,721	5,679	5,648	5,609	5,616	5,616	5,612	5,593
*** Peak demand on system	37MW	35MW	37MW	35MW	35MW	36MW	35MW	37MW	38MW	38MW
Municipal Gas Department:										
Number of consumers	3,987	3,985	3,993	3,994	3,978	3,956	3,959	3,961	3,961	3,955
Average daily consumption	1728mcf	1724mcf	1712 mcf	1778 mcf	1860 mcf	1846 mcf	1555 mcf	1447 mcf	1619 mcf	1686 mcf
Municipal Water Department:										
Number of consumers	4,653	4,611	4,581	4,544	4,504	4,461	4,454	4,452	4,446	4,420
Average daily consumption	1,113,500	1,113,500	1,065,147	1,014,107	1,038,086	1,167,673	1,038,873	1,117,620	1,136,491	1,144,877
*** Miles of water mains	108	106	106	106	105	105	97	97	97	97
Municipal Sewer Department:										
Number of connections	4,495	4,495	4,466	4,434	4,387	4,337	4,336	4,340	4,337	4,316
*** Miles of sanitary sewers	101	101	101	101	100	100	95	95	95	95
Building permits issued	65	76	76	220	76	170	142	66	135	114
Recreation and culture:										
Number of parks	9	9	9	9	9	9	9	9	9	9
Number of libraries	3	3	3	3	3	3	3	3	3	3
Golf courses	2	2	2	2	2	2	2	2	2	2
Municipal employees:										
**** Classified service	179	179	179	174	174	168	178	168	164	166
**** Unclassified (Department heads)	10	10	10	11	11	11	12	12	12	13
**** Exempt (City Council, Mayor, and volunteer fire and police)	20	20	20	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)