



300 West Ash Street  
P.O. Box 736  
Salina, KS 67402-0736



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## For the Fiscal Year Ended December 31, 2020



Prepared by Department of Finance and Administration  
of the City of Salina, Kansas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF**  
**CITY OF SALINA, KANSAS**

**300 West Ash Street  
P.O. Box 736  
Salina, Kansas 67402-0736**

**For the Fiscal Year Ended  
December 31, 2020**

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CITY OF SALINA, KANSAS

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## INTRODUCTORY SECTION

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July 23, 2021

To the Citizens of the City of Salina, Kansas:

The Comprehensive Annual Financial Report of the City of Salina, Kansas (the "City") for the year ended December 31, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of all various funds and account groups of the City. We believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

#### *Report Format*

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes a description of the City, including services provided, and explanation of the City's accounting system and budgetary controls, and a brief discussion of the City's economic condition and outlook. The City's organizational chart is also included to assist the reader in understanding the organizational structure of the City. The financial section includes the Independent auditor's report, Management's discussion & analysis, Government wide financial statements, Fund financial statements, Notes to the financial statements, and Individual and combining statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The reader is specifically directed to Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report. MD&A provides a narrative explanation and overview of significant features and trends reflected by data in the financial statements.

#### *Accounting Systems and Internal Controls*

A critical part of the control system is the City's comprehensive Budgetary and Financial Policies, which establish guidelines for budgetary and financial practices. The budgetary procedures are reviewed by the City Commission each year as a part of the budget process.

City staff is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgment by management.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. The legal level of budgetary control is maintained at the Fund level, in accordance with State Statutes. However, management control is maintained at the department level. The City uses an encumbrance accounting system, in which estimated purchase amounts are recorded prior to the release of purchase orders to vendors. Open encumbrances are reported as reservations of fund balance at December 31, 2020 in the general fund and the special revenue funds. Various internal compliance procedures are implemented to ensure proper implementation of the budget as well as to maintain a degree of accountability for both revenues and expenditures.



### *Independent Audit*

Kansas Statutes Annotated 75-1122 requires an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Commission. This requirement has been complied with and the auditor's opinion has been included in this report.

### *Profile of the Community*

The Town of Salina was organized in 1858 under the Town and Village Act in the State of Kansas, and became a City of the First Class on July 9, 1920. The City has had a Commission-City Manager form of government since 1921. The Commission is comprised of five members elected at large. Each year the commission chooses one member to serve as Mayor. The City Manager is appointed by the Commission, and acts as its primary agent in accordance with state statute. Other city officers and employees are appointed by the City Manager. The population of the City reported by the 2010 decennial census was 47,707. The City anticipates results of the 2020 decennial census during 3<sup>rd</sup> quarter 2021.

The reporting entity includes the City of Salina as well as two discretely presented component units, both proprietary fund types. The Salina Airport Authority operates the Salina Municipal Airport and Airport Industrial Center, and the Salina Housing Authority administers public housing programs within the City of Salina. The entity also includes one blended component unit which is the Salina Field House Qualified Active Low-Income Community Business, Inc. (SFH QalibB). SFH QalibB was created for the purpose of providing an indoor sports facility in the downtown core of the city of Salina. In addition, the City of Salina participates in a joint venture with Saline County, the City-County Building Authority for the ownership, operation and maintenance of the City-County Building. This report includes all funds and account groups of the City.

The City provides a full range of services including police and fire protection, development services, construction and maintenance of streets, drainage facilities and other infrastructure; recreational activities and cultural programming; emergency medical services and convention facilities. In addition to general government activities, the City also provides water, wastewater, sanitation, and solid waste services; therefore, these activities are included in the reporting entity.

### *Economic Outlook and Strength*

The City benefits from its location at the junction of Interstate Highways 70 and 135. This convenient location has drawn numerous national and regional companies to open manufacturing or distribution centers in or adjacent to the community. Such companies include Pepsi-Cola, Exide Technologies, Blue Philips Lighting Company, Eldorado National, and Schwan's Global Supply Chain. Manufacturing, retail trade, and service industries rank as the three primary employers in the City. No single industry is dominant.

The City of Salina retains its position near the top of a list of first class cities with respect to "trade pull factor." According to the Kansas Department of Revenue's Annual City Trade Pull Factor report, Salina had a pull of factor of 1.48 in 2020. The pull factor measures the degree to which a city or county area captures retail trade from outside the jurisdiction. A pull factor of greater than 1 indicates that a city is attracting retail trade beyond the expected activity attributable to just the residents of that community. It is apparent from this that Salina continues to serve as a regional economic hub in 2020. Two Salina area company's announced major expansions in the second half of 2020. Schwan's Company announced expansion of its pizza production facility, adding approximately 225 jobs to the Salina area. Kubota announced a new plant for the production of compact track loaders, adding approximately 120 jobs to the Salina area.

### *Major Initiatives*

In April, 2016, voters elected to replace the .40 cent capital improvement sales tax with a .75 cent capital improvement sales tax for a term of 20 years. Priorities for the sales tax are improving neighborhood streets and drainage, preserving stable property tax rates, ensuring a quality park system, constructing and maintaining community improvements, funding equipment for maintenance, repayment of future bonds for large projects and attracting quality jobs.

In 2018, the City of Salina issued \$22,570,000 in STAR bonds which funded several projects in the City's downtown corridor. In 2020 Homewood Suites opened for business and the majority of the City's Downtown Streetscape project was completed. Other major projects that were on going included gutter and paving on North 9<sup>th</sup> Street, South Well Field improvements, continued improvements to the water distribution system and preliminary design on the Smoky Hill River Renewal and construction of the Police Training Center project.

The City continues to address fiduciary pressures generated by a recessionary economy and the more recent financial impacts of the Covid-19 pandemic. General adjustments to the pay plan for cost of living changes at a rate of 2.0% were implemented in 2020. The City offered no merit increases in 2020.

### *Capital Improvement Planning*

The City's Capital Improvement Plan (CIP) consists of two components. One component consists of "routine" capital—including vehicle and equipment replacement, technology replacement, building repair and improvement, routine pavement maintenance activity, utility system enhancements and similar items. The amount of funding for these projects may fluctuate based on needs and funding availability, however, planned amounts are allocated over a multi-year period. Source of funding for routine capital is current cash resources from the fund appropriate to the nature of the purchase.

The second component of the CIP includes major projects that typically require issuance of bonds or notes, although these projects may also be supplemented with available cash and grant financing. The plan is updated each year after an extensive evaluation of the demands on future financial resources. The Capital Improvement program is scheduled for a major revision as the result of the sales tax to be used for that purpose.

Increases in 2020 and 2021 are a result of the anticipated beginning of the construction of the Smoky Hill River Renewal Project, Ninth Street Bridge Construction and Wastewater Treatment Plant respectively. Due to uncertain Sales Tax recovery post Covid-19, the River Renewal project has been delayed. Few major projects have been planned for 2022 and 2023 until financial resources for those years could be further evaluated.

\*The year a project is scheduled reflects the year that construction is initiated. Preliminary work (design, acquisition) may precede this date by one or more years, and permanent financing may not occur until one (or more years depending on project magnitude) subsequent to this date.

### *Financial Policies*

The City has adopted a formal set of Budgetary and Financial Policies, addressing such items as fund balances, capital improvements, operating budgets, long term debt management, accounting, auditing and financial reporting, revenues, cash management and investments. Financial policies contribute to financial stability by:

1. Providing consistent guidance in decision making
2. Establishing appropriate levels of fund balances
3. Governing the use of one time or unanticipated resources
4. Providing a multi-year capital improvements process
5. Establishing responsibilities and deadlines for budget preparation
6. Providing for a balanced annual operating budget
7. Providing guidelines on the use of debt, including appropriate purposes and terms
8. Provide a linkage between capital improvement scheduling and long term debt management planning
9. Require annual audits and financial reporting in conformance with Generally Accepted Accounting Procedures
10. Require timely and regular interim financial reporting to the Governing body
11. Ensure the safety of cash and near cash resources (timely collection of Accounts Receivable, etc.).

### *Acknowledgments*

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated Finance staff of the City of Salina and the professional advice and efforts of the GordonCPA auditing team. Finally, preparation of this report would not have been possible without the support of the City Commission.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MDS', followed by a long horizontal line extending to the right.

Michael D. Schrage  
City Manager

# City of Salina

**CITIZENS**

## **CITY COMMISSION**

*Melissa Rose Hodges, Mayor  
Trent Davis  
Karl Ryan  
Mike Hoppock  
Rod Franz*

City Manager  
*Michael Schrage*

Municipal Court

Risk Management

Development Services  
*Lauren Driscoll*

Building Services  
Neighborhood Services  
Planning & Zoning  
Community Relations

Legal Services  
Clark Mize & Linville Chartered\*  
*Greg Bengtson*

Deputy City Manager  
*Jacob Wood*

Continuous Process Improvement  
*Scott Gardner*

Parks & Recreation  
*Chris Cotten*

Parks Division  
Recreation Division  
Golf Course  
Facility Maintenance  
Animal Services  
Bicentennial Center

Public Works  
*Jim Teutsch*

Engineering  
Public Services  
Streets  
Traffic Control  
Flood Control  
Sanitation  
Solid Waste  
Central Garage

Utilities  
*Martha Tasker*

Water Plant Division  
Wastewater Plant  
Division  
Utility Division  
Water Distribution  
Wastewater  
Collection

Police  
*Brad Nelson*

Administration  
Patrol Division  
Support Division  
Investigative Division

Fire  
*Kevin Royce*

Fire Administration  
Fire Suppression  
Fire Prevention  
EMS

Computer Technology  
*Rita Stevenson*

Human Resources  
*Natalie Fischer*

Arts & Humanities  
*Brad Anderson*

Smoky Hill Museum

Finance/Administration  
*Debbie Pack*

City Clerk  
Water Customer  
Accounting  
Finance

\* Contract Position

# City of Salina, Kansas

## **List of Principal Officials**

### City Commission

Melissa Rose Hodges, Mayor  
Dr. Trent Davis, Vice-Mayor  
Karl Ryan, Commissioner  
Mike Hoppock, Commissioner  
Rod Franz, Commissioner

### City Executive Staff

Michael Schrage, City Manager  
Jacob Wood, Deputy City Manager  
Lauren Driscoll, Director of Development Services  
Debbie Pack, Director of Finance and Administration  
Rita Stevenson, Director of Computer Technology  
Natalie Fischer, Director of Human Resources  
Greg Bengtson, City Attorney  
Brad Nelson, Chief of Police  
Kevin Royse, Fire Chief  
Jim Teutsch, Director of Public Works  
Martha Tasker, Director of Utilities  
Chris Cotten, Director of Parks & Recreation  
Brad Anderson, Director of Arts & Humanities  
Scott Gardner, Director of Continuous Process Improvement

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## FINANCIAL SECTION

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**INDEPENDENT AUDITOR'S REPORT**

Mayor and City Commissioners  
City of Salina, Kansas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Salina, Kansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. We did not audit the financial statements of the Salina Field House Qualified Active Low-Income Community Business, Inc. (SFH QalicB), which is included within the financial statements as a major governmental fund. This activity represents 3% and 1%, respectively, of the total assets and total revenues of the governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SFH QalicB, is based solely on the report of the other auditors. We also did not audit the financial statements of the Salina Airport Authority which statements reflect total assets and deferred outflows of resources of \$46,156,436 as of December 31, 2020 and total revenues of 2,652,346 for the year then ended, and the Housing Authority of the City of Salina, which statements reflect total assets and deferred outflows of resources of \$7,540,021 as of June 30, 2020 and total revenues of \$2,957,322 for the year then ended, which are discretely presented component units in the accompanying financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Salina Airport Authority and the Housing Authority of the City of Salina, is based solely on the reports of the other auditors.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Salina, Kansas, as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Tourism and Convention, Special Gas and Sales Tax Capital Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities* that reclassified ten of the City's funds that had been previously classified as agency funds. As a result of that implementation, certain fund balances as of January 1, 2020, were restated. Our opinion is not modified with respect to this matter.

## **Prior Period Restatement**

As discussed in Note 3 to the financial statements, certain errors in amounts previously reported as of December 31, 2019, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2020, financial statements now presented, and adjustments have been made to net position to correct the error. Our opinion is not modified with respect to these matters.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, the other postemployment benefit schedules on page 71 and 72, the schedule of the City's proportionate share of the net pension liability on page 73, and the schedule of City contributions on page 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 account and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2021, on our consideration of the City's internal control over financial reporting and 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Gordon CPA LLC

Certified Public Accountant  
Lawrence, Kansas

July 23, 2021

# CITY OF SALINA, KANSAS

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## Management Discussion and Analysis Year Ended December 31, 2020

### Management Discussion and Analysis

This section of the report contains an overview and analysis of the City of Salina's financial statements for the fiscal year ended December 31, 2020. The information contained here, as well as the information contained in the letter of transmittal, are intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

### Financial Highlights

- ◆ On an accrual basis, the City's government-wide net position increased \$2.6 million from current operations with net position change of \$5.7 million and \$(3.1) million in governmental activities and business-type activities, respectively.
- ◆ At the close of 2020, the City's governmental funds reported combined ending fund balances of \$31.3 million, an increase of \$15.5 million from the prior year. The Capital Projects expenditures decreased \$3.6 million from prior year. The General Fund balance, Sales Tax Capital Fund balance and Other Governmental Funds increased \$5.8 million, \$2.8 million and 2.3 million, respectively, over the prior year.
- ◆ At the close of 2020, the City's enterprise funds reported a combined ending Net Position of \$96.6 million, an increase of \$3.0 million over prior year. Positive performance was shared by the Water and Sewer Fund, the Sanitation Fund, Solid Waste Disposal and the Golf Fund.
- ◆ Revenues from governmental activities increased by \$6.6 million from the prior year and revenues from business type activities decreased \$1.3 million from the prior year. Other miscellaneous revenue increased \$6.8 million due to fund transfers and bond proceeds.
- ◆ Revenues from investments continue to be minimal due to low interest rates.

### The Basic Financial Statements

The basic financial statements of the City include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements. Other supplementary information, including the combining schedules for non-major funds and the budgetary comparison reports, are at the end of this report to provide additional information for the reader.

#### *Government-wide Financial Statements*

The government-wide financial statements present the results of the City's operations using the accrual basis of accounting, the same basis as is used by private sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The Statement of Net Position reports all of the City's assets and liabilities. Net position, the difference between assets and deferred outflows of resources and liabilities, are an important measure of the City's overall financial health. Net position represents the total accumulated and unused resources available to the City for the purpose of providing services. Over time, the increases and decreases in net position can be monitored to determine if the City's financial position is improving or deteriorating.

The Statement of Activities shows how net position has changed during the fiscal year. One unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of those programs were supported by the general taxes of the City. Since this statement is prepared on the accrual basis of accounting, all revenues and expenses are included, regardless of when cash is actually received. Both statements show the operations of the City broken down between governmental and business-type activities. Governmental activities are the operations of the City generally supported by taxes, such as public safety (police, fire, and EMS), public works,

CITY OF SALINA, KANSAS  
Management Discussion and Analysis  
Year Ended December 31, 2020

public health, and culture & recreation. Business-type activities are operations of the City that are intended to recover a significant portion of their costs through user fees and charges. These include water and sewer, refuse collection, the golf course, and operation of the City solid waste facility.

The government-wide financial statements include the Salina Airport Authority and Salina Housing Authority as discretely presented component units of the City and the Salina Field House Qualified Active Low-Income Community Business, Inc. (SFH QalicB) as a blended component unit. Note 1, item A in the Notes to the Financial Statements provides a more complete explanation of the relationship between these entities and the City of Salina.

#### *Fund Financial Statements*

The City uses three types of funds to manage its resources: governmental funds, proprietary funds, and fiduciary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental fund financial statements are prepared on a modified accrual basis. Under this basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred with the exception of long term debt and similar items which are recorded when due. The focus is on the short-term financial picture of the operations of the individual fund, rather than long-term citywide view provided by the government-wide statements. Major governmental funds are presented in individual columns, while non-major governmental funds are aggregated into an "Other Governmental Funds" column. A combining statement for the non-major funds is presented as supplementary information in the back of the report. The information presented in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

Proprietary funds fall into two categories: enterprise funds and internal service funds. All proprietary funds are prepared on the accrual basis of accounting and are used to account for business-type activities. Enterprise fund statements present the same information that is in the government-wide statements for business-type activities, but in greater detail. The City of Salina currently operates four enterprise funds: Sanitation, Solid Waste Disposal, Golf Course, and Water and Sewer. Internal service funds are used to account for the cost of operations shared by various departments of the City. The city operates three internal service funds. Two of these are for self-insurance activity: Workers Compensation Reserve, and Health Insurance. The remaining accounts for the Central Garage operation. A combining statement for these internal service funds can be found in the supplementary information following the notes to the financial statements.

Fiduciary funds are used by the City to account for resources held by the City for a third party. Agency funds are a special class of fiduciary fund in which liabilities always equal assets, and thus there is no net position. The City of Salina operates twelve agency funds. Schedules for these funds may be viewed in the supplementary section of this report.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used. Permanent funds operated by the City include the Citizenship Trust, Cemetery and Mausoleum Endowments, and the Tri-centennial Commission fund.

#### *Notes to the Financial Statements*

The notes to the financial statements are an integral part of the basic financial statements since they contain valuable additional information necessary for gaining a complete understanding of the City's financial statements.

CITY OF SALINA, KANSAS  
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*Other Information*

In addition to the basic financial statements and the notes described above, this report also presents the general fund and major special revenue fund's budgetary statements as required supplementary information directly following the notes to the basic financial statements. The combining statements for the non-major funds are shown after the required supplementary information. Finally, the statistical section includes selected statistical data about the City's operations and economy.

**The City as a Whole**

This section will identify, discuss, and analyze significant differences and trends that will enhance the reader's understanding of the City's financial position.

*Tax Base and Economy*

The City of Salina relies on three major groups of revenues to support its operations. Each of these revenue streams has a different revenue base. In declining order of magnitude, they are charges for services, sales taxes, and property taxes. Sales taxes and property taxes apply primarily to governmental activities, while charges for services apply to both governmental (20%) and business-type (80%) activities.

**Charges for services** account for about 37% (\$34.9 million) of the City's revenue stream. Charges for service depend on both the rate that is set for the activity, as well as the volume of services provided. Significant services include water and wastewater fees, sanitation and landfill fees, licenses and permits, inspection fees and golf course fees. Charges for services decreased slightly in 2020, largely due to the 2020 COVID pandemic as most services were paused temporarily. This was offset by lower expenses.

**Sales taxes** are the next largest component of the revenue mix, providing 25% (\$23.4 million) of the total revenues. The City receives a 1.25% City-wide sales tax, and also a portion of the County-wide 1.5% sales tax. Forty-four percent, (a rate of .75%) of the City-wide sales tax is required to be used for special purposes. The remaining .5%, along with the City portion of the County-wide tax is available for general purposes.

The City is affected by the formula used to distribute the County-wide sales tax among participating jurisdictions (only Cities and the County participate, School and other special districts do not). The formula is based, in part, on the property tax efforts of each jurisdiction. As the portion of the overlapping levy attributable to the City of Salina changes so does the City's allocated portion of the County-wide sales tax. This change is recognized bi-annually and can affect the overall allocation of the City's portion of the County-wide sales tax. In 2020, this allocation decreased slightly which did not have a significant impact on the tax revenues.

In 2008, Salina voters approved an increase of the special purpose .25% tax to a .40% tax. The extended tax is to sunset March 31, 2019. The tax was also modestly re-purposed, for Capital and Economic Development purposes only, as well as retaining a property tax stabilization component. In May 2017, Salina voters approved an increase in the special purpose .40% tax to a .75% tax (thus repealing the 2008 increase). This change became effective October 1, 2017 for twenty years.

**Property taxes** are the third major component of the revenue mix, accounting for 16% (\$14.9 million) of total revenues. Property taxes consist of two components: Real estate and personal property taxes which are determined by the mill levy set by the city and the assessed value of the property; and motor vehicle taxes which are established by a countywide average tax rate and the assessed value of the vehicle.

Real estate assessed value increased by 4.1%. The total City mill levy increased by 8.7%. The overlapping levy increased in 2019 by 0.8%.

Personal property value continued to slide, presumably as a result of removing business equipment from the tax base. Personal property value has now dropped to \$11.2 million from its peak of \$39.7 million in 2007.

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Motor vehicle value increased 2.5%. Motor vehicle taxes are distributed based on a formula using prior year's tax effort (similar to the Countywide Sales Tax Distribution).

The following table summarizes the comparative property assessed values and tax levy rates:

<b>Comparative Property Values and Tax Levy Rates</b>			
Fiscal (Budget) Year	<u>2020</u>	<u>2019</u>	<u>Change</u>
Real Estate and Personal Property Assessed Valuation	\$ 454,467,319	\$ 434,451,245	\$ 20,016,074
City Mill Levy (\$ per \$1,000)			
Operating (General Fund)	22.285	20.339	1.946
Debt Service	6.109	5.790	0.319
Total City Rate	28.394	26.129	2.265
Total Overlapping Levy	138.341	133.140	5.201
Percent Total Taxes Collected	97.2%	97.4%	(0.002)
Ratio of Total Taxes (including delinquent collections) to taxes levied	98.6%	98.6%	-
Motor Vehicle Valuation	\$ 54,687,311	\$ 53,336,677	\$ 1,350,634

The unemployment rate in Salina increased slightly from 3.1% at the end of 2019 to 3.5% at the end of 2020, reflecting general economic conditions. This is still slightly below the statewide and significantly below the national unemployment rate. The total labor force decreased to 25,446 from 25,643 in 2019.

In 2020, the top ten property taxpayers accounted for 10.00% of total assessed value.

*Statement of Net Position*

Net position may, over time, provide an indicator of a government's financial position. In the case of the City of Salina, assets and deferred outflows of resources exceeded liabilities by \$234.4 million at December 31, 2020. This represents an increase in net assets of \$2.6 million over 2019. A comparative Condensed Statement of Net Position at December 31, 2020 and 2019:

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**Condensed Statement of Net Position**

As of December 31

(in \$000)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>				
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>	<u>2019</u>	<u>Total</u>	<u>2020 2019</u> <u>change</u>
Cash and investments	42,246	\$ 31,406	\$38,876	\$ 34,957	\$81,122	19%	\$66,363	15%	\$ 14,759
Other current assets	16,910	17,201	2,082	2,512	18,992	4%	19,713	4%	(721)
Noncurrent (capital) assets	215,438	222,258	119,118	101,079	334,556	77%	323,337	81%	11,219
Total assets	<u>274,594</u>	<u>270,865</u>	<u>160,076</u>	<u>138,548</u>	<u>434,670</u>	<u>100%</u>	<u>409,413</u>	<u>100%</u>	<u>25,257</u>
Total deferred outflows of resources	<u>8,761</u>	<u>5,073</u>	<u>1,117</u>	<u>546</u>	<u>9,878</u>	<u>100%</u>	<u>5,619</u>	<u>100%</u>	<u>4,259</u>
Total assets and deferred outflows of resources	<u>283,355</u>	<u>275,938</u>	<u>161,192</u>	<u>139,094</u>	<u>444,547</u>		<u>415,033</u>		<u>29,514</u>
Current liabilities	17,230	23,971	3,964	3,579	21,194	11%	27,550	11%	(6,356)
Noncurrent liabilities	106,651	98,696	60,379	41,765	167,030	89%	140,461	89%	26,569
Total liabilities	<u>123,881</u>	<u>122,667</u>	<u>64,343</u>	<u>45,344</u>	<u>188,224</u>	<u>100%</u>	<u>168,011</u>	<u>100%</u>	<u>20,213</u>
Total deferred inflows of resources	<u>15,392</u>	<u>14,913</u>	<u>240</u>	<u>198</u>	<u>15,632</u>		<u>15,112</u>		<u>520</u>
Net position:									
Net investment in capital assets	143,559	151,527	62,368	63,301	205,927	88%	214,828	91%	(8,901)
Restricted for permanent funds	543	528	-	-	543	0%	528	0%	15
Restricted for debt service	1,724	1,142	1,512	1,368	3,236	1%	2,510	1%	726
Unrestricted	<u>(1,744)</u>	<u>(14,839)</u>	<u>26,503</u>	<u>28,883</u>	<u>24,759</u>	<u>11%</u>	<u>14,044</u>	<u>8%</u>	<u>10,715</u>
Total net position	<u>144,082</u>	<u>138,358</u>	<u>90,383</u>	<u>93,552</u>	<u>234,465</u>	<u>100%</u>	<u>231,910</u>	<u>100%</u>	<u>2,555</u>
Percent of total net position	61%	60%	39%	40%	100%		100%		
Cash and investments as a percentage of current liabilities	245%	131%	981%	977%	383%		241%		

The largest segment of the City's net position reflects its investment in capital assets (land, buildings, streets and drainage facilities, utility plant, vehicles, equipment, etc.), less any debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens. As a result, resources required to retire related debt cannot come from liquidation of the asset. Such resources generally must be provided from other sources, such as future taxes or user charges.

A small portion of net position is restricted for debt service and permanent funds. The remainder (unrestricted) of net position may be used to meet the City's obligations to citizens and creditors.

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In 2020, the amount of net investment in capital assets decreased by \$8.9 million. Amount restricted for debt service increased by \$726 thousand. Unrestricted increased by \$10.7 million. Outside of these changes, 2020 resulted in a \$2.6 million increase to the net position.

Total liabilities increased in governmental activities and slightly decreased in business-type activities. In governmental activities, current liabilities increased and non-current liabilities decreased primarily due to an increase in temporary notes and a decrease in general obligation bonds.

*Statement of Activities*

A Condensed Statement of Activities is shown below.

**Condensed Statement of Activities**  
**For the Year Ended December 31**  
**(in \$000)**

	Governmental Activities		Business-Type Activities		Total Primary Government				
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>	<u>2020-2019</u> <u>Change</u>
Program Revenues:									
Charges for Services	8,400	9,730	26,513	27,423	34,913	37%	37,153	42%	(2,240)
Operating Grants and Contributions	4,714	4,540	-	-	4,714	5%	4,540	5%	174
General Revenues:									
Property Taxes	14,887	13,774	-	-	14,887	16%	13,774	16%	1,113
Sales Taxes	23,448	22,742	-	-	23,448	25%	22,742	26%	706
Other Taxes	6,117	6,975	-	-	6,117	7%	6,975	8%	(858)
Investment Revenue	286	670	4	-	290	0%	670	1%	(380)
Other Miscellaneous	8,328	1,168	447	846	8,775	9%	2,014	2%	6,761
Total Revenues:	<u>66,180</u>	<u>59,599</u>	<u>26,964</u>	<u>28,269</u>	<u>93,144</u>	<u>100%</u>	<u>87,868</u>	<u>100%</u>	<u>5,276</u>
Expenses:									
General Government	10,395	10,866	-	-	10,395	14%	10,866	14%	-471
Public Safety	24,672	25,358	-	-	24,672	33%	25,358	32%	-686
Public Works	10,511	10,528	-	-	10,511	14%	10,528	13%	-17
Public Health and Sanitation	1,323	1,156	-	-	1,323	2%	1,156	1%	167
Culture and Recreation	5,034	6,879	-	-	5,034	7%	6,879	9%	-1,845
Planning and Development	2,004	2,523	-	-	2,004	3%	2,523	3%	-519
Solid Waste Disposal	-	-	2,056	2,871	2,056	3%	2,871	4%	-815
Water and Sewer	-	-	13,386	14,294	13,386	18%	14,294	18%	-908
Sanitation	-	-	2,526	2,266	2,526	3%	2,266	3%	260
Golf Course	-	-	805	888	805	1%	888	1%	-83
Interest on Long Term Debt	2,350	2,169	-	-	2,350	3%	2,169	3%	181
Total Expenses	<u>56,289</u>	<u>59,479</u>	<u>18,773</u>	<u>20,319</u>	<u>75,062</u>	<u>100%</u>	<u>79,798</u>	<u>100%</u>	<u>-4,736</u>
Increase in net assets before transfers	9,891	121	8,191	7,950	18,082		9,414		8,668
Transfers and other extraordinary items	5,133	4,782	(5,133)	(4,782)	-		(58)		58
Change in Net Position	<u>15,024</u>	<u>4,902</u>	<u>3,058</u>	<u>3,169</u>	<u>18,082</u>		<u>9,356</u>		<u>8,726</u>
Net Position January 1	138,359	133,452	93,552	90,383	231,911		203,428		28,483
Prior Period Adjustment	(9,303)	4	-	-	(9,303)		-		-9,303
Net Position January 1 restated	<u>129,056</u>	<u>133,456</u>	<u>93,552</u>	<u>90,383</u>	<u>222,608</u>		<u>203,428</u>		<u>19,180</u>
Net Position December 31	<u>\$144,081</u>	<u>\$138,359</u>	<u>\$96,610</u>	<u>\$93,552</u>	<u>\$240,690</u>		<u>\$212,784</u>		<u>\$27,906</u>

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Governmental Activities. Charges for services attributable to governmental activities totaled \$8.4 million, as operating grants for those purposes were \$4.7 million. Charges for services decreased and operating grants increased slightly from the prior year due to the 2020 COVID pandemic as most services were paused temporarily. The balance was funded by general revenues. Sales taxes accounted for \$23.4 million of general revenues, with property taxes providing \$14.9 million. The net position increased by \$5.7 million as a result of governmental activities. This increase was primarily related to the increase in sales and other taxes.

Total expenses for governmental activities for the year ending December 31, 2020 were \$56.3 million compared to \$59.5 million in 2020. Governmental activities represent 75% of the City's total expenses. The largest element of governmental activity expense was public safety, accounting for 33% of the total expenses.

Business Type Activities. Business-type activities are primarily supported by user charges. Total expenses for business-type activities for the year were \$18.8 million, or 25% of the City's total expenses. The majority of this expense (\$13.4 million) is attributable to water and sewer operations, with the other activities costing a combined total of \$5.4 million. Net position increased by \$3.1 million. This increase was primarily related to an overall decrease in business-type activity expenses due to the 2020 COVID pandemic.

## **Fund Financial Analysis**

### *Governmental Funds*

#### Fund Balances:

The table below shows the Governmental Fund balances for major funds as of December 31, 2020 and December 31, 2019.

**Governmental Fund Balances**  
**as of December 31,**  
**(in 000's)**

<u>Fund</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
General	\$ 15,142	\$ 9,307	\$ 5,835
Tourism and Convention	327	451	(124)
Special Gas	2,866	2,191	675
Sales Tax Capital	5,209	2,406	2,803
Schilling Capital Improvement	1,494	1,949	(455)
Debt Service	1,724	1,142	582
Capital Projects	(4,028)	(7,652)	3,624
SFH QalicB	1,561	1,310	251
Other Governmental Funds	6,989	4,671	2,318
	<u>\$ 31,284</u>	<u>\$ 15,775</u>	<u>\$ 15,509</u>

Total governmental fund balances increased by \$15.5 million. The reasons for these changes are varied, including lower expenses during the 2020 COVID pandemic. The Schilling Capital Improvement Fund, which was created to account for U.S. Government and other funds received for the abatement of groundwater contamination, continues to decrease as the City uses funds previously distributed. The Capital Projects Fund decrease was largely the result of the use of funds to fund capital outlays on projects. The SFH QalicB fund was created to account for funds for the Salina Field House.

#### Revenues and Expenditures:

The following table shows a comparison of revenues and expenditures (including other sources and uses) for major funds for the years ending December 31, 2020 and 2019.



CITY OF SALINA, KANSAS  
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**Consolidated Statement of Revenues and Expenditures for Major Governmental Funds**  
**For the years ended December 31**  
**Modified Accrual Basis**  
**(in 000's)**

<u>Fund</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Revenues (including Other Financing Sources)			
General	\$ 44,560	\$ 44,228	\$ 332
Tourism and Convention	1,192	1,889	(697)
Special Gas	2,209	2,027	182
Sales Tax Capital	8,871	8,501	370
Schilling Capital Improvement	7	21	(14)
Debt Service	7,740	6,241	1,499
Capital Projects	8,598	11,871	(3,273)
SFH QalicB	494	499	(5)
Other Governmental Funds	7,757	4,745	3,012
Total Revenues	81,428	80,022	1,406
Less Other Sources	(18,515)	(21,247)	2,732
Revenues, net of other sources	\$ 62,913	\$ 58,775	\$ 4,138
Expenditures (including Other Financing Uses)			
General	\$ 38,921	\$ 41,664	\$ (2,743)
Tourism and Convention	1,316	1,896	(580)
Special Gas	1,534	1,368	166
Sales Tax Capital	6,067	8,060	(1,993)
Schilling Capital Improvement	462	208	254
Debt Service	7,155	6,950	205
Capital Projects	4,974	18,830	(13,856)
SFH QalicB	244	407	(163)
Other Governmental Funds	5,865	3,954	1,911
Total Expenditures	66,538	83,337	(16,799)
Less Other Uses	(4,271)	(5,073)	802
Expenditures, net of other uses	\$ 62,267	\$ 78,264	\$ (15,997)

Total revenues, including other sources, were up \$4.1 million compared to 2019, with Other Governmental Funds showing the largest increase between the two years, which was \$3.0 million.

Total expenditures decreased \$16.0 million over 2019. The majority of that decrease, \$13.9 million was in the Capital Projects Fund as a result of decreased spending on projects due to the 2020 COVID pandemic.

*Proprietary Funds*

The City of Salina operates four enterprise funds as well as five internal service funds. A summarized comparative Statement of Net Position follows for each enterprise fund:

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**Comparative Summary Statement of Net Position**  
**as of December 31**  
**(in \$000's)**

	Solid Waste Disposal			Water and Sewer		
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current Assets	\$ 8,075	\$ 7,073	\$ 1,002	\$ 30,396	\$ 28,307	\$ 2,089
Capital Assets	3,335	1,497	1,838	114,104	97,956	16,148
Deferred Outflows	137	67	70	706	371	335
Total Assets and deferred outflows	<u>\$ 11,547</u>	<u>\$ 8,637</u>	<u>\$ 2,910</u>	<u>\$ 145,206</u>	<u>\$ 126,634</u>	<u>\$ 18,572</u>
Current Liabilities	\$ 448	\$ 103	\$ 345	\$ 3,394	\$ 3,273	\$ 121
Noncurrent Liabilities	4,929	2,865	2,064	54,285	38,016	16,269
Deferred Inflows	33	28	5	151	126	25
Total Liabilities	<u>\$ 5,410</u>	<u>\$ 2,996</u>	<u>\$ 2,414</u>	<u>\$ 57,830</u>	<u>\$ 41,415</u>	<u>\$ 16,415</u>
Net investment in capital assets	\$ 910	\$ 1,107	\$ (197)	\$ 61,154	\$ 60,568	\$ 586
Restricted	-	-	-	1,175	1,368	(193)
Unrestricted	5,227	4,534	693	25,046	23,283	1,763
Total Net Position	<u>\$ 6,137</u>	<u>\$ 5,641</u>	<u>\$ 496</u>	<u>\$ 87,375</u>	<u>\$ 85,219</u>	<u>\$ 2,156</u>
Current Assets as percentage of current liabilities	1802%	6867%		896%	865%	

  

	Sanitation			Golf Course		
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current Assets	\$ 2,395	\$ 2,012	\$ 383	\$ 91	\$ 77	\$ 14
Capital Assets	1003	1165	\$ (162)	675	462	\$ 213
Deferred Outflows	164	84	\$ 80	110	25	\$ 85
Total Assets and deferred outflows	<u>\$ 3,562</u>	<u>\$ 3,261</u>	<u>\$ 301</u>	<u>\$ 876</u>	<u>\$ 564</u>	<u>\$ 312</u>
Current Liabilities	\$ 97	\$ 137	\$ (40)	\$ 25	\$ 66	\$ (41)
Noncurrent Liabilities	833	668	\$ 165	330	215	\$ 115
Deferred Inflows	\$ 41	35	\$ 6	\$ 15	10	\$ 5
Total Liabilities	<u>\$ 971</u>	<u>\$ 840</u>	<u>\$ 131</u>	<u>\$ 370</u>	<u>\$ 291</u>	<u>\$ 79</u>
Net investment in capital assets	\$ 1,003	\$ 1,165	\$ (162)	\$ 675	\$ 462	\$ 213
Restricted	-	-		-	-	
Unrestricted	1588	1256	\$ 332	(169)	(187)	\$ 18
Total Net Position	<u>\$ 2,591</u>	<u>\$ 2,421</u>	<u>\$ 170</u>	<u>\$ 506</u>	<u>\$ 275</u>	<u>\$ 231</u>
Current Assets as percentage of current liabilities	2469%	1469%		364%	117%	

CITY OF SALINA, KANSAS  
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*Revenues, Expenses, and Changes in Net Position*

All enterprise funds show healthy results, with all funds reflecting increases in net position.

**Comparative Summary of Revenue, Expenses and Changes in Net Position  
for the Year Ended December 31  
(in 000's)**

	Solid Waste Disposal			Water and Sewer		
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Operating Revenues	\$ 3,322	\$ 3,499	\$ (177)	\$ 19,504	\$ 20,588	\$ (1,084)
Operating Expenses	2,011	2,849	(838)	12,460	13,013	(553)
Operating Income	1,311	650	661	7,044	7,575	(531)
Non-operating revenues (expenses)	(45)	(22)	(23)	(922)	(1281)	359
Income (Loss) before Transfers	1,266	627	639	6,122	6294	(172)
Transfers in (out)	(2,729)	(640)	(2,089)	(2,006)	(3,650)	1,644
Change in Net Position	(1,463)	(13)	(1,450)	4,116	2644	1,472
Net Position January 1	5,640	5,653	(13)	85,219	82,580	2,639
Restatement	1,960	-	1,960	(1,960)	(5)	(1,960)
Net Position January 1, restated	7,600	5,653	1,947	83,259	82,575	684
Net Position December 31	<u>\$ 6,137</u>	<u>\$ 5,640</u>	<u>\$ 497</u>	<u>\$ 87,375</u>	<u>\$ 85,219</u>	<u>\$ 2,156</u>

  

	Sanitation			Golf Course		
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Operating Revenues	\$ 3,194	\$ 3,276	\$ (82)	\$ 939	\$ 907	\$ 32
Operating Expenses	2,526	2,266	260	805	888	(83)
Operating Income	668	1,010	(342)	134	19	115
Non-operating revenues (expenses)	-	-	-	-	-	0
Income (Loss) before Transfers	668	1010	(342)	134	19	115
Transfers in (out)	(497)	(492)	(5)	100	-	-
Change in Net Position	171	519	(348)	234	19	215
Net Position January 1	2,421	1,897	524	272	253	19
Restatement	-	5	-	-	-	-
Net Position January 1, restated	2,421	1,902	519	272	253	19
Net Position December 31	<u>\$ 2,592</u>	<u>\$ 2,421</u>	<u>\$ 171</u>	<u>\$ 506</u>	<u>\$ 272</u>	<u>\$ 234</u>

CITY OF SALINA, KANSAS  
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Year Ended December 31, 2020

### Budgetary Highlights

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. The legal level of budgetary control is maintained at the fund level, in accordance with State Statutes. Management control is maintained at the departmental level. Within the departments, considerable discretion is permitted. The City uses an encumbrance accounting system, in which estimated purchase orders are recorded prior to the release of purchase orders to vendors. Open purchase orders are reported as reservations of budgetary basis fund balances at December 31, 2020. Formal budgetary amendments are limited to those circumstances in which the need is perceived to alter the total fund budget. Re-allocation among departments or line items are not typically recorded as budgetary amendments.

However, in addition to formal amendments, departments within the City are allowed to transfer budget between line items within a department. Budgets may also be transferred from department to department within each fund. As a result of these transfers, the original budget and the final budgets may not be the same for departments within a fund.

### Capital Assets and Debt Administration

#### Capital Assets

The total amount invested in Capital Assets for the City at December 31, 2020 was \$334,555,753 net of accumulated depreciation.

The following table illustrates the Capital Asset balance by various classes of assets at December 31, 2020 and 2019:

**Capital Assets Balances Net of Depreciation**  
**as of December 31**  
**(in \$000's)**

	Governmental Activity		Business-Type Activity		Total	
	2020	2019	2020	2019	2020	2019
Equipment, Furniture and Fixtures	\$ 2,309	\$ 2,352	\$ 1,280	\$ 1,536	\$ 3,589	\$ 3,888
Vehicles	2,676	2,854	1,079	1,288	3,755	4,142
Buildings and Improvements	29,218	30,556	8,103	8,519	37,321	39,075
Land	24,224	24,224	2,386	2,386	26,610	26,610
Leased land under capital leases	423	423	-	-	423	
Infrastructure	130,010	116,264	78,294	79,823	208,304	196,087
Leasehold Improvements	357	357	-	-	357	
Construction in Progress	26,221	35,302	27,976	7,527	54,197	42,829
Total	\$ 215,438	\$ 212,332	\$ 119,118	\$ 101,079	\$ 334,556	\$ 312,631

Changes to capital assets may be summarized as follows:

**Changes to Capital Assets, 2020**  
**(in \$000's)**

	Governmental Activity	Business-Type Activity	Total
Additions	27,118	23,416	50,534
Retirements	(18,281)	(1,558)	(19,839)
Depreciation	(5,731)	(3,819)	(9,550)
Net Additions	\$ 3,106	\$ 18,039	\$ 21,145

CITY OF SALINA, KANSAS  
Management Discussion and Analysis  
Year Ended December 31, 2020

Additional information on the City's capital assets can be found in Note 4,D. of the notes to the basic financial statements.

***Debt Management***

The City's general policy for general obligation bonds is to issue them for no more than 10 years for the City at Large portion, with some exceptions permitted for extraordinary projects. On special assessment bonds, the maturity may extend to 15 years.

The outstanding general obligation bonds for governmental activities at December 31, 2020 totaled \$68,438,971. In addition, there were temporary notes outstanding in the amount of \$7,050,000, as well as a financing operating lease in the amount of \$583,725.

Business-type activities had \$10,341,160 in revenue bonds outstanding, as well as \$9,107,990 in general obligation bonds. Revenues generated by user fees are pledged to retire all of the bonds issued by business-type activities. In addition, a loan payable is outstanding in the amount of \$6,044,214.

The City engaged in the following debt transactions during 2020:

- On April 29<sup>th</sup>, the City issued 2020-1, \$7,050,000 of temporary notes. The proceeds were used to finance construction to Pheasant Ridge Addition 3, Police Training Facility, and Stone Lake 2.
- On April 29<sup>th</sup>, the City issued 2020A, \$5,450,610 in General Obligation Bonds to finance construction costs for Landfill Cell, the Police Parking Lot, Golf Irrigation and 9<sup>th</sup> Street Bridge Design, as well as to finance the Smoky Hill River Design.
- On November 19<sup>th</sup>, the City issued 2020B, \$9,043,333 in General Obligation Bonds to finance construction costs for the Radio Project, Quint, SCBA, as well as to finance the 2012A Refunding - Magnolia.

Additional information on the City's debt can be found in Note 4, E. of the notes to the basic financial statements.

**Requests for Information**

This financial report is intended to give the reader a general overview of the City's finances. Questions about information in this report or requests for additional information should be directed to the Director of Finance, Room 206, 300 West Ash Street, Salina, Kansas, 67401.

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## **BASIC FINANCIAL STATEMENTS**

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CITY OF SALINA, KANSAS  
STATEMENT OF NET POSITION  
December 31, 2020

	Primary Government			Component Units	
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Salina Housing Authority	Salina Airport Authority
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Current assets:					
Cash and investments	\$ 42,246,017	\$ 38,875,629	\$ 81,121,646	\$ 2,047,865	\$ 2,255,880
Receivables (net of allowance for uncollectibles)					
Accounts	1,916,733	1,664,390	3,581,123	25,280	390,970
Taxes	14,362,079	-	14,362,079	-	-
Interest	10,392	16	10,408	-	-
Inventory	284,987	417,947	702,934	31,898	-
Restricted cash and investments	335,497	-	335,497	-	-
Prepaid expenses	-	-	-	110,640	15,700
Total current assets	<u>59,155,705</u>	<u>40,957,982</u>	<u>100,113,687</u>	<u>2,215,683</u>	<u>2,662,550</u>
Noncurrent assets:					
Capital assets, nondepreciable					
Construction in progress	26,221,157	27,975,938	54,197,095	136,666	205,592
Land	24,646,334	2,386,334	27,032,668	1,557,554	9,874,567
Capital assets, depreciable	297,446,919	163,770,396	461,217,315	8,934,888	82,625,316
Less: Accumulated depreciation	<u>132,876,276</u>	<u>75,015,049</u>	<u>207,891,325</u>	<u>5,362,214</u>	<u>50,444,301</u>
Total noncurrent assets	<u>215,438,134</u>	<u>119,117,619</u>	<u>334,555,753</u>	<u>5,266,894</u>	<u>42,261,174</u>
Total assets	<u>274,593,839</u>	<u>160,075,601</u>	<u>434,669,440</u>	<u>7,482,577</u>	<u>44,923,724</u>
Deferred outflows of resources:					
KPERS OPEB deferred outflows of resources	135,741	55,982	191,723	-	4,727
OPEB deferred outflows of resources	148,419	24,797	173,216	-	-
Pension deferred outflows of resources	8,471,181	1,035,819	9,507,000	57,444	214,164
Deferred charge on bond issuance	<u>5,990</u>	<u>-</u>	<u>5,990</u>	<u>-</u>	<u>1,013,821</u>
Total deferred outflows of resources	<u>8,761,331</u>	<u>1,116,598</u>	<u>9,877,929</u>	<u>57,444</u>	<u>1,232,712</u>
Total assets and deferred outflows of resources	<u>\$ 283,355,170</u>	<u>\$ 161,192,199</u>	<u>\$ 444,547,369</u>	<u>\$ 7,540,021</u>	<u>\$ 46,156,436</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ 1,718,179	\$ 562,153	\$ 2,280,332	\$ 45,583	\$ 125,641
Retainage payable	1,687,819	211,528	1,899,347	-	-
Accrued liabilities	788,446	-	788,446	52,903	146,669
Accrued interest payable	61,875	447,048	508,923	-	211,244
Deposits payable	-	285,259	285,259	93,237	-
Current portion of compensated absences	1,224,971	273,001	1,497,972	3,068	51,799
Current portion of temporary notes payable	7,050,000	-	7,050,000	-	-
Current portion of loans payable	-	375,071	375,071	-	39,942
Current portion of revenue bonds payable	-	750,000	750,000	-	-
Current portion of special assessment debt payable	-	-	-	-	2,455
Current portion of general obligation bonds payable	<u>4,699,145</u>	<u>1,060,100</u>	<u>5,759,245</u>	<u>-</u>	<u>3,730,000</u>
Total current liabilities	<u>17,230,435</u>	<u>3,964,160</u>	<u>21,194,595</u>	<u>194,791</u>	<u>4,307,750</u>
Noncurrent liabilities:					
Accrued liabilities	263,049	-	263,049	65,926	-
Compensated absences	1,472,035	321,310	1,793,345	27,617	-
Security deposits returnable	-	-	-	-	83,989
OPEB obligation	3,097,540	517,514	3,615,054	-	13,924
KPERS OPEB obligation	402,677	194,767	597,444	7,657	-
Net pension liability	34,571,390	3,854,606	38,425,996	319,900	715,670
Loans payable	12,212,979	35,550,958	47,763,937	-	420,058
Revenue bonds payable	-	8,865,000	8,865,000	-	-
Special assessment debt payable	-	-	-	-	-
General obligation bonds payable	54,631,836	8,774,050	63,405,886	-	19,351,436
Landfill post-closure care liabilities	<u>-</u>	<u>2,300,353</u>	<u>2,300,353</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>106,651,506</u>	<u>60,378,558</u>	<u>167,030,064</u>	<u>421,100</u>	<u>20,585,077</u>
Total liabilities	<u>123,881,941</u>	<u>64,342,718</u>	<u>188,224,659</u>	<u>615,891</u>	<u>24,892,827</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	13,876,740	-	13,876,740	53,442	-
KPERS OPEB deferred inflows of resources	57,734	27,926	85,660	-	-
OPEB deferred inflows of resources	273,521	45,698	319,219	-	7,961
Pension deferred inflows of resources	<u>1,183,831</u>	<u>165,880</u>	<u>1,349,711</u>	<u>25,447</u>	<u>58,465</u>
Total deferred inflows of resources	<u>15,391,826</u>	<u>239,504</u>	<u>15,631,330</u>	<u>78,889</u>	<u>66,426</u>
Total liabilities and deferred inflows of resources	<u>\$ 139,273,767</u>	<u>\$ 64,582,222</u>	<u>\$ 203,855,989</u>	<u>\$ 694,780</u>	<u>\$ 24,959,253</u>
Net Position					
Net investment in capital assets	\$ 143,558,677	\$ 63,742,440	\$ 207,301,117	\$ 5,266,894	\$ 18,717,283
Restricted for:					
Permanent funds:					
Expendable	542,755	-	542,755	100,183	-
Debt service	1,724,117	1,175,378	2,899,495	-	-
Unrestricted	<u>[1,744,146]</u>	<u>31,692,159</u>	<u>29,948,013</u>	<u>1,478,164</u>	<u>2,479,900</u>
Total net position	<u>\$ 144,081,403</u>	<u>\$ 96,609,977</u>	<u>\$ 240,691,380</u>	<u>\$ 6,845,241</u>	<u>\$ 21,197,183</u>

The notes to the basic financial statements are an integral part of this statement.

## CITY OF SALINA, KANSAS

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

	Net [Expenses] Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Salina Housing Authority	Salina Airport Authority
<b>Governmental activities:</b>									
General government	\$ 10,394,607	\$ 3,338,860	\$ 1,201,206	\$ -	\$ [5,854,541]	\$ -	\$ [5,854,541]	\$ -	\$ -
Public safety	24,671,916	4,325,391	1,477,850	-	[18,868,675]	-	[18,868,675]	-	-
Public works	10,510,841	294,108	1,334,047	-	[8,882,686]	-	[8,882,686]	-	-
Public health and sanitation	1,322,698	49,388	221,982	-	[1,051,328]	-	[1,051,328]	-	-
Culture and recreation	5,033,513	279,296	294,037	-	[4,460,180]	-	[4,460,180]	-	-
Planning and development	2,004,435	113,262	185,227	-	[1,705,946]	-	[1,705,946]	-	-
Interest on long-term debt	2,349,539	-	-	-	[2,349,539]	-	[2,349,539]	-	-
Total governmental activities	56,287,549	8,400,305	4,714,349	-	[43,172,895]	-	[43,172,895]	-	-
<b>Business-type activities:</b>									
Solid Waste Disposal	2,055,825	3,289,539	-	-	-	1,233,714	1,233,714	-	-
Water and Sewer	13,386,267	19,448,780	-	-	-	6,062,513	6,062,513	-	-
Sanitation	2,526,129	3,193,904	-	-	-	667,775	667,775	-	-
Golf Course	804,973	581,232	-	-	-	[223,741]	[223,741]	-	-
Total business-type activities	18,773,194	26,513,455	-	-	-	7,740,261	7,740,261	-	-
Total primary government	\$ 75,060,743	\$ 34,913,760	\$ 4,714,349	\$ -	[43,172,895]	7,740,261	[35,432,634]	-	-
<b>Component units:</b>									
Salina Housing Authority	\$ 2,889,339	\$ 393,634	\$ 2,319,183	\$ 113,963	-	-	-	[62,559]	-
Salina Airport Authority	8,700,408	2,652,346	-	2,100,818	-	-	-	-	[3,947,244]
Total component units	\$ 11,589,747	\$ 3,045,980	\$ 2,319,183	\$ 2,214,781	-	-	-	[62,559]	[3,947,244]
<b>General Revenues:</b>									
Property taxes levied for									
General purposes					10,308,086	-	10,308,086	-	2,639,481
Debt service					3,058,231	-	3,058,231	-	-
Motor vehicle tax									
General purposes					1,520,297	-	1,520,297	-	-
Sales tax									
General purposes					13,697,179	-	13,697,179	-	-
Selective purposes					9,751,294	-	9,751,294	-	-
Other taxes									
General purposes					6,117,168	-	6,117,168	-	-
Investment revenues					285,623	4,144	289,767	22,125	2,161
Miscellaneous					8,328,452	446,477	8,774,929	108,417	-
Transfers, net					5,132,726	[5,132,726]	-	-	-
Subtotal general revenues					58,199,056	[4,682,105]	53,516,951	130,542	2,641,642
Change in net position					15,026,161	3,058,156	18,084,317	67,983	[1,305,602]
Net position - beginning					138,358,514	93,551,821	231,910,335	6,777,258	22,502,785
Prior period adjustment					[9,303,272]	-	[9,303,272]	-	-
Net position - beginning, restated					129,055,242	93,551,821	222,607,063	6,777,258	22,502,785
Net position - ending					\$ 144,081,403	\$ 96,609,977	\$ 240,691,380	\$ 6,845,241	\$ 21,197,183

The notes to the basic financial statements are an integral part of this statement.



## CITY OF SALINA, KANSAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

	<u>General</u>	<u>Tourism and Convention</u>	<u>Special Gas</u>	<u>Sales Tax Capital</u>
<b>ASSETS</b>				
Cash and investments	\$ 13,353,397	\$ 854	\$ 2,580,212	\$ 6,534,049
Restricted cash	-	-	-	-
Receivables (net)				
Accounts	1,587,438	326,008	-	-
Taxes	10,934,927	-	305,807	-
Interest	10,392	-	-	-
Inventory	183,768	-	-	-
Due from other funds	<u>31,989</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 26,101,911</u>	<u>\$ 326,862</u>	<u>\$ 2,886,019</u>	<u>\$ 6,534,049</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 145,736	\$ -	\$ 20,116	\$ 24,791
Retainage payable	-	-	-	1,299,766
Temporary notes payable	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>145,736</u>	<u>-</u>	<u>20,116</u>	<u>1,324,557</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	10,737,173	-	-	-
Unavailable revenue - other	<u>76,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>10,813,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Nonspendable	183,768	-	-	-
Restricted	-	326,862	2,233,811	-
Committed	-	-	-	4,065,778
Assigned	244,434	-	632,092	1,143,714
Unassigned	<u>14,714,061</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>15,142,263</u>	<u>326,862</u>	<u>2,865,903</u>	<u>5,209,492</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,101,911</u>	<u>\$ 326,862</u>	<u>\$ 2,886,019</u>	<u>\$ 6,534,049</u>

<u>Schilling Capital Improvement</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>SFH QalicB</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,493,977	\$ 1,665,599	\$ 4,656,684	\$ 3,918	\$ 7,239,668	\$ 37,528,358
-	-	-	335,497	-	335,497
-	-	-	1,235,034	3,287	3,151,767
-	3,121,345	-	-	-	14,362,079
-	-	-	-	-	10,392
-	-	-	-	-	183,768
-	-	-	-	-	31,989
<u>\$ 1,493,977</u>	<u>\$ 4,786,944</u>	<u>\$ 4,656,684</u>	<u>\$ 1,574,449</u>	<u>\$ 7,242,955</u>	<u>\$ 55,603,850</u>
\$ -	\$ -	\$ 1,260,261	\$ -	\$ 221,525	\$ 1,672,429
-	-	374,230	13,823	-	1,687,819
-	-	7,050,000	-	-	7,050,000
-	-	-	-	31,989	31,989
-	-	<u>8,684,491</u>	<u>13,823</u>	<u>253,514</u>	<u>10,442,237</u>
-	3,062,827	-	-	-	13,800,000
-	-	-	-	-	76,739
-	<u>3,062,827</u>	-	-	-	<u>13,876,739</u>
-	-	-	-	-	183,768
-	1,724,117	-	-	695,513	4,980,303
1,493,977	-	-	1,560,626	6,104,669	13,225,050
-	-	-	-	189,259	2,209,499
-	-	<u>[4,027,807]</u>	-	-	<u>10,686,254</u>
<u>1,493,977</u>	<u>1,724,117</u>	<u>[4,027,807]</u>	<u>1,560,626</u>	<u>6,989,441</u>	<u>31,284,874</u>
<u>\$ 1,493,977</u>	<u>\$ 4,786,944</u>	<u>\$ 4,656,684</u>	<u>\$ 1,574,449</u>	<u>\$ 7,242,955</u>	<u>\$ 55,603,850</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SALINA, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCE TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2020

Total Governmental Fund Balances	\$ 31,284,874
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Amounts reported for governmental activities in the  
statement of net position are different because

Bond issuance costs are shown as current year expenditures in the funds.

Bond issuance costs	5,990
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Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds

The cost of capital assets is	348,146,176	
Accumulated depreciation is	<u>132,722,313</u>	215,423,863

Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.	8,705,364
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Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.	[1,505,440]
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Certain intrafund transactions have been eliminated between the City's primary funds and the QALICB blended component unit.	[1,235,034]
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An internal service fund is used by the City's management to charge the costs of the worker's compensation program. The assets and liabilities of the internal service fund are included with governmental activities.	3,549,304
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The following liabilities, including bonds payable, are not due and payable  
in the current period and therefore are not reported as liabilities in the funds.  
These liabilities at year end consist of:

Compensated absences	2,666,706	
Net OPEB obligation	3,491,494	
Net pension liability	34,383,483	
Bonds payable	59,330,981	
Loans payable	12,212,979	
Accrued interest on the bonds	<u>61,875</u>	<u>[112,147,518]</u>

Net Position of Governmental Activities	<u>\$ 144,081,403</u>
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The notes to the basic financial statements are an integral part of this statement.

## CITY OF SALINA, KANSAS

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	<u>General</u>	<u>Tourism and Convention</u>	<u>Special Gas</u>	<u>Sales Tax Capital</u>
<b>REVENUES:</b>				
Taxes				
Real estate taxes	\$ 10,139,044	\$ -	\$ -	\$ -
Delinquent taxes	169,042	-	-	-
Motor vehicle taxes	1,189,598	-	-	-
General sales taxes	13,697,179	-	-	-
Selective sales taxes	-	-	-	8,624,465
Other taxes	4,925,381	1,191,787	-	-
Intergovernmental	2,453,021	-	1,328,977	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	4,942,217	-	-	-
Investment revenue	256,515	-	-	-
Donations	-	-	-	-
Miscellaneous	981,845	-	720,243	246,159
Total revenues	<u>38,753,842</u>	<u>1,191,787</u>	<u>2,049,220</u>	<u>8,870,624</u>
<b>EXPENDITURES:</b>				
Current				
General government	5,505,967	-	-	-
Public safety	22,435,061	-	-	-
Public works	5,101,204	-	355,565	-
Public health and sanitation	682,439	-	-	-
Culture and recreation	3,037,594	-	-	-
Planning and development	673,564	726,743	-	-
Miscellaneous	-	-	-	-
Capital outlay	608,460	-	1,178,730	3,262,657
Debt service	-	-	-	-
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>38,044,289</u>	<u>726,743</u>	<u>1,534,295</u>	<u>3,262,657</u>
Excess [deficiency] of revenue and other sources over [under] expenditures and other [uses]	<u>709,553</u>	<u>465,044</u>	<u>514,925</u>	<u>5,607,967</u>
<b>OTHER FINANCING SOURCES [USES]</b>				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	5,806,300	-	160,000	-
Transfers [out]	[877,000]	[589,252]	-	[2,804,350]
Total other financing sources [uses]	<u>4,929,300</u>	<u>[589,252]</u>	<u>160,000</u>	<u>[2,804,350]</u>
Net change in fund balance	<u>5,638,853</u>	<u>[124,208]</u>	<u>674,925</u>	<u>2,803,617</u>
Fund balance - Beginning of year	9,307,174	451,070	2,190,978	2,405,875
Prior period adjustment	196,236	-	-	-
Fund balance - Beginning of year, restated	<u>9,503,410</u>	<u>451,070</u>	<u>2,190,978</u>	<u>2,405,875</u>
Fund balance - End of year	<u>\$ 15,142,263</u>	<u>\$ 326,862</u>	<u>\$ 2,865,903</u>	<u>\$ 5,209,492</u>

<u>Schilling Capital Improvement</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>SFH QalicB</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 3,010,914	\$ -	\$ -	\$ -	\$ 13,149,958
-	47,317	-	-	-	216,359
-	330,699	-	-	-	1,520,297
-	-	-	-	-	13,697,179
-	-	-	-	1,126,829	9,751,294
-	-	-	-	-	6,117,168
-	-	-	-	1,535,238	5,317,236
-	1,511,279	-	-	-	1,511,279
-	-	-	-	5,070	5,070
-	-	-	492,917	121,417	5,556,551
7,005	-	-	967	21,136	285,623
-	-	-	-	129,193	129,193
-	-	130,108	-	3,577,577	5,655,932
<u>7,005</u>	<u>4,900,209</u>	<u>130,108</u>	<u>493,884</u>	<u>6,516,460</u>	<u>62,913,139</u>
-	-	-	-	-	5,505,967
-	-	-	-	-	22,435,061
-	-	-	-	625,362	6,082,131
-	-	-	-	597,804	1,280,243
-	-	-	-	1,207,431	4,245,025
-	-	-	16,652	376,545	1,793,504
-	53,301	-	-	1,300,661	1,353,962
462,374	-	4,760,797	26,983	1,741,294	12,041,295
-	5,163,995	-	-	-	5,163,995
-	1,937,284	213,299	200,044	15,496	2,366,123
<u>462,374</u>	<u>7,154,580</u>	<u>4,974,096</u>	<u>243,679</u>	<u>5,864,593</u>	<u>62,267,306</u>
<u>[455,369]</u>	<u>[2,254,371]</u>	<u>[4,843,988]</u>	<u>250,205</u>	<u>651,867</u>	<u>645,833</u>
-	1,206,882	7,513,405	-	-	8,720,287
-	-	468,404	-	-	468,404
-	1,629,188	486,426	-	1,241,413	9,323,327
-	-	-	-	-	[4,270,602]
-	2,836,070	8,468,235	-	1,241,413	14,241,416
<u>[455,369]</u>	<u>581,699</u>	<u>3,624,247</u>	<u>250,205</u>	<u>1,893,280</u>	<u>14,887,249</u>
1,949,346	1,142,418	[7,652,054]	1,310,421	4,670,517	15,775,745
-	-	-	-	425,644	621,880
<u>1,949,346</u>	<u>1,142,418</u>	<u>[7,652,054]</u>	<u>1,310,421</u>	<u>5,096,161</u>	<u>16,397,625</u>
<u>\$ 1,493,977</u>	<u>\$ 1,724,117</u>	<u>\$ [4,027,807]</u>	<u>\$ 1,560,626</u>	<u>\$ 6,989,441</u>	<u>\$ 31,284,874</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SALINA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

Total Net Change In Fund Balances - Governmental Funds \$ 14,887,249

Amounts reported for governmental activities in the statement of activities are different because

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Gain/[Loss] on sale of assets	[34,933]	
Capital outlays	9,188,324	
Depreciation expense	<u>[5,881,296]</u>	3,272,095

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.

16,584

An internal service fund is used by the City's management to charge the costs of certain activities to the individual funds. The revenues and expenses of certain internal service funds are reported with governmental activities.

983,576

Certain intrafund transactions have been eliminated between the City's primary funds and the QALICB blended component unit.

[712,617]

Some expenses reported in the statement of activities, such as compensated absences and other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

168,922

Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.

[1,817,189]

Bond, temporary note, loan and lease proceeds are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

[8,982,222]

Repayment of bond principal and bond issuance costs is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

7,209,763

Changes In Net Position of Governmental Activities

\$ 15,026,161

The notes to the basic financial statements are an integral part of this statement.

## CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
GENERAL FUND  
For the Year Ended December 31, 2020

		Budgeted Amounts		Variance with
	Actual	Original	Final	Final Budget Positive [Negative]
Revenues				
Taxes				
Real estate taxes	\$ 10,139,044	\$ 10,269,618	\$ 10,269,618	\$ [130,574]
Delinquent taxes	169,042	160,000	160,000	9,042
Motor vehicle taxes	1,183,360	1,148,859	1,148,859	34,501
General sales tax	13,697,179	13,119,090	13,119,090	578,089
Other taxes	4,925,381	7,200,990	7,200,990	[2,275,609]
Intergovernmental	2,453,021	1,155,255	1,155,255	1,297,766
Charges for services	3,710,836	5,931,339	5,931,339	[2,220,503]
Investment revenue	254,767	140,000	140,000	114,767
Miscellaneous	981,842	513,496	513,496	468,346
Total revenues	37,514,472	39,638,647	39,638,647	[2,124,175]
Expenditures				
General government	4,336,448	5,627,624	5,627,624	1,291,176
Public safety	22,434,733	22,669,448	22,669,448	234,715
Public works	5,044,769	4,552,934	4,552,934	[491,835]
Public health and sanitation	682,439	-	-	[682,439]
Culture and recreation	3,050,289	7,911,847	7,911,847	4,861,558
Planning and development	553,972	3,099,280	3,099,280	2,545,308
Capital outlay	608,460	4,746,430	4,746,430	4,137,970
Total expenditures	36,711,110	48,607,563	48,607,563	11,896,453
Excess [deficiency] of revenues over [under] expenditures	803,362	[8,968,916]	[8,968,916]	9,772,278
Other financing sources [uses]				
Transfers in	5,806,300	4,366,550	4,366,550	1,439,750
Transfers [out]	[877,000]	[905,500]	[905,500]	28,500
Total other financing sources [uses]	4,929,300	3,461,050	3,461,050	1,468,250
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	5,732,662	[5,507,866]	[5,507,866]	11,240,528
Unreserved fund balance, January 1, restated	7,185,815	5,507,866	5,507,866	1,677,949
Unreserved fund balance, December 31	12,918,477	\$ -	\$ -	\$ 12,918,477
Reconciliation to GAAP				
Interest receivable	10,392			
Accounts receivable	1,587,438			
Taxes receivable	10,934,927			
Inventory	183,768			
Deferred revenue	[10,737,173]			
Current year encumbrances	244,434			
GAAP Fund Balance, December 31	\$ 15,142,263			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
TOURISM AND CONVENTION FUND  
For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Other taxes	\$ 1,315,996	\$ 1,900,000	\$ 1,900,000	\$ [584,004]
Total revenues	<u>1,315,996</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>[584,004]</u>
Expenditures				
Planning and development	<u>726,743</u>	<u>1,045,000</u>	<u>1,045,000</u>	<u>318,257</u>
Total expenditures	<u>726,743</u>	<u>1,045,000</u>	<u>1,045,000</u>	<u>318,257</u>
Excess [deficiency] of revenues over [under] expenditures	<u>589,253</u>	<u>855,000</u>	<u>855,000</u>	<u>[265,747]</u>
Other financing sources [uses]				
Transfers [out]	<u>[589,252]</u>	<u>[855,000]</u>	<u>[855,000]</u>	<u>265,748</u>
Total other financing sources [uses]	<u>[589,252]</u>	<u>[855,000]</u>	<u>[855,000]</u>	<u>265,748</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Unreserved fund balance, January 1	<u>853</u>	<u>853</u>	<u>853</u>	<u>-</u>
Unreserved fund balance, December 31	<u>854</u>	<u>\$ 853</u>	<u>\$ 853</u>	<u>\$ 1</u>
Reconciliation to GAAP				
Accounts receivable	<u>326,008</u>			
GAAP Fund Balance, December 31	<u>\$ 326,862</u>			

See independent auditor's report on the financial statements.



CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL GAS FUND

For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 1,351,092	\$ 1,330,760	\$ 1,330,760	\$ 20,332
Miscellaneous	720,243	-	-	720,243
Investment revenue	-	3,000	3,000	[3,000]
Total revenues	<u>2,071,335</u>	<u>1,333,760</u>	<u>1,333,760</u>	<u>737,575</u>
Expenditures				
Public works	355,565	486,950	486,950	131,385
Capital outlay	<u>1,740,235</u>	<u>1,181,243</u>	<u>1,181,243</u>	<u>[558,992]</u>
Total expenditures	<u>2,095,800</u>	<u>1,668,193</u>	<u>1,668,193</u>	<u>[427,607]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[24,465]</u>	<u>[334,433]</u>	<u>[334,433]</u>	<u>309,968</u>
Other financing sources [uses]				
Transfers in	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Total other financing sources [uses]	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	135,535	[174,433]	[174,433]	309,968
Unreserved fund balance, January 1	<u>1,792,469</u>	<u>1,867,816</u>	<u>1,867,816</u>	<u>[75,347]</u>
Unreserved fund balance, December 31	1,928,004	<u>\$ 1,693,383</u>	<u>\$ 1,693,383</u>	<u>\$ 234,621</u>
Reconciliation to GAAP				
Taxes receivable	305,807			
Current year encumbrances	<u>632,092</u>			
GAAP Fund Balance, December 31	<u>\$ 2,865,903</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SALES TAX CAPITAL FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes				
Selective sales taxes	\$ 8,624,465	\$ 8,332,539	\$ 8,332,539	\$ 291,926
Miscellaneous	246,159	-	-	246,159
Total revenues	<u>8,870,624</u>	<u>8,332,539</u>	<u>8,332,539</u>	<u>538,085</u>
Expenditures				
Capital outlay	<u>3,666,919</u>	<u>5,050,000</u>	<u>5,050,000</u>	<u>1,383,081</u>
Total expenditures	<u>3,666,919</u>	<u>5,050,000</u>	<u>5,050,000</u>	<u>1,383,081</u>
Excess [deficiency] of revenues over [under] expenditures	<u>5,203,705</u>	<u>3,282,539</u>	<u>3,282,539</u>	<u>1,921,166</u>
Other financing sources [uses]				
Transfers [out]	<u>[2,804,350]</u>	<u>[3,169,350]</u>	<u>[3,169,350]</u>	<u>365,000</u>
Total other financing sources [uses]	<u>[2,804,350]</u>	<u>[3,169,350]</u>	<u>[3,169,350]</u>	<u>365,000</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	2,399,355	113,189	113,189	2,286,166
Unreserved fund balance, January 1	<u>1,666,423</u>	<u>1,882,941</u>	<u>1,882,941</u>	<u>[216,518]</u>
Unreserved fund balance, December 31	4,065,778	<u>\$ 1,996,130</u>	<u>\$ 1,996,130</u>	<u>\$ 2,069,648</u>
Reconciliation to GAAP				
Current year encumbrances	<u>1,143,714</u>			
GAAP Fund Balance, December 31	<u>\$ 5,209,492</u>			

See independent auditor's report on the financial statements.

## CITY OF SALINA, KANSAS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2020

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Assets and deferred outflows of resources:						
Current assets:						
Cash and investments	\$ 7,876,671	\$ 28,759,645	\$ 2,175,043	\$ 64,270	\$ 38,875,629	\$ 4,717,659
Receivables (net of allowance for uncollectibles)						
Accounts	198,287	1,246,160	219,943	-	1,664,390	-
Interest	16	-	-	-	16	-
Inventory and prepaid supplies	-	390,729	-	27,218	417,947	101,219
Total current assets	<u>8,074,974</u>	<u>30,396,534</u>	<u>2,394,986</u>	<u>91,488</u>	<u>40,957,982</u>	<u>4,818,878</u>
Capital assets:						
Nondepreciable capital assets:						
Construction in progress	1,991,469	25,727,684	-	256,785	27,975,938	-
Land	682,000	1,689,334	-	15,000	2,386,334	-
Depreciable capital assets:						
Capital assets	11,313,026	148,639,879	2,564,420	1,253,071	163,770,396	168,234
Less: accumulated depreciation	10,651,410	61,953,107	1,560,935	849,597	75,015,049	153,963
Total capital assets	<u>3,335,085</u>	<u>114,103,790</u>	<u>1,003,485</u>	<u>675,259</u>	<u>119,117,619</u>	<u>14,271</u>
Total assets	<u>11,410,059</u>	<u>144,500,324</u>	<u>3,398,471</u>	<u>766,747</u>	<u>160,075,601</u>	<u>4,833,149</u>
Deferred outflows of resources:						
KPERS OPEB deferred outflows of resources	6,749	33,434	7,745	8,054	55,982	2,507
OPEB deferred outflows of resources	2,758	16,409	4,635	995	24,797	-
Pension deferred outflows of resources	127,859	655,717	151,656	100,587	1,035,819	47,470
Total deferred outflows of resources	<u>137,366</u>	<u>705,560</u>	<u>164,036</u>	<u>109,636</u>	<u>1,116,598</u>	<u>49,977</u>
Total assets and deferred outflows of resources	<u>\$ 11,547,425</u>	<u>\$ 145,205,884</u>	<u>\$ 3,562,507</u>	<u>\$ 876,383</u>	<u>\$ 161,192,199</u>	<u>\$ 4,883,126</u>
Liabilities and deferred inflows of resources:						
Current liabilities						
Accounts payable	\$ 19,524	\$ 509,657	\$ 25,449	\$ 7,523	\$ 562,153	\$ 45,750
Retainage payable	-	211,528	-	-	211,528	-
Interest payable	38,747	408,301	-	-	447,048	-
Meter deposits payable	-	285,259	-	-	285,259	-
Current portion of compensated absences payable	19,825	164,516	71,543	17,117	273,001	13,919
Current portion of accrued claims payable	-	-	-	-	-	788,446
Current portion of loans payable	-	375,071	-	-	375,071	-
Current portion of general obligation bonds payable	370,000	690,100	-	-	1,060,100	-
Current portion of revenue bonds payable	-	750,000	-	-	750,000	-
Total current liabilities	<u>448,096</u>	<u>3,394,432</u>	<u>96,992</u>	<u>24,640</u>	<u>3,964,160</u>	<u>848,115</u>
Noncurrent liabilities:						
Compensated absences payable	23,333	193,628	84,202	20,147	321,310	16,382
Accrued claims payable	-	-	-	-	-	263,049
OPEB obligation	57,567	342,458	96,728	20,761	517,514	-
KPERS OPEB obligation	23,480	116,322	26,945	28,020	194,767	8,723
Net pension liability	469,022	2,498,445	625,434	261,705	3,854,606	187,907
Payable from restricted assets						
Loans payable	-	35,550,958	-	-	35,550,958	-
General obligation bonds payable	2,055,388	6,718,662	-	-	8,774,050	-
Revenue bonds payable	-	8,865,000	-	-	8,865,000	-
Landfill post-closure care liabilities	2,300,353	-	-	-	2,300,353	-
Total noncurrent liabilities	<u>4,929,143</u>	<u>54,285,473</u>	<u>833,309</u>	<u>330,633</u>	<u>60,378,558</u>	<u>476,061</u>
Total liabilities	<u>5,377,239</u>	<u>57,679,905</u>	<u>930,301</u>	<u>355,273</u>	<u>64,342,718</u>	<u>1,324,176</u>
Deferred inflows of resources						
KPERS OPEB deferred inflows of resources	3,366	16,678	3,864	4,018	27,926	1,251
OPEB deferred inflows of resources	5,084	30,240	8,541	1,833	45,698	-
Pension deferred inflows of resources	24,429	103,622	28,575	9,254	165,880	8,395
Total deferred inflows of resources	<u>32,879</u>	<u>150,540</u>	<u>40,980</u>	<u>15,105</u>	<u>239,504</u>	<u>9,646</u>
Total liabilities and deferred inflows of resources	<u>\$ 5,410,118</u>	<u>\$ 57,830,445</u>	<u>\$ 971,281</u>	<u>\$ 370,378</u>	<u>\$ 64,582,222</u>	<u>\$ 1,333,822</u>
Net position						
Net investment in capital assets	\$ 909,697	\$ 61,153,999	\$ 1,003,485	\$ 675,259	\$ 63,742,440	\$ 14,271
Restricted						
Restricted for bond retirement	-	1,175,378	-	-	1,175,378	-
Unrestricted	5,227,610	25,046,062	1,587,741	[169,254]	31,692,159	3,535,033
Total net position	<u>\$ 6,137,307</u>	<u>\$ 87,375,439</u>	<u>\$ 2,591,226</u>	<u>\$ 506,005</u>	<u>\$ 96,609,977</u>	<u>\$ 3,549,304</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SALINA, KANSAS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2020

	Business-Type Activities: Enterprise Funds					
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course	Total Enterprise Funds	Internal Service Funds
Operating revenues						
Charges for services	\$ 3,289,539	\$ 19,448,780	\$ 3,193,904	\$ 581,232	\$ 26,513,455	\$ 8,253,233
Miscellaneous	32,720	55,774	49	357,934	446,477	42,179
Total operating revenues	<u>3,322,259</u>	<u>19,504,554</u>	<u>3,193,953</u>	<u>939,166</u>	<u>26,959,932</u>	<u>8,295,412</u>
Operating expenses						
General government	-	-	-	-	-	7,391,474
Public works	1,858,197	8,916,947	2,364,751	-	13,139,895	-
Recreation	-	-	-	761,739	761,739	-
Depreciation	152,926	3,543,387	161,378	43,234	3,900,925	362
Total operating expenses	<u>2,011,123</u>	<u>12,460,334</u>	<u>2,526,129</u>	<u>804,973</u>	<u>17,802,559</u>	<u>7,391,836</u>
Operating income [loss]	<u>1,311,136</u>	<u>7,044,220</u>	<u>667,824</u>	<u>134,193</u>	<u>9,157,373</u>	<u>903,576</u>
Nonoperating revenues [expenses]						
Investment revenue	-	4,144	-	-	4,144	-
Interest expense	[44,702]	[1,005,565]	-	-	[1,050,267]	-
Accretion of bond premium	-	89,557	-	-	89,557	-
Amortization of bond issuance costs	-	[9,925]	-	-	[9,925]	-
Total nonoperating revenues [expenses]	<u>[44,702]</u>	<u>[921,789]</u>	<u>-</u>	<u>-</u>	<u>[966,491]</u>	<u>-</u>
Income [loss] before transfers	<u>1,266,434</u>	<u>6,122,431</u>	<u>667,824</u>	<u>134,193</u>	<u>8,190,882</u>	<u>903,576</u>
Transfers from [to] other funds						
Transfers in	-	-	-	100,000	100,000	80,000
Transfers [out]	<u>[2,729,588]</u>	<u>[2,005,788]</u>	<u>[497,350]</u>	<u>-</u>	<u>[5,232,726]</u>	<u>-</u>
Total transfers	<u>[2,729,588]</u>	<u>[2,005,788]</u>	<u>[497,350]</u>	<u>100,000</u>	<u>[5,132,726]</u>	<u>80,000</u>
Change in net position	<u>[1,463,154]</u>	<u>4,116,643</u>	<u>170,474</u>	<u>234,193</u>	<u>3,058,156</u>	<u>983,576</u>
Net position, January 1	5,640,478	85,218,779	2,420,752	271,812	93,551,821	2,565,728
Prior period adjustment	<u>1,959,983</u>	<u>[1,959,983]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, January 1, restated	<u>7,600,461</u>	<u>83,258,796</u>	<u>2,420,752</u>	<u>271,812</u>	<u>93,551,821</u>	<u>2,565,728</u>
Net position, December 31	<u>\$ 6,137,307</u>	<u>\$ 87,375,439</u>	<u>\$ 2,591,226</u>	<u>\$ 506,005</u>	<u>\$ 96,609,977</u>	<u>\$ 3,549,304</u>

The notes to the basic financial statements are an integral part of this statement.

## CITY OF SALINA, KANSAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2020

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Cash flows from operating activities						
Cash received from customers and users	\$ 3,289,574	\$ 19,836,614	\$ 3,231,339	\$ 581,232	\$ 26,938,759	\$ 8,503,738
Cash paid to suppliers of goods or services	[894,526]	[4,593,856]	[1,412,277]	[288,026]	[7,188,685]	[7,085,946]
Cash paid to employees	[688,626]	[3,908,975]	[901,478]	[468,228]	[5,967,307]	[274,765]
Other operating receipts	32,720	55,774	49	357,934	446,477	42,179
Net cash provided by [used in] operating activities	<u>1,739,142</u>	<u>11,389,557</u>	<u>917,633</u>	<u>182,912</u>	<u>14,229,244</u>	<u>1,185,206</u>
Cash flows from capital and related financing activities						
Purchase and construction of capital assets	[31,486]	[21,561,398]	-	[256,785]	[21,849,669]	-
Proceeds from bonds	2,070,388	4,370,151	-	-	6,440,539	-
Proceeds from loans	-	18,475,072	-	-	18,475,072	-
Principal payments - loans	-	[5,088,730]	-	-	[5,088,730]	-
Principal payments - general obligation bonds	[35,000]	[1,414,063]	-	-	[1,449,063]	-
Principal payments - revenue bonds	-	[781,015]	-	-	[781,015]	-
Interest paid	[11,217]	[917,878]	-	-	[929,095]	-
Net cash provided by [used in] capital and related financing activities	<u>1,992,685</u>	<u>[6,917,861]</u>	<u>-</u>	<u>[256,785]</u>	<u>[5,181,961]</u>	<u>-</u>
Cash flows from investing activities						
Interest received	-	4,144	-	-	4,144	-
Cash flows from noncapital financing activities						
Transfers in	-	-	-	100,000	100,000	80,000
Transfers [out]	[2,729,588]	[2,005,788]	[497,350]	-	[5,232,726]	-
Net cash provided by [used in] noncapital financing activities	<u>[2,729,588]</u>	<u>[2,005,788]</u>	<u>[497,350]</u>	<u>100,000</u>	<u>[5,132,726]</u>	<u>80,000</u>
Net increase [decrease] in cash and cash equivalents	1,002,239	2,470,052	420,283	26,127	3,918,701	1,265,206
Cash and cash equivalents, January 1	<u>6,874,432</u>	<u>26,289,593</u>	<u>1,754,760</u>	<u>38,143</u>	<u>34,956,928</u>	<u>3,452,453</u>
Cash and cash equivalents, December 31	<u>\$ 7,876,671</u>	<u>\$ 28,759,645</u>	<u>\$ 2,175,043</u>	<u>\$ 64,270</u>	<u>\$ 38,875,629</u>	<u>\$ 4,717,659</u>

The notes to the basic financial statements are an integral part of this statement.

## CITY OF SALINA, KANSAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (Continued)  
 For the Year Ended December 31, 2020

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities						
Operating income [loss]	\$ 1,311,136	\$ 7,044,220	\$ 667,824	\$ 134,193	\$ 9,157,373	\$ 903,576
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities						
Depreciation expense	152,926	3,543,387	161,378	43,234	3,900,925	362
[Increase] decrease in accounts receivable	35	332,022	37,435	-	369,492	-
[Increase] decrease in inventory	-	48,494	-	11,203	59,697	26,673
[Increase] decrease in deferred outflows	[70,780]	[344,505]	[80,102]	[85,115]	[580,502]	[24,376]
Increase [decrease] in accounts payable	[6,918]	121,544	[3,711]	3,044	113,959	[660]
Increase [decrease] in retainage payable	-	58,119	-	-	58,119	-
Increase [decrease] in accrued compensated absences	[6,276]	[17,252]	7,760	[46,560]	[62,328]	[1,145]
Increase [decrease] in claims payable	-	-	-	-	-	250,505
Increase [decrease] in net pension liability	85,168	421,937	97,737	101,638	706,480	31,639
Increase [decrease] in net KPERS OPEB obligation	8,288	9,979	1,625	17,892	37,784	[1,405]
Increase [decrease] in net OPEB obligation	8,891	91,333	21,418	[1,808]	119,834	-
Increase [decrease] in meter deposits payable	-	55,812	-	-	55,812	-
Increase [decrease] in deferred inflows	5,215	24,467	6,269	5,191	41,142	37
Net cash provided by [used in] operating activities	<u>\$ 1,739,142</u>	<u>\$ 11,389,557</u>	<u>\$ 917,633</u>	<u>\$ 182,912</u>	<u>\$ 14,229,244</u>	<u>\$ 1,185,206</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SALINA, KANSAS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2020

	Custodial <u>Fund</u>
ASSETS	
Cash and investments	\$ <u>751</u>
Total assets	<u>751</u>
LIABILITIES AND NET POSITION	
Liabilities	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>\$ 751</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SALINA, KANSAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2020

	Custodial <u>Fund</u>
ADDITIONS	
Miscellaneous	\$ <u>7,314</u>
Total additions	<u>7,314</u>
DEDUCTIONS	
Contractual services	<u>5,551</u>
Total deductions	<u>5,551</u>
Change in net position	1,763
Net position, January 1	<u>[1,012]</u>
Net position, December 31	<u><u>\$ 751</u></u>

The notes to the basic financial statements are an integral part of this statement.



## CITY OF SALINA, KANSAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2020

#### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The City of Salina, Kansas (the City) is a municipal corporation governed by a mayor as part of a five-member commission. These financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government wide statements (see note below for descriptions) to emphasize that it is legally separated from the government. The blended component unit is reported as a governmental fund of the City (see note below for description) to emphasize that it is a part of the City.

##### Discretely Presented Component Units

**City of Salina Airport Authority** - The Salina Airport Authority was created for the purpose of accepting as surplus property portions of the former Schilling A.F.B that was closed by the United States Department of Defense in June 1965. One of the primary functions of the Airport Authority is to facilitate the continued growth of jobs and payroll at the Airport Industrial Center. The Airport Authority is managed and controlled by a five-member Board of Directors appointed by the Salina City Commission. Any director may be removed by a majority vote of the Salina City Commission. The Airport Authority's basic mill levy (up to 3 mills) requires the approval of the City Commission. The Commission must also approve the issuance of general obligation debt by the Airport Authority. The Airport Authority has a December 31 fiscal year end.

**Housing Authority of the City of Salina** - The purpose of the Housing Authority of the City of Salina (Housing Authority) is to administer Public Housing Programs authorized by the United States Housing Act of 1937. The Mayor of the City of Salina appoints the governing board. The City Commission may remove commissioners of the Housing Authority. The City must issue revenue bonds for the Housing Authority. The financial liability of the Housing Authority is essentially supported by the operating and debt service subsidies received under contract from the Federal government. The Housing Authority has a June 30 fiscal year end. Information in the accompanying financial statements covers the fiscal year ended June 30, 2020.

##### Blended Component Unit

**Salina Field House Qualified Active Low-Income Community Business, Inc. (SFH QalicB)** - SFH QalicB was created to function as a qualified low-income community business, as defined in Section 45D(d)(2) of the Internal Revenue Code of 1986 for the purpose of providing an indoor sports facility in the downtown corridor of the City of Salina. The purpose of the facility is to cater to local residents as well as host regional sports tournaments with the anticipation of becoming a regional destination for youth athletics. This mix of participation is expected to provide the most consistent visitation and tourism for the downtown district. The SFH QalicB is managed and controlled by a five-member Board of Directors appointed by the Salina City Commission. The field house is staffed by City of Salina employees. SFH QalicB has a December 31 fiscal year end. SFH QalicB is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Salina Airport Authority  
3237 Arnold Ave.  
Salina, KS

Housing Authority of  
the City of Salina  
469 S. 5th  
Salina, KS

Salina Field House  
QALICB, Inc.  
300 W. Ast St.  
Salina, KS

##### Joint Ventures

The City of Salina also participates with Saline County in one joint venture. The City and County organized the Salina County-City Building Authority to acquire, operate and maintain facilities for the administrative offices of both governments. The primary governments each have an ongoing financial responsibility for the joint venture. Separate financial statements are available from the governing board of the joint venture.

# CITY OF SALINA, KANSAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2020

### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### A. Reporting Entity (Continued)

##### Joint Ventures (Continued)

	(Kansas Regulatory Basis) Building Authority (Audited)
Total unencumbered cash, December 31, 2020	\$ 1,928,199
Total change in unencumbered cash, year ended December 31, 2020	331,741
Total cash receipts, year ended December 31, 2020	1,636,400
Total cash receipts from City of Salina	502,042

Complete financial statements for the joint venture may be obtained at the entity's administrative office.

Salina County-City  
Building Authority  
300 West Ash Street  
Salina, KS

#### B. Government-wide and fund financial statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items, which are not classified as program revenues, are presented as general revenues of the City.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 collectible 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, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes 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. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The internal service funds account for risk management, worker's compensation, health insurance, central garage and information services that are provided to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The fiduciary funds are used by the City to accounts for resources held by the City for the benefit of a third part. Because the resources of these funds are not available for the City's operations, they are not presented in the government-wide financial statements. The City's lone fiduciary fund is reported as a custodial fund.

The City reports the following major governmental funds:

General Fund - To account for resources traditionally associated with government, which are not required legally, or by sound financial management, to be accounted for in another fund.

Tourism and Convention Fund - To account for transient guest tax revenues, which are specifically restricted to promotion and tourism activities.

Special Gas Fund - To account for the City's share of motor fuel tax revenues, which are legally restricted to the maintenance or improvement of streets within the City.

Sales Tax Capital Fund - To account for 58% of the 1.25 cent sales tax designated for capital, debt, and human services purposes.

Schilling Capital Improvement Fund - To account for the funding provided by U.S. Government and Public Entities and the remedial investigation, feasibility study and expenditures necessary to abate groundwater contamination beneath the property formerly identified as Schilling Air Force Base.

Debt Service Fund - To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Capital Projects Fund - To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

SFH QalicB Fund - To account for the activities of Salina Field House Qualified Active Low-Income Community Business, Inc. as a component unit blended into the financial statements.

The City reports the following major proprietary funds:

Sanitation Fund - To account for the operations of the City's refuse collection service.

Solid Waste Disposal Fund - To account for the activities of the City's landfill.

Golf Course Fund - To account for the operations of the municipal golf course.

Water and Sewer Fund - To account for the activities of the City's water and sewer operations.

Additionally, the City reports the following as a fiduciary fund:

Fire insurance proceeds fund - To account for insurance proceeds received for severely damaged buildings the insurance proceeds, plus interest, are returned to the property owners when the buildings are repaired or demolished.

D. Assets, Liabilities, Fund Balance, and Net Position

1. Pooled cash and investments

The City maintains a cash and investment pool that is available for use by all funds managed by the City. Each fund type's portion of this pool is displayed in the financial statements as "Cash and Investments." The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments in the Kansas Municipal Pool are carried at fair value.

Cash balances from all funds are invested to the extent available in certificates of deposit and other authorized investments. Investments with maturity dates greater than three months are stated separately. Earnings from these investments, unless specifically designated, are allocated monthly to the investing fund based on the percentage of funds invested to total investments. All investments are carried at fair value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

*Accounts Receivable.* The City records revenues when services are provided. All receivables are shown net of an allowance for doubtful accounts.

*Property taxes receivable.* Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and, therefore, are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2021. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the accounting period, and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Fund Balance and Net Position (Continued)

2. Receivables and Payables (Continued)

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the County. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. 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 government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Other equipment	5 -15
Vehicles	6 -10
Infrastructure	30 -50

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Fund Balance, and Net Position (Continued)

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All employees of the City, except temporary and part time employees, may accumulate sick leave at a rate of 8 or 11 hours per month depending on their work duty schedule. There is no limit on the amount of sick leave that can be accumulated. Employees with more than five years of service with the City are paid for one-third of their accumulated sick leave at their current wage scale upon termination of employment in good standing. In 2001, a limited buy back policy was instituted.

All regular employees are entitled to paid vacation time. Such leave is granted each year of employment. Employees must use 50% of leave accrued each calendar year and an employee's maximum accrued vacation leave balance cannot exceed 250 hours (or 350 hours for employees working 24-hour shifts). Employees are paid for all accumulated vacation leave at their current wage scale upon termination of employment.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the government fund financial statements that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave of the business-type funds and government wide financial statements are recorded as an expense and liability of those funds as the benefits accrue to employees. A liability is recorded for accumulated rights to receive sick pay benefits that are payable upon termination of employment.

The General Fund, Bicentennial Center Fund, Central Garage Fund, Sanitation Fund, Solid Waste Fund, Golf Course Fund, and Water and Sewer Fund have been used in prior years to liquidate the liability for compensated absences.

6. Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

7. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## D. Assets, Liabilities, Fund Balance, and Net Position (Continued)

## 8. Fund Balances

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city commission. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts are considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds								Other Governmental Funds	Total Governmental Funds
	General	Tourism and Convention	Special Gas	Sales Tax Capital	Schilling Capital Improvement	Debt Service	Capital Projects	SFH QalicB		
Fund Balances:										
Nonspendable for:										
Inventory	\$ 183,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,768
Restricted for:										
Public works	-	-	2,233,811	-	-	-	-	-	-	2,233,811
Public health and sanitation	-	-	-	-	-	-	-	-	234	234
Culture and recreation	-	-	-	-	-	-	-	-	465,773	465,773
Planning and development	-	326,862	-	-	-	-	-	-	228,706	555,568
Debt payments	-	-	-	-	-	1,724,117	-	-	800	1,724,917
Committed for:										
Public safety	-	-	-	-	-	-	-	-	214,419	214,419
Culture and recreation	-	-	-	-	-	-	-	-	734,724	734,724
Planning and development	-	-	-	-	-	-	-	1,560,626	364,668	1,925,294
Cemetery	-	-	-	-	-	-	-	-	536,838	536,838
Capital improvements	-	-	-	4,065,778	1,493,977	-	-	-	4,254,020	9,813,775
Assigned for:										
General government	20,863	-	-	-	-	-	-	-	-	20,863
Public safety	37,672	-	-	-	-	-	-	-	176,649	214,321
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	12,695	-	-	-	-	-	-	-	12,610	25,305
Capital improvements	173,204	-	632,092	1,143,714	-	-	-	-	-	1,949,010
Unassigned:	14,714,061	-	-	-	-	-	[4,027,807]	-	-	10,686,254
Total Fund Balances	<u>\$ 15,142,263</u>	<u>\$ 326,862</u>	<u>\$ 2,865,903</u>	<u>\$ 5,209,492</u>	<u>\$ 1,493,977</u>	<u>\$ 1,724,117</u>	<u>\$ [4,027,807]</u>	<u>\$ 1,560,626</u>	<u>\$ 6,989,441</u>	<u>\$ 31,284,874</u>

## CITY OF SALINA, KANSAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2020

#### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### D. Assets, Liabilities, Fund Balance, and Net Position (Continued)

###### 9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on bond issuance reported in the government-wide statement of net position. A deferred charge on bond issuance results from the difference in the carrying value of the debt and its reacquisition price. This amount is deferred and amortized over the life of the debt. Additionally, changes in the pension and OPEB plan liability proportion and assumptions, net difference between projected and actual earnings on pension plan and OPEB plan investments and differences between pension and OPEB plan liability expected and actual experience are reported as deferred outflows of resources in the government activities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. *Unavailable revenue-property taxes* is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. Additionally, differences between expected and actual experience, changes in assumptions, and changes in the pension liability and OPEB plan proportion are reported as deferred inflows. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

###### 10. Use of Estimates

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

###### 11. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

#### Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### A. Budgetary Information

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

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.



CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The statutes allow the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2020 budget was amended for the Business Improvement District, Bicentennial Center and Sanitation funds.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end.

A legal operating budget is not required for capital projects funds, the SFH QalicB fund, non-major debt service funds, trust funds, permanent funds, and the following special revenue funds: Community Development Revolving, Downtown TIF District #1, South 9<sup>th</sup> CID, Downtown CID, Alley CID, Downtown Hotel CID, STAR Bonds Subprojects, State Grants, 911 Communications, Kenwood Cove Capital, Special Law Enforcement, Police Grants, Federal Grants, DARE Donations, War Memorial Maintenance, Federal CARE Grant, Police Department Federal Forfeiture, Homeowners' Assistance, Private Grants, Animal Shelter Donations, Special Assessments Escrow, Court Bond and Restitution, Police Investigation Account, Citizenship, DTF Local, DTF Reserve, Beechcraft Remediation Settlement and Bail Bond Escrow funds. A legal operating budget is not required for Internal Service Funds, however, actual to budget comparisons for these funds that present budgets to the Commissioners are shown strictly for informational purposes.

Spending in funds, which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. Legal Debt Margin

The City is subject to the municipal finance law of the state of Kansas which limits the bonded debt (exclusive of revenue bonds and special assessment bonds) the city may have outstanding to 30 percent of the assessed value of all tangible taxable property within the city, as certified to the county clerk on the proceeding August 25. At December 31, 2020, the statutory limit for the City was \$152,746,389, providing a debt margin of \$86,997,826.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 3. RESTATEMENT OF EQUITY

During the year ended December 31, 2020, the City implemented GASB Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement is also intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. As a result of the implementation, ten of the City's fiduciary funds combined with the General Fund or were reclassified as special revenue funds and their fund balances as of January 1, 2019, were restated. Also during the year ended December 31, 2020, management discovered certain errors that occurred in the prior year.

The effects of these items caused a restatement to net position or fund balance as follows:

	Governmental <u>Activities</u>	General <u>General</u>	Other Governmental <u>Funds</u>	Solid Waste <u>Disposal</u>	Water and <u>Sewer</u>
Net Position/Fund Balance, December 31, 2019	\$ 138,358,514	\$ 9,307,174	\$ 4,670,517	\$ 5,640,478	\$ 85,218,779
Prior Period Adjustment	<u>[9,303,272]</u>	<u>196,236</u>	<u>425,644</u>	<u>1,959,983</u>	<u>[1,959,983]</u>
Net Position/Fund Balance, December 31, 2019, Restated	<u>\$ 129,055,242</u>	<u>\$ 9,503,410</u>	<u>\$ 5,096,161</u>	<u>\$ 7,600,461</u>	<u>\$ 83,258,796</u>

Note 4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the City is located or in a county adjacent to the City and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in KSA 10-131.

At December 31, 2020, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 318,077</u>	S&P AAAf/S1+
Total fair value	<u><u>\$ 318,077</u></u>	

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

The City's investment policy provides direction on concentration risk. The City policy states that funds shall be diversified to reduce the extent of losses due to having an unbalanced portfolio in terms of maturities, instrument type, and issuers. Therefore, portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Liquidity, free of market risk, shall be assured through practices insuring that the next disbursement date and payroll date are covered through maturing investments, marketable U.S. Treasury Bills, the Municipal Investment Pool, or money market accounts.

Default risk shall be minimized by requiring that all security purchases occur on a delivery vs. payment basis, and that all securities are adequately collateralized.

Risk of market price volatility shall be controlled through the adoption of a "buy and hold" strategy whereby the City holds each investment to maturity, coupled with maintenance of an adequate liquidity position to insure the ability to meet normal anticipated cash flow needs.

When advantageous, it is allowable to sell investments to realize a gain due to price fluctuations; however, such transactions shall not be a part of the normal course of business.

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk due to issuer default. In the event of a default by a specific issuer, the Director of Finance and Administration shall review, and, if appropriate, proceed to liquidate securities having comparable credit risks.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. As of December 31, 2020 the City's deposits were considered fully secured.

Restricted cash is comprised of a construction account, an interest reserve account (the "Interest Reserve"), and an expense reserve account (the "Operating Reserve") related to the SFH QalicB blended component unit. The Interest Reserve and the Operating Reserve accounts are available as part of the loans payable financing (see Note 4E). As of December 31, 2020, the balance of the construction account, Interest Reserve, and Operating Reserve was \$0, \$208,864, and \$126,633, respectively.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## B. Receivables

Receivables as of year-end, including the applicable allowances for doubtful accounts, are as follows:

	General	Tourism and Convention	Special Gas	Debt Service	SFH QalicB	Other Governmental	Subtotal
Primary Government							
Receivables:							
Accounts	\$ 7,642,984	\$ 326,008	\$ -	\$ -	\$ 1,235,034	\$ 11,365	\$ 9,215,391
Taxes	10,934,927	-	305,807	3,121,345	-	-	14,362,079
Interest	10,391	-	-	-	-	-	10,391
Gross receivables	18,588,302	326,008	305,807	3,121,345	1,235,034	11,365	23,587,861
Less: allowance for uncollectibles	[6,055,545]	-	-	-	-	[8,078]	[6,063,623]
Total	<u>\$ 12,532,757</u>	<u>\$ 326,008</u>	<u>\$ 305,807</u>	<u>\$ 3,121,345</u>	<u>\$ 1,235,034</u>	<u>\$ 3,287</u>	<u>\$ 17,524,238</u>
				Solid Waste Disposal	Water and Sewer	Sanitation	Total
Primary Government							
Receivables:							
Accounts				\$ 198,287	\$ 2,146,899	\$ 368,051	\$ 11,928,628
Taxes				-	-	-	14,362,079
Interest				16	-	-	10,407
Gross receivables				198,303	2,146,899	368,051	26,301,114
Less: allowance for uncollectibles				-	[900,739]	[148,108]	[7,112,470]
Total				<u>\$ 198,303</u>	<u>\$ 1,246,160</u>	<u>\$ 219,943</u>	<u>\$ 19,188,644</u>
Component Units							
Salina Airport Authority							
Accounts							\$ 99,749
Grants							750,000
Less: allowance for uncollectibles							[1,500]
Total Salina Airport Authority							<u>848,249</u>
Salina Housing Authority							
Accounts							27,872
Less: allowance for uncollectibles							[2,592]
Total Salina Housing Authority							<u>25,280</u>
Total							<u>\$ 873,529</u>

## C. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2020, is as follows:

	Fund Types	Due From	Due To
General Fund		\$ 31,989	\$ -
Other Governmental Funds		-	31,989
		<u>\$ 31,989</u>	<u>\$ 31,989</u>

The City uses interfund receivables and payables between the General Fund and Other Governmental Funds as needed when pooled cash is negative within a fund until investments mature or grant proceeds are received. All payables are cleared in less than one year.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## D. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Adjustments	Adj. Bal. 12/31/2019	Additions	Retirements	Balance 12/31/2020
City governmental activities:						
Governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 45,227,729	\$ [9,925,152]	\$ 35,302,577	\$ 8,686,394	\$ 17,767,814	\$ 26,221,157
Land	24,223,535	-	24,223,535	-	-	24,223,535
Leased land under capital lease	422,799	-	422,799	-	-	422,799
Capital assets, being depreciated						
Infrastructure	208,508,810	-	208,508,810	17,767,814	-	226,276,624
Buildings and improvements	53,158,946	-	53,158,946	-	-	53,158,946
Vehicles	10,224,294	-	10,224,294	453,480	508,250	10,169,524
Equipment, furniture and fixtures	7,279,276	-	7,279,276	210,441	5,275	7,484,442
Leasehold improvements	357,383	-	357,383	-	-	357,383
Total capital assets	349,402,772	[9,925,152]	339,477,620	27,118,129	18,281,339	348,314,410
Less accumulated depreciation for:						
Infrastructure	92,244,865	-	92,244,865	4,021,671	-	96,266,536
Buildings and improvements	22,602,874	-	22,602,874	1,337,773	-	23,940,647
Vehicles	7,370,391	-	7,370,391	597,748	474,017	7,494,122
Equipment, furniture and fixtures	4,926,799	-	4,926,799	252,747	4,575	5,174,971
Total accumulated depreciation	127,144,929	-	127,144,929	6,209,939	478,592	132,876,276
Governmental activities capital assets, net	\$ 222,257,843	\$ [9,925,152]	\$ 212,332,691	\$ 20,908,190	\$ 17,802,747	\$ 215,438,134
Business-type activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 7,526,968	\$ -	\$ 7,526,968	\$ 21,925,306	\$ 1,476,335	\$ 27,975,939
Land	2,386,334	-	2,386,334	-	-	2,386,334
Capital assets, being depreciated						
Infrastructure	130,167,335	-	130,167,335	1,476,335	-	131,643,670
Buildings and improvements	22,579,936	-	22,579,936	-	-	22,579,936
Vehicles	3,863,039	-	3,863,039	-	81,772	3,781,267
Equipment, furniture and fixtures	5,751,603	-	5,751,603	13,921	-	5,765,524
Total capital assets	172,275,215	-	172,275,215	23,415,562	1,558,107	194,132,670
Less accumulated depreciation for:						
Infrastructure	50,343,716	-	50,343,716	3,006,824	-	53,350,540
Buildings and improvements	14,060,793	-	14,060,793	415,804	-	14,476,597
Vehicles	2,575,294	-	2,575,294	208,311	81,772	2,701,833
Equipment, furniture and fixtures	4,216,095	-	4,216,095	269,983	-	4,486,078
Total accumulated depreciation	71,195,898	-	71,195,898	3,900,922	81,772	75,015,048
Business-type activities capital assets, net	\$ 101,079,317	\$ -	\$ 101,079,317	\$ 19,514,640	\$ 1,476,335	\$ 119,117,622

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## D. Capital Assets (Continued)

The City's depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government	\$ 59,708
Public safety	596,885
Public works	4,391,637
Public health	31,110
Culture and recreation	797,125
Planning and development	333,474
Total depreciation	<u>\$ 6,209,939</u>

Business-type Activities:	
Solid Waste Disposal	\$ 152,926
Water and Sewer	3,543,385
Sanitation	161,378
Golf Course Division	43,233
Total depreciation	<u>\$ 3,900,922</u>

## E. Long-Term Debt

Following is a summary of changes in long-term debt for fiscal year 2020:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 57,623,908	\$ 8,053,404	\$ 6,346,331	\$ 59,330,981	\$ 4,699,145
Loans payable	12,199,016	13,963	-	12,212,979	-
OPEB liability	3,121,647	437,137	461,244	3,097,540	-
KPERS OPEB liability	349,412	54,788	1,523	402,677	-
Net pension liability	28,968,806	5,602,584	-	34,571,390	-
Accrued compensation	2,786,077	1,149,819	1,238,890	2,697,006	1,238,890
Temporary notes	11,170,000	7,050,000	11,170,000	7,050,000	7,050,000
Total	<u>\$ 116,218,866</u>	<u>\$ 22,361,695</u>	<u>\$ 19,217,988</u>	<u>\$ 119,362,573</u>	<u>\$ 12,988,035</u>
Business-type activities:					
General obligation bonds	\$ 4,116,515	\$ 6,440,539	\$ 1,449,064	\$ 9,107,990	\$ 1,118,207
Revenue bonds	11,122,175	-	781,015	10,341,160	816,015
Loans payable	22,539,686	18,475,071	5,088,730	35,926,027	375,071
OPEB liability	397,680	179,164	59,330	517,514	-
KPERS OPEB liability	156,983	38,520	736	194,767	-
Net pension liability	3,148,126	706,480	-	3,854,606	-
Accrued compensation	656,639	210,673	273,001	594,311	273,001
Total	<u>\$ 42,137,804</u>	<u>\$ 26,050,447</u>	<u>\$ 7,651,876</u>	<u>\$ 60,536,375</u>	<u>\$ 2,582,294</u>
Component Units:					
General obligation bonds	\$ 22,425,000	\$ 2,100,000	\$ 1,425,000	\$ 23,100,000	\$ 3,730,000
Less unamortized discount	[17,703]	-	[861]	[18,564]	-
Lease purchase agreement	-	460,000	-	[18,564]	39,942
Special assessment debt	4,805	-	2,350	2,455	2,455
KPERS OPEB obligation	13,338	586	-	13,924	-
Net pension liability	632,856	82,814	-	715,670	-
Total component units	<u>\$ 23,058,296</u>	<u>\$ 2,643,400</u>	<u>\$ 1,426,489</u>	<u>\$ 23,794,921</u>	<u>\$ 3,772,397</u>

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## E. Long-Term Debt (Continued)

The following is a detailed listing of the City's long-term debt including general obligation bonds, revenue bonds, temporary notes and loans payable:

<i>Primary Government</i> General Obligation Bonds	Original Issue	Interest Rates	Bonds Outstanding
Internal Improvements 2011A, due 10/1/2031	\$ 6,587,985	2.00% to 5.00%	\$ 376,151
Internal Improvements 2013A, due 10/1/28	1,369,380	3.00% to 4.00%	820,005
Internal Improvements 2013B, due 10/1/33	4,485,073	0.60% to 3.65%	2,760,796
Internal Improvements 2014A, due 10/1/34	7,839,050	2.50% to 3.75%	4,493,337
Improvement and Refunding 2015A, due 10/1/35	7,157,688	2.00% to 4.00%	5,409,518
Internal Improvements 2016A, due 10/1/36	6,681,766	2.00% to 3.00%	5,594,414
Refunding 2016B, due 10/1/2031	15,141,004	2.00% to 5.00%	12,877,933
Internal Improvements 2017A, due 10/1/37	9,388,370	3.00% to 3.375%	8,416,616
Internal Improvements 2018A, due 10/1/33	2,090,000	3.15% to 4.00%	1,925,524
Internal Improvements 2019A, due 10/1/39	11,090,000	3.00% to 4.00%	11,270,734
Internal Improvements 2020A, due 10/1/35	5,450,610	2.00% to 3.00%	5,450,610
Internal Improvements 2020B, due 10/1/36	9,043,333	2.00% to 3.00%	9,043,333
Total general obligation bonds			<u>\$ 68,438,971</u>
Revenue Bonds			
Revenue & Refunding 2019, due 10/1/31	\$ 11,122,175	3.00%	\$ 10,341,160
Total revenue bonds			<u>\$ 10,341,160</u>
Temporary Notes			
Series 2020-1, due 5/1/21	\$ 7,050,000	1.00%	\$ 7,050,000
Total temporary notes			<u>\$ 7,050,000</u>
Loans Payable			
Kansas Public Water Supply, due 8/1/34	\$ 9,330,000	2.12%	\$ 6,044,214
Kansas Public Water Supply, due 2/1/40	32,000,000	2.33%	25,397,675
Kansas Public Water Supply, due 2/1/40	4,250,000	2.33%	3,387,022
Kansas Water Pollution Control, due 3/1/35	2,250,000	2.54%	1,097,118
Dakotas & CNMC Notes, due 12/10/50	12,640,000	1.58%	12,212,979
Total loans payable			<u>\$ 48,139,008</u>

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## E. Long-Term Debt (Continued)

<i>Component Unit</i>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>
<i>Salina Airport Authority</i>			
General Obligation Debt			
General Obligation 2015A, due 2025	\$ 3,075,000	2.67%	\$ 600,000
General Obligation 2017A, due 2030	10,255,000	3.04%	10,010,000
General Obligation 2017B, due 2025	4,835,000	3.02%	4,760,000
General Obligation 2019A, due 2029	675,000	2.78%	615,000
General Obligation 2019B, due 2023	3,455,000	2.92%	2,765,000
General Obligation Temporary Notes 2019-1, due 2021	2,250,000	2.50%	2,250,000
General Obligation Temporary Notes 2020-1, due 2023	2,100,000	0.48%	2,100,000
Less unamortized bond premium			23,116
Less unamortized bond discount			[41,680]
Total general obligation bonds			<u>23,081,436</u>
Taxable Lease Purchase Agreement			
Bldg. 824 Capital Lease, due 2030			<u>460,000</u>
Total taxable lease purchase agreement			<u>460,000</u>
Special Assessment Debt			
Hangar 600 Sanitary Sewer, due 2021	27,599	4.47%	<u>2,455</u>
Total special assessment debt			<u>2,455</u>
Total			<u>\$ 23,543,891</u>

Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies:

<u>Year</u>	<u>General Obligation - Primary Government</u>		
	<u>Bonds Outstanding</u>	<u>Interest Due</u>	<u>Total</u>
2021	\$ 5,809,970	\$ 2,023,189	\$ 7,833,159
2022	5,968,819	1,803,571	7,772,390
2023	5,838,819	1,589,204	7,428,023
2024	5,643,103	1,379,557	7,022,660
2025	5,338,103	1,233,432	6,571,535
2026-2030	20,230,297	4,273,047	24,503,344
2031-2035	14,929,360	1,876,027	16,805,387
2036-2039	<u>4,680,500</u>	<u>285,393</u>	<u>4,965,893</u>



CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2020

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

General Obligation - Component Units			
Year	Bonds	Interest	Total
	Outstanding	Due	
2021	\$ 3,730,000	\$ 615,917	\$ 4,345,917
2022	1,525,000	518,748	2,043,748
2023	3,665,000	478,020	4,143,020
2024	1,615,000	424,235	2,039,235
2025	1,660,000	381,540	2,041,540
2026 - 2030	8,995,000	1,145,810	10,140,810
2031	1,910,000	57,300	1,967,300
Total	<u>\$ 23,100,000</u>	<u>\$ 3,621,570</u>	<u>\$ 26,721,570</u>

Annual debt service requirements to maturity for revenue bonds to be paid with utility revenues:

Revenue Bonds - Primary Government			
Year	Bonds	Interest	Total
	Outstanding	Due	
2021	\$ 816,015	\$ 288,450	\$ 1,104,465
2022	841,015	265,950	1,106,965
2023	861,015	242,700	1,103,715
2024	886,015	218,850	1,104,865
2025	911,015	194,250	1,105,265
2026-2030	4,955,071	575,400	5,530,471
2031	1,071,014	30,150	1,101,164

Annual debt service requirements to maturity for temporary notes - to be paid through the issuance of general obligation bonds:

Temporary Notes - Primary Government			
Year	Notes	Interest	Total
	Outstanding	Due	
2021	<u>\$ 7,050,000</u>	<u>\$ 70,892</u>	<u>\$ 7,120,892</u>

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## E. Long-Term Debt (Continued)

**Kansas Public Water Supply Loans.** The City has engaged in a loan with the Kansas Public Water Supply Fund. The following displays annual debt service requirements to maturity for the loan payable to be paid from service revenues, for the full proceeds amount:

Kansas Water Supply Loans - Primary Government			
Year	Loans	Interest	Total
	Outstanding	Due	
2021	\$ 375,071	\$ 126,159	501,230
2022	383,064	118,166	501,230
2023	391,228	110,002	501,230
2024	399,566	101,664	501,230
2025	408,082	93,148	501,230
2026-2030	2,174,635	331,515	2,506,150
2031-2034	1,912,568	92,358	2,004,926
Total	<u>\$ 6,044,214</u>	<u>\$ 973,012</u>	<u>\$ 7,017,226</u>

During 2019, the City entered into additional loans with the Kansas Public Water Supply Fund and the Kansas Water Pollution Control Fund. The water supply loans allow the City to borrow up to \$36,170,000 with a gross interest rate of 2.33%. The water pollution control loan allows the City to borrow up to \$2,250,000 with a gross interest rate of 2.54%. Amortization schedules for the loans are not yet available since the loans have not been fully finalized. The purpose of the loans are to finance various water and sewer infrastructure projects throughout the City.

**Dakotas and CNMC Notes.** Dakotas Note A – On July 27, 2016, a \$6,016,500 promissory note with a maturity date of December 10, 2050, was provided to SFH QalicB by Dakotas XXII, LLC. Interest accrues on the unpaid principal balance at an interest rate of 1.582625% with annual interest-only payments due, partially in arrears and partially in advance, on the tenth day of each December through December 10, 2025. On July 27, 2023, payment of all accrued and unpaid interest through July 27, 2023, is due. Commencing on December 10, 2016, and continuing through the maturity date, annual payments of principal and interest in an amount equal to \$293,276 are due. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest thereon is due and payable in full. The loan may not be prepaid prior to July 27, 2023 and is secured by the Loan and Security Agreement. As of December 31, 2020, the note balance was \$6,016,500.

Dakotas Note B - On July 27, 2016, a \$2,623,500 promissory note with a maturity date of December 10, 2050, was provided to the SFH QalicB by Dakotas XXII, LLC. Interest accrues on the unpaid principal balance at an interest rate of 1.582625% with annual interest-only payments due, partially in arrears and partially in advance, on the tenth day of each December through December 10, 2025. On July 27, 2023, payment of all accrued and unpaid interest through July 27, 2023, is due. Commencing on December 10, 2026, and continuing through the maturity date, annual payments of principal and interest in an amount equal to \$127,883 are due. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest thereon is due and payable in full. The loan may not be prepaid prior to July 27, 2023 and is secured by the Loan and Security Agreement. As of December 31, 2020, the note balance was \$2,623,500.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## E. Long-Term Debt (Continued)

CNMC Note A - On July 27, 2016, a \$2,674,000 promissory note with a maturity date of December 10, 2050, was provided to the SFH QalicB by CNMC Sub-CDE 114, LLC. Interest accrues on the unpaid principal balance at an interest rate of 1.582625% with annual interest-only payments, partially in arrears and partially in advance, on the tenth day of each December through December 10, 2025. On July 27, 2023, payment of all accrued and unpaid interest through July 27, 2023, is due. Commencing on December 10, 2026, and continuing through the maturity date, annual payments of principal and interest in an amount equal to \$130,345 are due. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest thereon is due and payable in full. The loan may not be prepaid prior to July 27, 2023 and is secured by the Loan and Security Agreement. As of December 31, 2020, the note balance was \$2,674,000.

CNMC Note B - On July 27, 2016, a \$1,326,000 promissory note with a maturity date of December 10, 2050, was provided to the SFH QalicB by CNMC Sub-CDE 114, LLC. Interest accrues on the unpaid principal balance at an interest rate of 1.582625% with annual interest only payments, partially in arrears and partially in advance, on the tenth day of each December through December 10, 2025. On July 27, 2023, payment of all accrued and unpaid interest through July 27, 2023, is due. Commencing on December 10, 2026, and continuing through the maturity date, annual payments of principal and interest in an amount equal to \$64,636 are due. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest thereon is due and payable in full. The loan may not be prepaid prior to July 27, 2023 and is secured by the Loan and Security Agreement. As of December 31, 2020, the note balance was \$1,326,000.

As of December 31, 2020, the principal balance of these four loans, net of \$427,021 of unamortized debt issuance costs, was \$12,212,979

Annual debt service requirement to maturity for Special Assessment Debt to be paid from rental revenue:

Year	Special Assessment Debt - Component Units		
	Assessment	Interest	Total
	Outstanding	Due	
2020	\$ 2,455	\$ 110	\$ 2,565
Total	\$ 2,455	\$ 110	\$ 2,565

# CITY OF SALINA, KANSAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2020

### Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

#### E. Long-Term Debt (Continued)

*Special assessments.* As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the debt service fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. The special assessments are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent obligation of the City to the extent of property owner defaults, which have historically been immaterial.

*Premises lease.* On July 27, 2016, SFH QalicB entered into a lease agreement with the City for the use of the Salina Field House, as defined in the Net Lease agreement (the "Property"), under a direct financing lease. The lease term is 30 years, as defined in the Net Lease agreement. Beginning on July 1, 2017 and on the first day of each December thereafter through December 1, 2046, annual payments are due, in advance, as specified in the Net Lease agreement.

For the year ended December 31, 2020, SFH QalicB earned \$492,917 of rental income under the terms of the Net Lease. As of December 31, 2020, rental income of \$94,825 remained receivable from the City.

The following is a schedule, by year, of total minimum lease payments by the City to SFH QalicB under the direct financing lease as of December 31, 2020:

Premises Leases between QalicB and		
2021	\$	130,000
2022		130,000
2023		162,500
2024		227,500
2025		227,500
Thereafter		<u>13,325,000</u>

*Ground Lease.* On October 24, 2018, SFH QalicB entered into a lease agreement with Salina Regional Medical Education, LLC for the use of property for parking of passenger vehicles and non-commercial trucks (the Parking Lot) by the public. SFH QalicB will have the option to acquire the Parking Lot for \$1 upon the end of the lease term, which is 100 years, as defined in the Ground Lease. A one-time basic rent payment of \$250,000 was due on the commencement date. There are no additional minimum lease payments due.

*Sales tax and Revenue (STAR) Bonds.* STAR Bonds are authorized to be issued pursuant to K.S.A. 12-17, 160, et seq., as amended (the STAR Bond Act). The STAR Bond Act provides a form of tax increment financing that enables the issuance of bonds payable from certain State and local sales and compensating use tax revenues and transient guest tax revenues generated from STAR bond projects constructed within a STAR bond project district. To implement STAR bond financing, a local government must adopt a resolution that specifies a proposed STAR bond project district's boundary and describes the overall district plan, hold a public hearing on the district and plan, and pass a resolution that establishes the STAR bond project district. Additionally, there may be one or more projects within a STAR bond district.

In accordance with the STAR Bond Act, the City has no liability for payment of bonds in the event that revenues received from sources noted above are inadequate to pay the debt incurred with the issuance of the STAR bonds.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

## E. Long-Term Debt (Continued)

In connection with the issuance of STAR bonds, the City of Salina and the State of Kansas enter into a Tax Distribution Agreement. The agreement provides that the principal of, accreted value, and interest on the STAR bonds will be paid proportionally by the City of Salina and the State of Kansas, based on each entity's respective share of sales taxes generated within the district. These proportional shares may change in the future if the sales taxes assessed by the local or state governments are modified.

On June 1, 2015, the City of Salina Commission adopted Ordinance 15-10776 establishing the district known as the Salina STAR Bond Project District. On August 22, 2016, the City held a public hearing and approved Ordinance 16-10856 adopting the STAR Bond Project Plan.

On December 1, 2018, the City of Salina issued \$18,250,000 in Senior Special Obligation Revenue Bonds (Series 2018-A) and \$4,320,000 in Subordinate Special Obligation Revenue Bonds (Series 2018-B). As of December 31, 2020, the outstanding balances for the 2018-A and 2018-B were \$18,250,000 and \$4,320,000, respectively.

## F. Operating Leases

On December 20, 2012, the City and Saline County jointly entered into a non-cancelable lease to finance a \$2,750,000 heating, ventilation and air conditioning (HVAC) upgrade at the Saline County-City Building Authority. The City's share of the lease agreement is 40% and will pay the lessor \$1,100,000, plus interest, through monthly payments of \$7,827 over a term of 180 months. The total cost for this lease was \$93,926 for the year ended December 31, 2020. The future minimum lease payments for the lease are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 93,926
2022	93,926
2023	93,926
2024	93,926
2025	93,926
2026-2027	187,853
Total principal and interest	657,483
Less: interest	[73,758]
Total principal	<u>\$ 583,725</u>

## G. Interfund Transfers

A reconciliation of interfund transfers follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	\$ 4,366,550	\$ 877,000
Tourism and Convention	-	589,251
Special Gas	160,000	-
Sales Tax Capital	-	2,804,350
Debt Service	1,629,188	-
Capital Projects	20,845,460	-
Other governmental funds	1,241,413	-
Solid Waste Disposal	-	2,729,588
Water and Sewer	4,126,717	25,051,789
Sanitation	-	497,350
Golf Course	100,000	-
Central Garage	80,000	-
Total transfers	<u>\$ 32,549,328</u>	<u>\$ 32,549,328</u>

The City uses interfund transfers to share administrative costs between funds.

## CITY OF SALINA, KANSAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2020

#### Note 5. OTHER INFORMATION

##### A. Defined Benefit Pension Plan

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

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

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

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

*Benefits.* Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

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

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

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 5. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

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

*Contributions.* Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2020.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for KPERS and 21.93% for KP&F for the year ended December 31, 2020. Member contribution rates as a percentage of eligible compensation for the fiscal year 2020 are 6.00% for Local employees and 7.15% for Police and Firemen.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2020, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2020.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2020, the City's proportion for the Local employees group was 0.767%, which was a decrease of .003% from its proportion measured at June 30, 2019. At June 30, 2020, the City's proportion for the Police and Firemen group was 2.038%, which was a decrease of .036% from its proportion measured at June 30, 2019.

*Net Pension Liability.* At December 31, 2020 and 2019, the City and its component units reported a liability of \$39,533,871 and \$32,116,932, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## A. Defined Benefit Pension Plan (Continued)

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.25%
Salary increases, including wage increases	3.25% to 11.75% including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.50%

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2016, through December 31, 2018. The experience study is dated January 7, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equities	23.50%	5.20%
Non-US Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short Term Investments	4.00%	0.25%
	<u>100.00%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERs employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## A. Defined Benefit Pension Plan (Continued)

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Local	\$ 20,189,679	\$ 14,325,796	\$ 9,396,471
Police & Firemen	34,403,134	25,135,770	17,396,196
Total	<u>\$ 54,592,813</u>	<u>\$ 39,461,566</u>	<u>\$ 26,792,667</u>

*Pension Expense.* For the year ended December 31, 2020, the City recognized Local pension expense of \$1,156,925 and Police and Firemen pension expense of \$2,405,832, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The Salina Housing Authority's and Salina Airport Authority's portion of the Local pension expense were \$35,958 and \$89,795, respectively.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2020, the City and its component units reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## A. Defined Benefit Pension Plan (Continued)

	<u>Local</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience		\$ 221,907	\$ 170,863
Net differences between projected and actual earnings on investments		1,550,639	-
Changes in assumptions		800,513	-
Changes in proportion		232,177	449,541
Total		<u>\$ 2,805,236</u>	<u>\$ 620,404</u>
	<u>Police &amp; Firemen</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience		\$ 734,702	\$ -
Net differences between projected and actual earnings on investments		2,442,541	-
Changes in assumptions		1,739,968	-
Changes in proportion		21,294	729,307
Total		<u>\$ 4,938,505</u>	<u>\$ 729,307</u>
	<u>Local</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience		\$ 700	\$ 8,056
Net differences between projected and actual earnings on investments		7,527	-
Changes in assumptions		9,777	648
Changes in proportion		484	12,327
Total		<u>\$ 18,488</u>	<u>\$ 21,031</u>
	<u>Local</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience		\$ 11,950	\$ 9,201
Net differences between projected and actual earnings on investments		83,501	-
Changes in assumptions		43,107	-
Changes in proportion		40,138	49,264
Total		<u>\$ 178,696</u>	<u>\$ 58,465</u>

\$1,763,259 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Local Deferred	Police & Firemen Deferred	Total
Year ended December 31,	[Inflows] Outflows Amount	[Inflows] Outflows Amount	
2021	\$ 498,387	\$ 1,058,828	\$ 1,557,215
2022	586,306	1,155,904	1,742,210
2023	578,511	1,086,067	1,664,578
2024	507,037	877,263	1,384,300
2025	14,591	31,136	45,727
Total	<u>\$ 2,184,832</u>	<u>\$ 4,209,198</u>	<u>\$ 6,394,030</u>

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## A. Defined Benefit Pension Plan (Continued)

\$38,910 and \$35,467 reported as deferred outflows of resources related to pensions resulting from Salina Housing Authority and Salina Airport Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Housing Authority		Airport Authority		
	Deferred		Deferred		
Year ended	[Inflows]	Outflows	[Inflows]	Outflows	
<u>December 31,</u>	<u>Amount</u>		<u>Amount</u>		<u>Total</u>
2021	\$	5,237	\$	30,148	\$ 35,385
2022		[6,228]		38,269	32,041
2023		[879]		30,520	29,641
2024		[366]		21,279	20,913
2025		[307]		15	[292]
Total	\$	[2,543]	\$	120,231	\$ 117,688

## B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan ("Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust and are not available to the claims of the City's general creditors.

## C. Flexible Benefit Plan (I.R.C. Section 125)

The City Commission has adopted by resolution a salary reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All City employees working more than 20 hours per week are eligible to participate in the Plan beginning after two full months of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various insurance and disability benefits.

## D. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the City carries commercial insurance. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the past three years.

The City has established a limited risk management program for workers' compensation. The program covers all City employees. Premiums are paid into the Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$250,000 (\$350,000 for claims involving employees classified as policemen or firemen). Incurred claims, including incurred but not reported claims, have been accrued based primarily upon subsequent payments. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors. The liability for claims and judgments is reported in the Workers' Compensation Reserve Fund because it is expected to be liquidated with expendable available financial resources. Of the liability, \$183,446 is considered to be due within one year.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## D. Risk Management (Continued)

Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2020</u>	<u>2019</u>
Unpaid claims, January 1	\$ 311,572	\$ 238,778
Incurring claims (including IBNRs)	917,229	726,271
Claim payments	<u>[782,306]</u>	<u>[653,477]</u>
Unpaid claims, December 31	<u>\$ 446,495</u>	<u>\$ 311,572</u>

The City established a limited risk management program for employee health and dental insurance in 1997. The program covers eligible City employees. Premiums are paid into the health insurance fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$50,000. Incurred claims, including incurred but not reported claims, have been accrued based primarily upon subsequent payments. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors. The liability for claims and judgments is reported in the Health Insurance Fund because it is expected to be liquidated with expendable available financial resources. Therefore, all of the liability is considered to be due within one year. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2020</u>	<u>2019</u>
Unpaid claims, January 1	\$ 489,418	\$ 380,980
Incurring claims (including IBNRs)	3,056,323	4,466,044
Claim payments	<u>[2,940,741]</u>	<u>[4,357,606]</u>
Unpaid claims, December 31	<u>\$ 605,000</u>	<u>\$ 489,418</u>

## E. Contingent Liabilities

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. 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 would not have a material effect on any of the financial statements of the City at December 31, 2020.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

## F. Municipal Solid Waste Landfill

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense of the Solid Waste Fund in each period based on landfill capacity used as of each balance sheet date. The \$2,300,353 reported as landfill closure and postclosure care liability at December 31, 2020, represents the cumulative amount reported to date based on the use of 28.8% of the estimated capacity of the landfill.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 5. OTHER INFORMATION (Continued)

F. Municipal Solid Waste Landfill (Continued)

The City's solid waste fund will recognize the remaining estimated cost of closure and postclosure care of \$5,680,356 as the remaining estimated capacity is filled over the remaining life expectancy of 147 years.

These amounts are based on what it would cost to perform all closure and postclosure care in 2020. Actual cost may be higher due to inflation, changes, in technology or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances of financial responsibility for closure and post-closure care. The City has elected to utilize the Local Government Financial test promulgated by the U.S. Environmental Protection Agency (at 40 CFR 258.74(f)) and the Kansas Department of Health and Environment to provide these assurances. Any future closure or post-closure care costs will be provided through the normal budgeting and rate setting process, including the issuance of general obligation bonds, if necessary.

G. Environmental Matters

The Kansas Department of Health and Environment (KDHE) issued a report in 1994 indicating the presence of volatile organic compounds at levels requiring remediation at the Salina Public Water Supply Wells Site. The City adopted a proactive Policy and Action Plan to remediate the groundwater contamination, and on December 7, 1994, the City and KDHE entered into a Consent Order and Settlement Agreement under which the City assumed primary responsibility for the further investigation and remediation of the groundwater contamination. Field testing work has been completed. The necessary remediation work will be conducted over the next several years at a yet undetermined cost to the City's Water and Sewer Fund.

Since 2010, the City has been involved with civil litigation concerning environmental contamination in certain areas in the vicinity of the Salina Regional Airport and the Salina Airport Industrial Center. The contamination was caused by military activity that occurred between 1942 and 1966 when the site was operated as the Schilling Air Force Base. The City, the Salina Airport Authority, Unified School District No. 305 and Kansas State University (the "Salina Public Entities") sued the United States seeking federal funds to clean up the contamination. A remedial investigation and feasibility study (RI/FS) were completed in 2019 to determine the extent and severity of the contamination and to determine the best method of remediation. Based on the RI/FS, the Kansas Department of Health and Environment (KDHE) issued a Corrective Action Decision (CAD) on July 29, 2019. The Salina Public Entities and the U.S. Department of Justice (DOJ) reached a settlement of the litigation ultimately documented in the form of a Consent Decree filed in U.S. District Court on November 23, 2020. Pursuant to the Consent Decree, the Salina Public Entities assumed responsibility for the Response Action in the CAD in exchange for a \$69.5 million lump sum payment by the United States to the Salina Public Entities. The settlement payment was not received by the City or the Salina Public Entities as of December 31, 2020. The City has determined that while a possible liability exists, at this time, no reasonable estimate of the possible liability can be made. Therefore, no liability related to that matter has been recorded.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## H. Capital Projects

Capital projects often extend over two or more fiscal years. The following is a schedule, which compares the project authorization including allowable interest revenue to total project expenditures from project inception to December 31, 2020.

<u>Project</u>	<u>Authorization</u>	<u>Expenditures</u>
Markley-Magnolia VV Sewer	\$ 5,150,000	\$ 1,314,305
North Lime Drying Lagoon Yearly Maintenance	120,000	37,260
Rebuild High Service Pump P-203	24,187	13,688
2017 Country Club Road Improvements	1,200,000	1,089,063
River Trail 2	956,072	11,312
Downtown Streetscape	12,165,000	11,669,107
Smoky Hill River Renewal	27,000,000	3,595,670
Water Mains	4,250,000	3,649,443
Downtown Santa Fe Water Main Replacement	1,351,100	1,415,997
Police Training Facility	4,900,000	5,936,845
Rehab Pump St 28,29/Repl 28 Face Main	550,000	-
Northbound 9th Street Bridge	103,768	95,358
Landfill Cell #20 Design	2,200,000	1,991,469
Railroad Crossing Improvements	45,000	-
2018 Park Improvements	194,000	87,000
Pheasant Ridge Addition #3 Phase 2	509,233	509,878
Community Theater HVAC Replacement	46,000	207
Storm Sewer Mulberry Street	22,709	26,151
N. 9th Street Bridge	2,000,000	4,273
Golf Course Irrigation	1,488,414	1,499,452
9th South Addition	1,180,313	2,976
Smoky Hill Greenway Trail	435,637	61,934
Chorine Building 2 Roof Replacement	35,000	-
2019 Water Main Replacement	4,000,000	-
Magnolia Hills Estates II	1,575,240	11,285
Stone Lake Phase 2	670,166	335,794
Stone Lake Phase 3A	1,647,053	3,368
Smedley Surgical Center	45,486	36,501
Sound Garden Oakdale Park	10,046	10,046
Wheatland Valley -Specials	5,474,790	6,500
Park Shelter Roof Replacement	93,816	-
LED Lighting replacement - Parks	18,223	-
Mulberry Storm Sewer Repairs	461,556	417,398
Chip Seal	210,623	194,940
Microsurfacing	574,888	306
Mill & Inlay	494,196	375,247
Price Property Culvert Replacement	6,600	59,625
Waterline for SWTP	912,982	812,319
Joe Milbradt Pavillion	133,100	256,785
Fire Equipment	860,795	484,487
WWTP Owners Rep	896,790	93,595
WWTP Improvement PH I	879,193	-
Public Safety Communication System	2,361,323	139,986
TPEC Improvements	270,426	-

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## I. Other Postemployment Healthcare Benefits

*Plan Description.* The City offers postemployment health insurance to retirement employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. The Employee Benefit Plan (the Plan) provides medical and dental benefits to eligible early retirees and their spouses. KSA 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

*Funding Policy.* The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. In 2020, the City did not contribute to the plan.

At December 31, 2020, the following employees were covered by the benefit terms:

Active employees	440
Retirees and covered spouses	<u>29</u>
Total	<u>469</u>

The total OPEB liability of \$3,615,054 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation date	December 31, 2019
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	2.75%
Salary increases	3.50%
Discount rate	2.74%
Healthcare cost trend rates	Medical: 6.40% for 2020, decreasing 0.50% per year to an ultimate rate of 3.7% for 2074 Dental: 5.00% to 2022, then decreasing to an ultimate rate of 3.70% in 2074
Retiree's share of benefit related costs	100% of the premium

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP 2014 Mortality Tables, with age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2017.

Changes in the total OPEB liability are as follows:

Balance 1/1/2020	\$ 3,519,327
Service cost	231,391
Interest	150,552
Benefit paid	[159,018]
Economic/demographic gains/losses	[255,426]
Changes in assumptions	<u>128,228</u>
Balance 12/31/2020	<u>\$ 3,615,054</u>

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## I. Other Postemployment Healthcare Benefits (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.74%) or one percentage point higher (3.74%) than the current discount rate:

	1% Decrease (1.74%)	Discount Rate (2.74%)	1% increase (3.74%)
Total OPEB Liability	\$ 3,971,843	\$ 3,615,054	\$ 3,289,912

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% increase
Total OPEB Liability	\$ 3,166,500	\$ 3,615,054	\$ 4,152,174

For the year ended December 31, 2020, the City recognized OPEB expense of \$356,442.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2020, the City reported deferred outflows related to other postemployment benefits from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	\$ 173,216	\$ [143,654]
Differences between expected and actual experience	-	[226,168]
Total	\$ 173,216	\$ [369,822]

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

Year ended	Deferred [Inflows] Outflows Amount
June 30,	
2021	\$ [25,501]
2022	[25,501]
2023	[25,501]
2024	[25,501]
2025	[25,501]
2026+	[69,101]
Total	\$ [196,606]

## J. Other Postemployment Benefits (KPERS)

*Plan Description.* The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by KPERS. The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.



CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

Note 5. OTHER INFORMATION (Continued)

J. Other Postemployment Benefits (KPERs) (Continued)

*Benefits.* Benefits are established by statute and may be amended by the KPERs Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERs retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

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

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

*Employees covered by benefit terms.* At June 30, 2020, the valuation date, the following employees were covered by the benefit terms:

Active employees	281
Disabled members	<u>3</u>
Total	<u>284</u>

*Total OPEB Liability.* The City and its component units reported a total KPERs OPEB liability of \$597,444 as of December 31, 2020, was measured as of June 30, 2020, and was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions:

Valuation date	December 31, 2019
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.00%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	2.21%

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## J. Other Postemployment Benefits (KPERs) (Continued)

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2019. The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an actuarial experience study for the period of January 1, 2016 through December 31, 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2019, KPERs pension valuation.

The changes in the total OPEB liability are as follows:

	Total KPERs OPEB Liability			
	City	Housing Authority	Airport Authority	Total
Balance 1/1/2020	\$ 506,395	\$ 8,186	\$ 13,338	\$ 527,919
Service cost	57,185	1,529	3,430	62,144
Interest	19,037	376	587	20,000
Effect of economic/demographic gains or losses	17,086	[2,482]	-	14,604
Changes in assumptions	37,368	49	[4,295]	33,122
Benefit payments	[39,627]	-	864	[38,763]
Balance 12/31/2020	<u>\$ 597,444</u>	<u>\$ 7,658</u>	<u>\$ 13,924</u>	<u>\$ 619,026</u>

*Sensitivity of the total KPERs OPEB liability to changes in the discount rate.* The following presented the total KPERs OPEB liability of the City, as well as what the City's total KPERs OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% increase (3.21%)
Total OPEB Liability - City	\$ 618,840	\$ 597,444	\$ 575,090
Total OPEB Liability - Housing Authority	\$ 7,745	\$ 7,658	\$ 7,511
Total OPEB Liability - Airport Authority	\$ 14,114	\$ 13,924	\$ 13,610

*Sensitivity of the total KPERs OPEB liability to changes in the healthcare cost trend rates.* The following presented the total KPERs OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERs OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERs, but this exhibit is provided as it is a required disclosure under GASB 75.

	Healthcare Cost		
	1% Decrease	Trend Rates	1% increase
Total OPEB Liability - City	\$ 597,444	\$ 597,444	\$ 597,444
Total OPEB Liability - Housing Authority	\$ 7,658	\$ 7,658	\$ 7,658
Total OPEB Liability - Airport Authority	\$ 13,924	\$ 13,924	\$ 13,924

For the year ended June 30, 2020, the City recognized OPEB expense of \$78,842.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## J. Other Postemployment Benefits (KPERs) (Continued)

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2020, the City reported deferred outflows and inflows related to other postemployment benefits from the following sources:

	City		Housing Authority		Airport Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,257	\$ 75,665	\$ -	\$ 4,221	\$ 7,813	\$ -
Changes of assumptions	39,638	9,995	44	195	148	897
Total	<u>\$ 106,895</u>	<u>\$ 85,660</u>	<u>\$ 44</u>	<u>\$ 4,416</u>	<u>\$ 7,961</u>	<u>\$ 897</u>

\$64,827 and \$3,830 reported as deferred outflows of resources related to OPEB resulting from City and Airport Authority contributions subsequent to the measurement date, respectively, will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ended		Housing	Airport
June 30,	City	Authority	Authority
2021	\$ 2,620	\$ [537]	\$ [925]
2022	2,620	[537]	[925]
2023	2,620	[537]	[925]
2024	2,620	[537]	[925]
2025	2,620	[537]	[925]
Thereafter	8,135	[1,687]	[2,439]
Total	<u>\$ 21,235</u>	<u>\$ [4,372]</u>	<u>\$ [7,064]</u>

## K. Tax Abatements

In 2020, the City of Salina participated in real property tax abatements for five local companies. Property tax abatements are authorized under Kansas state statutes K.S.A. 12-1740 et seq. and K.S.A. 79-201a and subject to City policy.

The City provides property tax abatements to encourage existing industry to expand, assist new business start-ups, recruit new companies from out-of-state or internationally, encourage high technology and research based businesses, encourage training and development of Salina area employees, and encourage location and retention of businesses which are good "corporate citizens" that will add to the quality of life in the community through leadership and support of civic and philanthropic organizations. Property tax abatements reduce ad valorem property taxes. The percentage of reduction ranges from 40.5% to 100%, but in all cases, the maximum duration is for ten years as per state statute. To receive an abatement, applicants must submit an application, which undergoes due diligence and analysis before being considered by the City Commission. If the abatement is authorized, the applicant must sign a performance agreement that specifies annual compliance measures. Each year, the applicant submits a renewal application, along with compliance information, which is reviewed by City staff for conformance with agreement provisions. If compliance is not met, appeals can be made to the City Commission to determine the amount of incentives, if any, to be received by the property owner. The City of Salina negotiates property tax abatements on an individual basis.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## K. Tax Abatements (Continued)

Ad Valorem Property Tax Abatements				
Company	Abatement		%	2020 Tax Abated
	Start	End		
Salina Vortex Corp (facility improvements)	2015	2024	37.5%	\$ 5,522
Great Plains Mfg (facility improvements)	2014	2023	50%	4,073
Veris Technologies (facility addition/improvements)	2015	2024	20.3%	505
Twin Oaks (facility addition/improvements)	2015	2024	27.5%	688
Total				<u>\$ 10,789</u>

*Tax Increment Financing (TIF).* TIFs are an economic development tool established by the Kansas TIF Act (K.S.A. 12-1770 et seq.) and subject to City policy to aid in financing projects for substantial public benefit. Public benefits can include creating jobs or retaining existing employment, eliminating blight, strengthening the employment and economic base of the City, increasing property values and tax revenues, reducing poverty, creating economic stability, upgrading older neighborhoods, facilitating economic self-sufficiency, promoting projects that are of community wide importance, or implementing the economic development goals of the City. The program works by reimbursing a portion of the incremental increase in property taxes resulting from improvements and a portion of local sales tax generated within the district to the property owner. The base value, or what the property was valued at prior to improvements, is shielded from the rebate.

To receive a TIF, applicants must submit a detailed, written proposal to the City, which will undergo due diligence and analysis before being considered by the City Commission. The City Commission then determines if it will commence the statutory process to create a redevelopment district.

If the TIF district is authorized, the City and applicant will enter into an agreement that specifies performance, certification, and reimbursement requirements. City Staff will work with the property owner to certify eligible expenses and compliance with agreement provisions. Once the project begins to generate TIF revenues (sales tax and/or property tax), City staff works with the distributing agency and property owner to generate and track reimbursements. Because reimbursements are not paid until after improvements are put in place, agreement compliance is met, eligible expenses are certified, and sales and/or property tax distributions are made to the City, there are no provisions for recapturing taxes. The City of Salina negotiates TIFs on an individual basis.

TIF Project Plans					
District	Purpose	Base Year	Expires	2020 Reimbursements	
				Sales Tax	Property Tax
Lambertz	Construction of 10.79 acres of shopping center, including single and multi-tenant retail space, and related public and private infrastructure	2007	2027	\$29,304	\$178,680
Total				\$29,304	\$178,680

*Community Improvement Districts (CID).* CIDs are an economic development tool established by the Kansas CID Act (K.S.A. 12-6a26 et seq.) and subject to City policy to assist with the development of community improvements which can benefit a development and the public. In all CIDs, public improvements were financed initially by the developer and are reimbursed annually via a two percent (2%) transportation district sales tax on retail or taxable services occurring within the district.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## K. Tax Abatements (Continued)

To establish a CID, the applicant first submits a CID petition which is signed by the owners of all of the land within the proposed district. The City Commission then considers the request to establish a CID.

If the CID is authorized, the City and applicant will enter into an agreement that specifies performance, certification, and reimbursement requirements. City Staff will work with the property owner to certify eligible expenses and compliance with agreement provisions. Once the project begins to generate CID revenues, City Staff works with the distributing agency and property owner to make and track reimbursements. Because reimbursements are not paid until after improvements are put in place, agreement compliance is met, eligible expenses are certified, and CID sales tax distributions are made to the City, there are no provisions for recapturing taxes. The City of Salina negotiates CIDs on an individual basis.

Community Improvement District (CID)					
Name	Rate	Start	Expires	Purpose	2020 Eligible Reimbursement Amount
South 9th Street	2.00%	3/1/2016	12/31/2037	Assist with improvements to hotel and conference center	\$251,052
Alley	1.00%	10/1/2019	9/30/2041	Assist with building of family entertainment facility in downtown	\$13,454
Downtown	1.00%	7/1/2019	6/30/2041	Assist with Revitalization of Downtown Corridor	\$14,487
Downtown Hotel	1.00%	10/1/2019	9/30/2041	Assist with building of downtown hotel	-
Total					\$278,993

*Neighborhood Revitalization Areas (NRA)*. NRAs are authorized under Kansas state statutes K.S.A. 12-117 and subject to City policy to spur investment and revitalization of properties which can benefit a neighborhood and the public. The program works by rebating a portion of the incremental increase in property taxes resulting from improvements back to the property owner. The base value, or what the property was valued at prior to improvements, is shielded from the rebate. Participation in the program and percentage of rebate and duration are determined separately by the City, County, and School District. The current City of Salina adopted plan is a 4-year plan running from 2015-2019. It allows for a 10-year rebate and provides rebates from 25% to 100% depending on year in plan and type of improvement. To receive an NRA, taxpayers must submit an application, which undergoes due diligence and analysis before being approved by the City. If the NRA is approved, each year, the applicant must submit proof that property taxes have been paid in full. Because the rebate is not given until after improvements are put in place and property taxes paid, there are no provisions for recapturing taxes. The City of Salina approves NRAs on an individual basis.

## CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2020

## Note 5. OTHER INFORMATION (Continued)

## K. Tax Abatements (Continued)

Neighborhood Revitalization Act (NRA)		2020	
Property/Business Name	Address	Type	Rebate Paid
Serio Guzman	241 N. Front Street	Res	\$ 32
William & Mary Warhurst	1009 N. 8th Street	Res	10
Holly Fain	219 N. Front Street	Res	49
Arlene Cox	1101 N. 10th Street	Res	61
Gloria Williams	714 Park Street	Res	44
Michelle Rogan	204 Forest Avenue	Res	59
Samuel A. Rock	200 Forest Avenue	Res	15
Jessica A. Ziegler	1329 N. 4th Street	Res	62
Ryan Murphy	303 S. Santa Fe Avenue	Res	83
Ravey Investments LLC	227 S. Santa Fe Avenue	Com	713
Lamont Outland	221 N. 2nd Street	Res	105
Michelle Bunch	207 N. Penn	Res	113
	157 N. Seventh, 203 W. Ash, 205 W. Ash, 207 W. Ash & 209 W. Ash	Res	128
Jermaine and Tykea Polk	1206 N. 7th Street	Res	108
Mary Marshall	1219 N. 8th Street	Res	108
Angela Fishburn	937 N. 3rd Street	Com	1,842
Heritage at Hawthorne Partners, LLC	1219 N. 8th Street	Res	165
Will & Mary Warhurst	134 S. Santa Fe Ave	Res	936
Donnie & Ramona Marrs	2035 E. Iron		
	#213C/105R/302R/202R/205R/006R/301RA/301RB/001R/002R/003R/004R/005R	Res	6,461
TJTM, Inc.	853 Navaho	Res	79
Troy Valcil	815 N. 2nd Street	Res	4
Michelle Malone	719 E. Ash	Res	71
Timothy & Linda Rickman	1115 N. 8th Street	Res	116
Yvette Gelinis	156-158 S. Santa Fe	Com	2,125
Charles H Carroll Jr Trust	2035 E. Iron Avenue, Unit #306R	Res	1,565
Pestinger Enterprises LLC	705 N. 2nd Street	Res	133
Latisha Pierce	703 N. 2nd Street	Res	129
Tanya Shiehzadeh	1205 N. 4th Street	Res	84
Robert & Brenda Burns	116 & 118 N. Santa Fe (2nd Floor Loft Apartments)	Com	818
Property Partners LLC	201 E. Iron Avenue	Com	5,359
AP Property Holdings, LLC	156-158 N. 11th Street	Res	280
Gregory Davis	2035 E. Iron Avenue, Unit #206R	Res	946
Micheal Money	701 N. 2nd Street	Res	165
Traniesh Byrd	2035 E. Iron #104R	Com	797
Mark Martin Living Trust	2035 E Iron #304R	Res	529
Matthew Snyder	2035 E Iron #304R	Res	1,166
Doyle & Maureen Comfort Trust	1321 N. 3rd Street	Res	229
Jana Endsley	214 W. Grand Avenue	Res	269
Kanesha Samilton	810 N. 5th Street	Res	307
Maria E Padilla	120 S. Santa Fe Avenue	Com	2,867
JK Webb Properties LLC	1413 Arapahoe	Res	202
Alan and Nancy Franzen	131 N. Santa Fe Avenue/128 S. Santa Fe Avenue	Com	3,830
Santa Fe Properties, LLC	600 N. Santa Fe Avenue	Com	2,137
Rusty A Leister Living Trust	715 N. 9th Street, Phase II	Com	2,150
Heritage at Hawthorne Partners II, LLC.	608 N. 11th Street	Res	152
Christopher Helm	752 N. Broadway	Com	6,306
Christopher Helm	255 N. Columbia	Res	186
Laurie Donmyer	1200 N. 8th	Res	278
Eva Wright	2225 N. Ohio St	Com	16,750
Foley Equipment Co.	2035 E. Iron #108R	Res	1,621
Mark Ritter	846 Choctaw Ave	Res	311
Angelica Farris	2035 E. Iron #209R	Res	909
Christopher Vogel	619 N. 5th Street	Com	806
Christopher Helm			
			<u>\$ 64,770</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2020

Note 5. OTHER INFORMATION (Continued)

K. Subsequent Events

On April 12, 2021, the City issued Series 2021-A general obligation internal improvement bonds in the amounts of \$5,230,000. Proceeds from the bonds will be used to provide long-term financing for a portion of the costs of certain public improvements within the City and to retire a portion of the City's outstanding general obligation temporary notes. The City will make the first payment on the bonds on October 1, 2022 the last payment on October 1, 2041. The interest rate on the bonds ranges from 2.00% to 4.50%.

Also on April 12, 2021, the City issued Series 2021-1 temporary notes in the amounts of \$5,230,000. Proceeds from the notes will be used to provide interim construction financing of certain public improvements within the City. The maturity date of the temporary notes is May 1, 2022 and the interest rate on the notes is 2.00%.

On January 30, 2020 the World Health Organization declared the Coronavirus outbreak as a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions were taken to help mitigate the spread of the virus, including social-distancing, quarantines and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City. Management cannot quantify the financial and other impacts to the City's financial position but believes a material impact is reasonably possible.

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## REQUIRED SUPPLEMENTARY INFORMATION

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## CITY OF SALINA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

## OTHER POSTEMPLOYMENT BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years\*

Total OPEB liability	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 231,391	\$ 249,957	\$ 226,762
Interest	150,552	125,877	128,578
Benefit paid	[159,018]	[157,465]	[265,000]
Economic/demographic gains/losses	[255,426]	-	-
Changes in assumptions	<u>128,228</u>	<u>[186,344]</u>	<u>90,918</u>
Net change in total OPEB liability	95,727	32,025	181,258
Total OPEB liability - beginning	<u>3,519,327</u>	<u>3,487,302</u>	<u>3,306,044</u>
Total OPEB liability - ending	<u>\$ 3,615,054</u>	<u>\$ 3,519,327</u>	<u>\$ 3,487,302</u>
 Covered payroll	 <u>\$ 25,163,639</u>	 <u>\$ 25,232,129</u>	 <u>\$ 24,740,225</u>
 Total OPEB liability as a percentage of covered-employee payroll	 14.37%	 13.95%	 14.10%
 Actuarially determined contribution	 <u>\$ 159,018</u>	 <u>\$ 157,465</u>	 <u>\$ 265,000</u>
 Actual contribution	 <u>\$ 159,018</u>	 <u>\$ 157,465</u>	 <u>\$ 265,000</u>
 Contributions as a percentage of covered payroll	 0.63%	 0.62%	 1.07%

\*data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

## CITY OF SALINA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

## OTHER POSTEMPLOYMENT BENEFITS - KPERS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years\*

Total OPEB liability	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 57,185	\$ 52,863	\$ 52,380
Interest	19,037	22,667	17,061
Effect of economic/demographic gains or losses	17,086	[95,243]	75,173
Effect of assumptions changes or inputs	37,368	7,614	[6,574]
Benefit payments	<u>[39,627]</u>	<u>[28,432]</u>	<u>[30,368]</u>
Net change in total OPEB liability	91,049	[40,531]	107,672
Total OPEB liability - beginning	<u>506,395</u>	<u>546,926</u>	<u>439,254</u>
Total OPEB liability - ending	<u>\$ 597,444</u>	<u>\$ 506,395</u>	<u>\$ 546,926</u>
 Covered payroll	 <u>\$ 14,338,983</u>	 <u>\$ 13,991,543</u>	 <u>\$ 13,652,194</u>
 Total OPEB liability as a percentage of covered-employee payroll	 4.17%	 3.62%	 4.01%
 Actuarially determined contribution	 <u>\$ 144,746</u>	 <u>\$ 144,746</u>	 <u>\$ 109,466</u>
 Actual contribution	 <u>\$ 144,746</u>	 <u>\$ 144,746</u>	 <u>\$ 109,466</u>
 Contributions as a percentage of covered payroll	 1.01%	 1.03%	 0.80%

\*data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

## CITY OF SALINA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

## KPERS PENSION PLAN

Schedule of the City's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability						
Local	0.764%	0.761%	0.811%	0.790%	0.796%	0.766%
Police & Fire	2.258%	2.180%	2.191%	2.081%	2.074%	2.038%
City's proportionate share of the net pension liability						
Local	\$ 10,027,679	\$ 11,770,699	\$ 11,753,246	\$ 11,014,328	\$ 11,123,112	\$ 13,290,226
Police & Fire	\$ 16,395,794	\$ 20,251,512	\$ 20,546,882	\$ 20,019,473	\$ 20,993,820	\$ 25,135,770
City's covered-employee payroll						
Local	\$ 12,931,197	\$ 13,251,236	\$ 13,548,056	\$ 13,944,989	\$ 14,366,294	\$ 14,948,415
Police & Fire	\$ 10,161,866	\$ 10,730,033	\$ 10,593,419	\$ 10,441,055	\$ 10,859,219	\$ 11,285,465
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll						
Local	77.55%	88.83%	86.75%	78.98%	77.43%	88.91%
Police & Fire	161.35%	188.74%	193.96%	191.74%	193.33%	222.73%
Plan fiduciary net position as a percentage of the total pension liability						
Local	71.98%	68.55%	72.15%	74.22%	75.02%	70.77%
Police & Fire	74.60%	69.30%	70.99%	71.53%	71.22%	66.81%

\*The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

Schedule of the City's Contributions  
Last Ten Fiscal Years\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution						
Local	\$ 1,256,217	\$ 1,243,711	\$ 1,179,745	\$ 1,205,334	\$ 1,328,915	\$ 1,156,925
Police & Fire	\$ 2,527,995	\$ 2,361,273	\$ 1,986,933	\$ 2,181,617	\$ 2,497,473	\$ 2,405,832
Contributions in relation to the contractually required contribution						
Local	1,256,217	1,243,711	1,179,745	1,205,334	1,328,915	1,156,925
Police & Fire	2,527,995	2,361,273	1,986,933	2,181,617	2,497,473	2,405,832
Contribution deficiency [excess]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll						
Local	\$ 13,251,236	\$ 13,548,056	\$ 13,944,989	\$ 14,366,294	\$ 14,948,415	\$ 13,436,992
Police & Fire	\$ 10,730,033	\$ 10,593,419	\$ 10,441,055	\$ 10,859,219	\$ 11,285,465	\$ 10,970,505
Contributions as a percentage of covered employee payroll						
Local	9.48%	9.18%	8.46%	8.39%	8.89%	8.61%
Police & Fire	23.56%	22.29%	19.03%	20.09%	22.13%	21.93%

\*Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

## CITY OF SALINA, KANSAS

### COMBINING STATEMENTS - NONMAJOR FUNDS

#### NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Bicentennial center fund - To account for the activities of the City's convention center.

Business improvement district fund - State law allows businesses within an area to voluntarily establish an improvement district. This fund is used to account for the assessments made on the District. All revenues are to be used within the Business Improvement District.

Neighborhood park fund - To account for fees collected from new residential building projects in Salina. Expenditures are for acquisition or development of neighborhood parks in the growing areas of the community.

Special parks and recreation fund - To account for liquor tax revenues, which must be used for park maintenance and improvements.

Special alcohol fund - To account for liquor tax revenues, which must be used for programs, which address prevention, education or intervention for drug and alcohol abuse.

Community development revolving fund - To account for funds, which may be loaned for housing and economic development, purposes, to later be repaid and reused on a revolving basis.

Sales tax economic development fund - To account for 2.34% of the .75 cent sales tax designated for economic Development purposes.

Downtown TIF District #1 fund - To account for revenues and expenditures related to the Tax Increment Financing District that was formed as part of the Downtown Revitalization Project.

South 9<sup>th</sup> CID fund - To account for incremental sales tax revenues received and disbursed to the developers as part of the Community Improvement District formed in 2015.

Downtown CID fund - To account for incremental sales tax revenues received and disbursed to the developers as part of the Community Improvement District formed in 2017.

Alley CID fund - To account for incremental sales tax revenues received and disbursed to the developers as part of the Community Improvement District formed in 2016.

Downtown Hotel CID fund - To account for incremental sales tax revenues received and disbursed to the developers as part of the Community Improvement District formed in 2017.

STAR Bonds Subproject fund - To track disbursements and reimbursements associated with the Stiefel Theatre's STAR Bond

State Grants fund - To account for grant revenue and expenditures received from the State of Kansas.

911 communications fund - To account for transitioning the receipt and administration of 911 fees to the City from the Kansas Department of Revenue and Saline County, as the City is now the public answering point. Monies will be used to pay for 911 related services.

Kenwood cove capital fund - To account for the Special Sales Tax proceeds to be used to provide for long-term capital maintenance activity at the facility.

Special law enforcement fund - To account for revenues received from the sale of forfeited assets acquired during drug enforcement activities. Expenses are limited to capital items to be used for further drug enforcement activities.

Police grants fund - To account for revenues from grants, which are to be used for special police activities, including the D.A.R.E. program

Federal grants fund - To account for grants received from the federal government to be used to monitor and mediate fair housing complaints.

D.A.R.E. donations fund - To account for donations to the D.A.R.E. program.

CITY OF SALINA, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED

War memorial maintenance fund - To account for monies to be used for maintenance of the local war memorial.

Arts & humanities fund - To account for revenues and expenses associated with arts and humanities activities.

Special assessments escrow fund - To account for property owners' prepayment on outstanding special assessments.

Court bond and restitution fund - To account for bonds and restitution remitted to the court and awaiting court orders for distribution.

Police investigation account fund - To account for monies held by the police department for use in investigations.

Citizenship fund - To account for donations received and used for the citizenship fund.

DTF local fund - To account for revenues and expenditures related to the sale of assets acquired during drug enforcement activities as they relate to local cases. Expenses are limited to equipment and training for the Drug Task Force.

DTF reserve fund - To account for revenues and expenditures related to the sale of assets acquired during drug enforcement activities as they related to federal cases placed in a reserve for future use.

Beechcraft remediation settlement fund - To account for revenues and expenditures related to the bankruptcy of Beechcraft and the former Schilling Airforce Base remediation case.

Bail bond escrow fund - To account for funds being held in escrow for bonds issued by Municipal Court.

Federal CARE grant fund - To account for revenue and expenses associated with the CARE Grant.

Police Department federal forfeiture funds - To account for revenue and expenses associated with federal Equitable Sharing Program funds.

Homeowners' assistance fund - To receive donations and/or other funds to assist low and moderate income persons in improving their homes.

Private grants fund - To account for revenues and expenditures related to grants received from private entities with specific purposes.

Animal shelter donations fund - To accumulate donations and account for expenses to benefit the animal shelter.

NONMAJOR PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Cemetery endowment fund - To account for amounts expended for perpetual care of the City cemetery. Interest earnings are used for cemetery maintenance.

Mausoleum endowment fund - To account for amounts charged for perpetual care of the City mausoleum. Interest earnings are used for mausoleum maintenance.

Tricentennial commission fund - To account for donations to be used to celebrate the nation's tricentennial in the year 2076.

CITY OF SALINA, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2020

	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Permanent <u>Funds</u>	Nonmajor Debt Service <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS				
Cash and investments	\$ 6,696,113	\$ 542,755	\$ 800	\$ 7,239,668
Receivables				
Accounts	<u>3,287</u>	<u>-</u>	<u>-</u>	<u>3,287</u>
Total assets	<u>\$ 6,699,400</u>	<u>\$ 542,755</u>	<u>\$ 800</u>	<u>\$ 7,242,955</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 221,525	\$ -	\$ -	\$ 221,525
Due to other funds	<u>31,989</u>	<u>-</u>	<u>-</u>	<u>31,989</u>
Total liabilities	<u>253,514</u>	<u>-</u>	<u>-</u>	<u>253,514</u>
Fund balances:				
Restricted	694,713	-	800	695,513
Committed	5,561,914	542,755	-	6,104,669
Assigned	<u>189,259</u>	<u>-</u>	<u>-</u>	<u>189,259</u>
Total fund balances	<u>6,445,886</u>	<u>542,755</u>	<u>800</u>	<u>6,989,441</u>
Total liabilities and fund balances	<u>\$ 6,699,400</u>	<u>\$ 542,755</u>	<u>\$ 800</u>	<u>\$ 7,242,955</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Permanent Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 1,126,829	\$ -	\$ -	\$ 1,126,829
Intergovernmental	1,219,866	-	315,372	1,535,238
Charges for services	108,135	13,282	-	121,417
Licenses and permits	5,070	-	-	5,070
Investment revenue	16,764	1,972	2,400	21,136
Donations	129,193	-	-	129,193
Miscellaneous	<u>3,518,022</u>	<u>-</u>	<u>59,555</u>	<u>3,577,577</u>
Total revenues	<u>6,123,879</u>	<u>15,254</u>	<u>377,327</u>	<u>6,516,460</u>
EXPENDITURES				
Current				
Culture and recreation	1,207,431	-	-	1,207,431
Public safety	625,362	-	-	625,362
Public health and sanitation	597,804	-	-	597,804
Planning and development	376,545	-	-	376,545
Miscellaneous	-	35	1,300,626	1,300,661
Debt service				
Interest and other charges	-	-	15,496	15,496
Capital outlay	<u>1,741,294</u>	<u>-</u>	<u>-</u>	<u>1,741,294</u>
Total expenditures	<u>4,548,436</u>	<u>35</u>	<u>1,316,122</u>	<u>5,864,593</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,575,443</u>	<u>15,219</u>	<u>[938,795]</u>	<u>651,867</u>
Other financing sources [uses]				
Transfers in	<u>1,241,413</u>	<u>-</u>	<u>-</u>	<u>1,241,413</u>
Total other financing sources [uses]	<u>1,241,413</u>	<u>-</u>	<u>-</u>	<u>1,241,413</u>
Net change in fund balance	<u>2,816,856</u>	<u>15,219</u>	<u>[938,795]</u>	<u>1,893,280</u>
Fund balance - Beginning of year	3,203,386	527,536	939,595	4,670,517
Prior period adjustment	<u>425,644</u>	<u>-</u>	<u>-</u>	<u>425,644</u>
Fund balance - Beginning of year, restated	<u>3,629,030</u>	<u>527,536</u>	<u>939,595</u>	<u>5,096,161</u>
Fund balance - End of year	<u>\$ 6,445,886</u>	<u>\$ 542,755</u>	<u>\$ 800</u>	<u>\$ 6,989,441</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2020

	Bicentennial Center	Business Improvement District	Neighborhood Park	Special Parks & Recreation	Special Alcohol	Community Development Revolving	Sales Tax Economic Development	Downtown TIF District #1
ASSETS								
Cash and investments	\$ 406,690	\$ 11,017	\$ 33,821	\$ 478,383	\$ 234	\$ 186,307	\$ 720,798	\$ 709,533
Receivables								
Accounts	-	3,287	-	-	-	-	-	-
Total assets	<u>\$ 406,690</u>	<u>\$ 14,304</u>	<u>\$ 33,821</u>	<u>\$ 478,383</u>	<u>\$ 234</u>	<u>\$ 186,307</u>	<u>\$ 720,798</u>	<u>\$ 709,533</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 89,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,112	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>89,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,112</u>	<u>-</u>
Fund balance:								
Restricted	-	14,304	-	465,773	234	186,307	-	-
Committed	317,641	-	33,821	-	-	-	715,686	709,533
Assigned	-	-	-	12,610	-	-	-	-
Total fund balance [deficit]	<u>317,641</u>	<u>14,304</u>	<u>33,821</u>	<u>478,383</u>	<u>234</u>	<u>186,307</u>	<u>715,686</u>	<u>709,533</u>
Total liabilities and fund balances	<u>\$ 406,690</u>	<u>\$ 14,304</u>	<u>\$ 33,821</u>	<u>\$ 478,383</u>	<u>\$ 234</u>	<u>\$ 186,307</u>	<u>\$ 720,798</u>	<u>\$ 709,533</u>



<u>South 9th CID</u>	<u>Downtown CID</u>	<u>Alley CID</u>	<u>Downtown Hotel CID</u>	<u>STAR Bonds Subprojects</u>	<u>State Grants</u>	<u>911 Communications</u>	<u>Kenwood Cove Capital</u>	<u>Special Law Enforcement</u>	<u>Police Grants</u>
\$ 22,388	\$ 286,564	\$ 3,742	\$ 18,719	\$ 2,000,000	\$ 6,493	\$ 421,418	\$ 195,961	\$ 82	\$ 3,479
-	-	-	-	-	-	-	-	-	-
<u>\$ 22,388</u>	<u>\$ 286,564</u>	<u>\$ 3,742</u>	<u>\$ 18,719</u>	<u>\$ 2,000,000</u>	<u>\$ 6,493</u>	<u>\$ 421,418</u>	<u>\$ 195,961</u>	<u>\$ 82</u>	<u>\$ 3,479</u>
\$ 20,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,426	\$ 3,571	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
<u>20,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,426</u>	<u>3,571</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
1,697	286,564	3,742	18,719	2,000,000	6,493	165,343	192,390	82	3,479
-	-	-	-	-	-	176,649	-	-	-
<u>1,697</u>	<u>286,564</u>	<u>3,742</u>	<u>18,719</u>	<u>2,000,000</u>	<u>6,493</u>	<u>341,992</u>	<u>192,390</u>	<u>82</u>	<u>3,479</u>
<u>\$ 22,388</u>	<u>\$ 286,564</u>	<u>\$ 3,742</u>	<u>\$ 18,719</u>	<u>\$ 2,000,000</u>	<u>\$ 6,493</u>	<u>\$ 421,418</u>	<u>\$ 195,961</u>	<u>\$ 82</u>	<u>\$ 3,479</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
 For the Year Ended December 31, 2020

	Federal <u>Grants</u>	DARE <u>Donations</u>	War Memorial <u>Maintenance</u>	Arts & <u>Humanities</u>	Federal CARE <u>Grant</u>	Police Department Federal <u>Forfeiture Funds</u>	Homeowners' <u>Assistance</u>	Private <u>Grants</u>
ASSETS								
Cash and investments	\$ -	\$ 14,031	\$ 30,843	\$ 103,587	\$ 26,141	\$ 99	\$ 19,041	\$ 1,954
Receivables	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 14,031</u>	<u>\$ 30,843</u>	<u>\$ 103,587</u>	<u>\$ 26,141</u>	<u>\$ 99</u>	<u>\$ 19,041</u>	<u>\$ 1,954</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 16,440	\$ 825	\$ -	\$ 3,521	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>31,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>48,429</u>	<u>825</u>	<u>-</u>	<u>3,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:								
Restricted	-	-	-	-	26,141	-	-	1,954
Committed	<u>[48,429]</u>	<u>13,206</u>	<u>30,843</u>	<u>100,066</u>	<u>-</u>	<u>99</u>	<u>19,041</u>	<u>-</u>
Assigned	-	-	-	-	-	-	-	-
Total fund balance [deficit]	<u>[48,429]</u>	<u>13,206</u>	<u>30,843</u>	<u>100,066</u>	<u>26,141</u>	<u>99</u>	<u>19,041</u>	<u>1,954</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 14,031</u>	<u>\$ 30,843</u>	<u>\$ 103,587</u>	<u>\$ 26,141</u>	<u>\$ 99</u>	<u>\$ 19,041</u>	<u>\$ 1,954</u>

<u>Animal Shelter Donations</u>	<u>Special Assessments Escrow</u>	<u>Court Bond and Restitution</u>	<u>Police Investigation Account</u>	<u>Citizenship</u>	<u>DTF Local</u>	<u>DTF Reserve</u>	<u>Beechcraft Remediation Settlement</u>	<u>Bail Bond Escrow</u>	<u>Totals</u>
\$ 560,731	\$ 116,682	\$ 31,394	\$ 3,384	\$ 39,757	\$ 10,076	\$ 41,663	\$ 189,966	\$ 1,135	\$ 6,696,113
-	-	-	-	-	-	-	-	-	3,287
<u>\$ 560,731</u>	<u>\$ 116,682</u>	<u>\$ 31,394</u>	<u>\$ 3,384</u>	<u>\$ 39,757</u>	<u>\$ 10,076</u>	<u>\$ 41,663</u>	<u>\$ 189,966</u>	<u>\$ 1,135</u>	<u>\$ 6,699,400</u>
\$ 1,590	\$ -	\$ -	\$ -	\$ 1,000	\$ 300	\$ -	\$ -	\$ -	\$ 221,525
-	-	-	-	-	-	-	-	-	31,989
<u>1,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,514</u>
-	-	-	-	-	-	-	-	-	694,713
559,141	116,682	31,394	3,384	38,757	9,776	41,663	189,966	1,135	5,561,914
-	-	-	-	-	-	-	-	-	189,259
<u>559,141</u>	<u>116,682</u>	<u>31,394</u>	<u>3,384</u>	<u>38,757</u>	<u>9,776</u>	<u>41,663</u>	<u>189,966</u>	<u>1,135</u>	<u>6,445,886</u>
<u>\$ 560,731</u>	<u>\$ 116,682</u>	<u>\$ 31,394</u>	<u>\$ 3,384</u>	<u>\$ 39,757</u>	<u>\$ 10,076</u>	<u>\$ 41,663</u>	<u>\$ 189,966</u>	<u>\$ 1,135</u>	<u>\$ 6,699,400</u>

See independent auditor's report on the financial statements.

## CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2020

	Bicentennial Center	Business Improvement District	Neighborhood Park	Special Parks & Recreation	Special Alcohol	Community Development Revolving	Sales Tax Economic Development	Downtown TIF District #1
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,004	\$ 291,557
Intergovernmental	-	-	-	171,982	171,982	-	-	-
Charges for services	-	80,807	-	-	-	-	-	-
Licenses and permits	-	-	5,070	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	2,443
Donations	-	-	-	-	-	-	-	-
Miscellaneous	175,000	-	-	-	-	-	1,833	-
Total Revenues	175,000	80,807	5,070	171,982	171,982	-	351,837	294,000
Expenditures								
Current								
Culture and recreation	713,405	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public health and sanitation	-	-	-	-	171,982	-	-	-
Planning and development	-	73,176	-	-	-	-	-	20,109
Capital outlay	-	-	-	42,465	-	-	344,714	-
Total Expenditures	713,405	73,176	-	42,465	171,982	-	344,714	20,109
Excess [deficiency] of revenues over [under] expenditures	[538,405]	7,631	5,070	129,517	-	-	7,123	273,891
Other financing sources [uses]								
Transfers in	656,063	-	-	-	-	-	-	-
Total other financing sources [uses]	656,063	-	-	-	-	-	-	-
Net change in fund balance	117,658	7,631	5,070	129,517	-	-	7,123	273,891
Fund balance, beginning of year	199,983	6,673	28,751	348,866	234	186,307	708,563	435,642
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balance, beginning of year, restated	199,983	6,673	28,751	348,866	234	186,307	708,563	435,642
Fund balance, end of year	\$ 317,641	\$ 14,304	\$ 33,821	\$ 478,383	\$ 234	\$ 186,307	\$ 715,686	\$ 709,533

<u>South 9th CID</u>	<u>Downtown CID</u>	<u>Alley CID</u>	<u>Downtown Hotel CID</u>	<u>STAR Bonds Subprojects</u>	<u>State Grants</u>	<u>911 Communications</u>	<u>Kenwood Cove Capital</u>	<u>Special Law Enforcement</u>	<u>Police Grants</u>
\$ 216,895	\$ 232,549	\$ 17,176	\$ 18,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	122,055	477,372	-	-	3,479
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
33	685	20	71	-	-	1,646	-	-	-
-	-	-	-	-	-	-	-	-	-
11,732	67,817	-	-	3,219,786	-	-	-	-	-
<u>228,660</u>	<u>301,051</u>	<u>17,196</u>	<u>18,719</u>	<u>3,219,786</u>	<u>122,055</u>	<u>479,018</u>	<u>-</u>	<u>-</u>	<u>3,479</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	586,331	-	-	-
-	-	-	-	-	-	-	-	-	-
228,237	14,487	13,454	-	-	-	-	-	-	-
-	-	-	-	1,219,786	122,055	-	11,149	-	-
<u>228,237</u>	<u>14,487</u>	<u>13,454</u>	<u>-</u>	<u>1,219,786</u>	<u>122,055</u>	<u>586,331</u>	<u>11,149</u>	<u>-</u>	<u>-</u>
423	286,564	3,742	18,719	2,000,000	-	[107,313]	[11,149]	-	3,479
-	-	-	-	-	-	-	68,350	-	-
-	-	-	-	-	-	-	<u>68,350</u>	-	-
423	286,564	3,742	18,719	2,000,000	-	[107,313]	57,201	-	3,479
1,274	-	-	-	-	6,493	449,305	135,189	82	-
-	-	-	-	-	-	-	-	-	-
1,274	-	-	-	-	6,493	449,305	135,189	82	-
<u>\$ 1,697</u>	<u>\$ 286,564</u>	<u>\$ 3,742</u>	<u>\$ 18,719</u>	<u>\$ 2,000,000</u>	<u>\$ 6,493</u>	<u>\$ 341,992</u>	<u>\$ 192,390</u>	<u>\$ 82</u>	<u>\$ 3,479</u>

See independent auditor's report on the financial statements.

## CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
For the Year Ended December 31, 2020

	Federal Grants	DARE Donations	War Memorial Maintenance	Arts & Humanities	Federal CARE Grant	Police Department Federal Forfeiture Funds	Homeowners' Assistance	Private Grants
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	222,996	-	-	-	-	-	-	-
Charges for services	-	-	-	27,328	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Investment revenue	-	-	113	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	12,175	-	-	-	-	2,196	-
Total Revenues	222,996	12,175	113	27,328	-	-	2,196	-
Expenditures								
Current								
Culture and recreation	-	-	-	494,026	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public health and sanitation	312,550	-	-	-	-	-	-	-
Planning and development	-	27,082	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	312,550	27,082	-	494,026	-	-	-	-
Excess [deficiency] of revenues over [under] expenditures	[89,554]	[14,907]	113	[466,698]	-	-	2,196	-
Other financing sources [uses]								
Transfers in	-	-	-	517,000	-	-	-	-
Total other financing sources [uses]	-	-	-	517,000	-	-	-	-
Net change in fund balance	[89,554]	[14,907]	113	50,302	-	-	2,196	-
Fund balance, beginning of year	41,125	28,113	30,730	49,764	26,141	99	16,845	1,954
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balance, beginning of year, restated	41,125	28,113	30,730	49,764	26,141	99	16,845	1,954
Fund balance, end of year	\$ [48,429]	\$ 13,206	\$ 30,843	\$ 100,066	\$ 26,141	\$ 99	\$ 19,041	\$ 1,954

<u>Animal Shelter Donations</u>	<u>Special Assessments Escrow</u>	<u>Court Bond and Restitution</u>	<u>Police Investigation Account</u>	<u>Citizenship</u>	<u>DTF Local</u>	<u>DTF Reserve</u>	<u>Beechcraft Remediation Settlement</u>	<u>Bail Bond Escrow</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,829
50,000	-	-	-	-	-	-	-	-	1,219,866
-	-	-	-	-	-	-	-	-	108,135
-	-	-	-	-	-	-	-	-	5,070
-	-	-	-	11,055	-	-	698	-	16,764
121,160	-	-	-	-	-	-	8,033	-	129,193
-	-	8,867	1	-	13,265	5,350	-	-	3,518,022
171,160	-	8,867	1	11,055	13,265	5,350	8,731	-	6,123,879
-	-	-	-	-	-	-	-	-	1,207,431
-	-	-	-	-	29,031	10,000	-	-	625,362
113,272	-	-	-	-	-	-	-	-	597,804
-	-	-	-	-	-	-	-	-	376,545
-	-	-	-	1,125	-	-	-	-	1,741,294
113,272	-	-	-	1,125	29,031	10,000	-	-	4,548,436
57,888	-	8,867	1	9,930	[15,766]	[4,650]	8,731	-	1,575,443
-	-	-	-	-	-	-	-	-	1,241,413
-	-	-	-	-	-	-	-	-	1,241,413
57,888	-	8,867	1	9,930	[15,766]	[4,650]	8,731	-	2,816,856
501,253	-	-	-	-	-	-	-	-	3,203,386
-	116,682	22,527	3,383	28,827	25,542	46,313	181,235	1,135	425,644
501,253	116,682	22,527	3,383	28,827	25,542	46,313	181,235	1,135	3,629,030
\$ 559,141	\$ 116,682	\$ 31,394	\$ 3,384	\$ 38,757	\$ 9,776	\$ 41,663	\$ 189,966	\$ 1,135	\$ 6,445,886

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR PERMANENT FUNDS  
 December 31, 2020

ASSETS	Cemetery Endowment	Mausoleum Endowment	Tricentennial Commission	Total
Cash and investments	\$ 534,767	\$ 2,071	\$ 5,917	\$ 542,755
Total assets	<u>\$ 534,767</u>	<u>\$ 2,071</u>	<u>\$ 5,917</u>	<u>\$ 542,755</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund balances				
Committed	<u>534,767</u>	<u>2,071</u>	<u>5,917</u>	<u>542,755</u>
Total liabilities and fund balances	<u>\$ 534,767</u>	<u>\$ 2,071</u>	<u>\$ 5,917</u>	<u>\$ 542,755</u>

See independent auditor's report on the financial statements.



CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
For the Year Ended December 31, 2020

	Cemetery Endowment	Mausoleum Endowment	Tricentennial Commission	Total
Revenues				
Charges for services	\$ 13,282	\$ -	\$ -	\$ 13,282
Investment revenue	<u>1,942</u>	<u>8</u>	<u>22</u>	<u>1,972</u>
Total revenues	<u>15,224</u>	<u>8</u>	<u>22</u>	<u>15,254</u>
Expenditures				
Miscellaneous	<u>35</u>	<u>-</u>	<u>-</u>	<u>35</u>
Total expenditures	<u>35</u>	<u>-</u>	<u>-</u>	<u>35</u>
Net change in fund balance	15,189	8	22	15,219
Fund balances - beginning of year	<u>519,578</u>	<u>2,063</u>	<u>5,895</u>	<u>527,536</u>
Fund balances - end of year	<u>\$ 534,767</u>	<u>\$ 2,071</u>	<u>\$ 5,917</u>	<u>\$ 542,755</u>

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CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
BICENTENNIAL CENTER FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 175,000	\$ -	\$ -	\$ 175,000
Total revenues	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
Expenditures				
Culture and recreation	<u>713,405</u>	<u>-</u>	<u>740,000</u>	<u>26,595</u>
Total expenditures	<u>713,405</u>	<u>-</u>	<u>740,000</u>	<u>26,595</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[538,405]</u>	<u>-</u>	<u>[740,000]</u>	<u>201,595</u>
Other financing sources [uses]				
Transfers in	<u>656,063</u>	<u>-</u>	<u>830,000</u>	<u>[173,937]</u>
Total other financing sources [uses]	<u>656,063</u>	<u>-</u>	<u>830,000</u>	<u>[173,937]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>117,658</u>	<u>-</u>	<u>90,000</u>	<u>27,658</u>
Unreserved fund balance, January 1	<u>199,983</u>	<u>-</u>	<u>137,177</u>	<u>62,806</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 317,641</u>	<u>\$ -</u>	<u>\$ 227,177</u>	<u>\$ 90,464</u>

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CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
BUSINESS IMPROVEMENT DISTRICT FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 79,532	\$ 90,500	\$ 90,500	\$ [10,968]
Total revenues	<u>79,532</u>	<u>90,500</u>	<u>90,500</u>	<u>[10,968]</u>
Expenditures				
Planning and development	<u>73,176</u>	<u>90,500</u>	<u>90,500</u>	<u>17,324</u>
Total expenditures	<u>73,176</u>	<u>90,500</u>	<u>90,500</u>	<u>17,324</u>
Excess [deficiency] of revenues over [under] expenditures	6,356	-	-	6,356
Unreserved fund balance, January 1	<u>4,661</u>	<u>4,461</u>	<u>4,461</u>	<u>200</u>
Unreserved fund balance, December 31	11,017	<u>\$ 4,461</u>	<u>\$ 4,461</u>	<u>\$ 6,556</u>
Reconciliation to GAAP				
Accounts receivable	<u>3,287</u>			
GAAP Fund Balance, December 31	<u>\$ 14,304</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
NEIGHBORHOOD PARK FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Licenses and permits	\$ 5,070	\$ 3,000	\$ 3,000	\$ 2,070
Total revenues	<u>5,070</u>	<u>3,000</u>	<u>3,000</u>	<u>2,070</u>
Expenditures				
Capital outlay	-	10,000	10,000	10,000
Total expenditures	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Excess [deficiency] of revenues over [under] expenditures	5,070	[7,000]	[7,000]	12,070
Unreserved fund balance, January 1	<u>28,751</u>	<u>28,751</u>	<u>28,751</u>	<u>-</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 33,821</u>	<u>\$ 21,751</u>	<u>\$ 21,751</u>	<u>\$ 12,070</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL PARKS AND RECREATION FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Intergovernmental	\$ 171,982	\$ 197,740	\$ 197,740	\$ [25,758]
Investment revenue	-	100	100	[100]
Total revenues	<u>171,982</u>	<u>197,840</u>	<u>197,840</u>	<u>[25,858]</u>
Expenditures				
Capital outlay	<u>55,075</u>	<u>194,000</u>	<u>194,000</u>	<u>138,925</u>
Total expenditures	<u>55,075</u>	<u>194,000</u>	<u>194,000</u>	<u>138,925</u>
Excess [deficiency] of revenues over [under] expenditures	116,907	3,840	3,840	113,067
Unreserved fund balance, January 1	348,866	<u>348,866</u>	<u>348,866</u>	-
Unreserved fund balance, December 31	465,773	<u>\$ 352,706</u>	<u>\$ 352,706</u>	<u>\$ 113,067</u>
Reconciliation to GAAP				
Current year encumbrances	<u>12,610</u>			
GAAP Fund Balance, December 31	<u>\$ 478,383</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL ALCOHOL FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 171,982	\$ 197,740	\$ 197,740	\$ [25,758]
Total revenues	<u>171,982</u>	<u>197,740</u>	<u>197,740</u>	<u>[25,758]</u>
Expenditures				
Public health and sanitation	<u>171,982</u>	<u>197,740</u>	<u>197,740</u>	<u>25,758</u>
Total expenditures	<u>171,982</u>	<u>197,740</u>	<u>197,740</u>	<u>25,758</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	-
Unreserved fund balance, January 1	<u>234</u>	<u>234</u>	<u>234</u>	<u>-</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SALES TAX ECONOMIC DEVELOPMENT FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 350,004	\$ 338,228	\$ 338,228	\$ 11,776
Miscellaneous	<u>1,833</u>	<u>2,000</u>	<u>2,000</u>	<u>[167]</u>
Total revenues	<u>351,837</u>	<u>340,228</u>	<u>340,228</u>	<u>11,609</u>
Expenditures				
Capital outlay	<u>344,714</u>	<u>375,000</u>	<u>375,000</u>	<u>30,286</u>
Total expenditures	<u>344,714</u>	<u>375,000</u>	<u>375,000</u>	<u>30,286</u>
Excess [deficiency] of revenues over [under] expenditures	7,123	[34,772]	[34,772]	41,895
Unreserved fund balance, January 1	<u>708,563</u>	<u>708,563</u>	<u>708,563</u>	<u>-</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 715,686</u>	<u>\$ 673,791</u>	<u>\$ 673,791</u>	<u>\$ 41,895</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
ARTS & HUMANITIES FUND  
For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 27,328	\$ 320,400	\$ 320,400	\$ [293,072]
Miscellaneous	<u>-</u>	<u>78,000</u>	<u>78,000</u>	<u>[78,000]</u>
Total revenues	<u>27,328</u>	<u>398,400</u>	<u>398,400</u>	<u>[371,072]</u>
Expenditures				
Culture and recreation	<u>494,026</u>	<u>1,064,364</u>	<u>1,064,364</u>	<u>570,338</u>
Total expenditures	<u>494,026</u>	<u>1,064,364</u>	<u>1,064,364</u>	<u>570,338</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[466,698]</u>	<u>[665,964]</u>	<u>[665,964]</u>	<u>199,266</u>
Other financing sources [uses]				
Transfers in	<u>517,000</u>	<u>645,500</u>	<u>645,500</u>	<u>[128,500]</u>
Total other financing sources [uses]	<u>517,000</u>	<u>645,500</u>	<u>645,500</u>	<u>[128,500]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	50,302	[20,464]	[20,464]	70,766
Unreserved fund balance, January 1	<u>49,764</u>	<u>49,764</u>	<u>49,764</u>	<u>-</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 100,066</u>	<u>\$ 29,300</u>	<u>\$ 29,300</u>	<u>\$ 70,766</u>

See independent auditor's report on the financial statements.



## CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
DEBT SERVICE FUND

For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Taxes				
Real estate taxes	\$ 3,010,914	\$ 3,337,038	\$ 3,337,038	\$ [326,124]
Delinquent taxes	47,317	55,000	55,000	[7,683]
Motor vehicle taxes	325,274	314,918	314,918	10,356
Special assessments	1,511,279	1,546,000	1,546,000	[34,721]
Miscellaneous	-	1,744,792	1,744,792	[1,744,792]
Total revenues	<u>4,894,784</u>	<u>6,997,748</u>	<u>6,997,748</u>	<u>[2,102,964]</u>
Expenditures				
Debt Service				
Principal retirement	5,163,995	3,196,000	3,196,000	[1,967,995]
Interest and other charges	1,937,284	1,327,000	1,327,000	[610,284]
Special assessments	-	1,437,000	1,437,000	1,437,000
Miscellaneous	53,301	-	-	[53,301]
Total expenditures	<u>7,154,580</u>	<u>5,960,000</u>	<u>5,960,000</u>	<u>[1,194,580]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[2,259,796]</u>	<u>1,037,748</u>	<u>1,037,748</u>	<u>[3,297,544]</u>
Other financing sources [uses]				
Transfers in	1,629,188	2,000,000	2,000,000	[370,812]
Bond proceeds	1,206,882	-	-	1,206,882
Total other financing sources [uses]	<u>2,836,070</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>836,070</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>576,274</u>	<u>3,037,748</u>	<u>3,037,748</u>	<u>[2,461,474]</u>
Unreserved fund balance, January 1	<u>1,089,325</u>	<u>1,089,325</u>	<u>1,089,325</u>	<u>-</u>
Unreserved fund balance, December 31	1,665,599	<u>\$ 4,127,073</u>	<u>\$ 4,127,073</u>	<u>\$ [2,461,474]</u>
Reconciliation to GAAP				
Taxes receivable	3,121,345			
Deferred revenue	<u>[3,062,827]</u>			
GAAP Fund Balance, December 31	<u>\$ 1,724,117</u>			

See independent auditor's report on the financial statements.

## CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SOLID WASTE DISPOSAL FUND  
For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Charges for services	\$ 3,289,574	\$ 3,450,000	\$ 3,450,000	\$ [160,426]
Miscellaneous	<u>32,720</u>	<u>-</u>	<u>-</u>	<u>32,720</u>
Total revenues	<u>3,322,294</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>[127,706]</u>
Expenditures				
Public works	<u>2,520,556</u>	<u>3,109,733</u>	<u>3,109,733</u>	<u>589,177</u>
Total expenditures	<u>2,520,556</u>	<u>3,109,733</u>	<u>3,109,733</u>	<u>589,177</u>
Excess [deficiency] of revenues over [under] expenditures	<u>801,738</u>	<u>340,267</u>	<u>340,267</u>	<u>461,471</u>
Other financing sources [uses]				
Transfers [out]	<u>[659,200]</u>	<u>[417,350]</u>	<u>[417,350]</u>	<u>[241,850]</u>
Total other financing sources [uses]	<u>[659,200]</u>	<u>[417,350]</u>	<u>[417,350]</u>	<u>[241,850]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	142,538	[77,083]	[77,083]	219,621
Unreserved fund balance, January 1	<u>4,448,687</u>	<u>4,512,595</u>	<u>4,512,595</u>	<u>[63,908]</u>
Unreserved fund balance, December 31	<u>\$ 4,591,225</u>	<u>\$ 4,435,512</u>	<u>\$ 4,435,512</u>	<u>\$ 155,713</u>

See independent auditor's report on the financial statements.

## CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)  
WATER AND SEWER FUND

For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Charges for services	\$ 20,071,807	\$ 21,976,800	\$ 21,976,800	\$ [1,904,993]
Investment revenue	-	90,000	90,000	[90,000]
Miscellaneous	8,714	5,000	5,000	3,714
Total revenues	<u>20,080,521</u>	<u>22,071,800</u>	<u>22,071,800</u>	<u>[1,991,279]</u>
Expenditures				
Public works	<u>10,463,369</u>	<u>17,112,294</u>	<u>17,112,294</u>	<u>6,648,925</u>
Total expenditures	<u>10,463,369</u>	<u>17,112,294</u>	<u>17,112,294</u>	<u>6,648,925</u>
Excess [deficiency] of revenues over [under] expenditures	<u>9,617,152</u>	<u>4,959,506</u>	<u>4,959,506</u>	<u>4,657,646</u>
Other financing sources [uses]				
Transfers [out]	<u>[6,576,717]</u>	<u>[3,889,750]</u>	<u>[3,889,750]</u>	<u>[2,686,967]</u>
Total other financing sources [uses]	<u>[6,576,717]</u>	<u>[3,889,750]</u>	<u>[3,889,750]</u>	<u>[2,686,967]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	3,040,435	1,069,756	1,069,756	1,970,679
Unreserved fund balances, January 1	<u>13,642,411</u>	<u>12,603,880</u>	<u>12,603,880</u>	<u>1,038,531</u>
Unreserved fund balances, December 31	<u>\$ 16,682,846</u>	<u>\$ 13,673,636</u>	<u>\$ 13,673,636</u>	<u>\$ 3,009,210</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SANITATION FUND

For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 3,292,501	\$ -	\$ 3,450,000	\$ [157,499]
Miscellaneous	<u>49</u>	<u>-</u>	<u>-</u>	<u>49</u>
Total revenues	<u>3,292,550</u>	<u>-</u>	<u>3,450,000</u>	<u>[157,450]</u>
Expenditures				
Public works	<u>2,371,205</u>	<u>-</u>	<u>3,356,138</u>	<u>984,933</u>
Total expenditures	<u>2,371,205</u>	<u>-</u>	<u>3,356,138</u>	<u>984,933</u>
Excess [deficiency] of revenues over [under] expenditures	<u>921,345</u>	<u>-</u>	<u>93,862</u>	<u>827,483</u>
Other financing sources [uses]				
Transfers [out]	<u>[497,350]</u>	<u>-</u>	<u>[417,350]</u>	<u>[80,000]</u>
Total other financing sources [uses]	<u>[497,350]</u>	<u>-</u>	<u>[417,350]</u>	<u>[80,000]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>423,995</u>	<u>-</u>	<u>[323,488]</u>	<u>747,483</u>
Unreserved fund balance, January 1	<u>1,725,597</u>	<u>-</u>	<u>1,373,911</u>	<u>351,686</u>
Unreserved fund balances, December 31	<u>\$ 2,149,592</u>	<u>\$ -</u>	<u>\$ 1,050,423</u>	<u>\$ 1,099,169</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)  
GOLF COURSE FUND

For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 581,233	\$ 928,400	\$ 928,400	\$ [347,167]
Investment revenue	-	350	350	[350]
Miscellaneous	<u>101,149</u>	<u>-</u>	<u>-</u>	<u>101,149</u>
Total revenues	<u>682,382</u>	<u>928,750</u>	<u>928,750</u>	<u>[246,368]</u>
Expenditures				
Recreation	<u>756,004</u>	<u>916,971</u>	<u>916,971</u>	<u>160,967</u>
Total expenditures	<u>756,004</u>	<u>916,971</u>	<u>916,971</u>	<u>160,967</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[73,622]</u>	<u>11,779</u>	<u>11,779</u>	<u>[85,401]</u>
Other financing sources [uses]				
Transfers in	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total other financing sources [uses]	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	26,378	11,779	11,779	14,599
Unreserved fund balance, January 1	<u>21,709</u>	<u>21,709</u>	<u>21,709</u>	<u>-</u>
Unreserved fund balances, December 31	<u>\$ 48,087</u>	<u>\$ 33,488</u>	<u>\$ 33,488</u>	<u>\$ 14,599</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
WORKERS' COMPENSATION RESERVE FUND  
For the Year Ended December 31, 2020

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 449,926	\$ 449,926	\$ 449,926	\$ -
Investment revenue	-	2,500	2,500	[2,500]
Miscellaneous	-	3,000	3,000	[3,000]
Total revenues	<u>449,926</u>	<u>455,426</u>	<u>455,426</u>	<u>[5,500]</u>
Expenditures				
General government	<u>370,837</u>	<u>430,418</u>	<u>430,418</u>	<u>59,581</u>
Total expenditures	<u>370,837</u>	<u>430,418</u>	<u>430,418</u>	<u>59,581</u>
Excess [deficiency] of revenues over [under] expenditures	79,089	25,008	25,008	54,081
Unreserved fund balance, January 1	<u>1,062,930</u>	<u>933,944</u>	<u>933,944</u>	<u>128,986</u>
Unreserved fund balances, December 31	<u>\$ 1,142,019</u>	<u>\$ 958,952</u>	<u>\$ 958,952</u>	<u>\$ 183,067</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)

HEALTH INSURANCE FUND

For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 6,535,830	\$ 7,523,584	\$ 7,523,584	\$ [987,754]
Investment revenue	-	5,000	5,000	[5,000]
Miscellaneous	<u>36,427</u>	<u>25,000</u>	<u>25,000</u>	<u>11,427</u>
Total revenues	<u>6,572,257</u>	<u>7,553,584</u>	<u>7,553,584</u>	<u>[981,327]</u>
Expenditures				
General government	<u>5,544,560</u>	<u>6,820,010</u>	<u>6,820,010</u>	<u>1,275,450</u>
Total expenditures	<u>5,544,560</u>	<u>6,820,010</u>	<u>6,820,010</u>	<u>1,275,450</u>
Excess [deficiency] of revenues over [under] expenditures	1,027,697	733,574	733,574	294,123
Unreserved fund balance, January 1	<u>2,188,453</u>	<u>2,188,453</u>	<u>2,188,453</u>	<u>-</u>
Unreserved fund balances, December 31	<u>\$ 3,216,150</u>	<u>\$ 2,922,027</u>	<u>\$ 2,922,027</u>	<u>\$ 294,123</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)

CENTRAL GARAGE FUND

For the Year Ended December 31, 2020

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 1,267,477	\$ 1,498,644	\$ 1,498,644	\$ [231,167]
Investment revenue	-	40	40	[40]
Miscellaneous	<u>5,753</u>	<u>2,500</u>	<u>2,500</u>	<u>3,253</u>
Total revenues	<u>1,273,230</u>	<u>1,501,184</u>	<u>1,501,184</u>	<u>[227,954]</u>
Expenditures				
General government	<u>1,194,150</u>	<u>1,546,186</u>	<u>1,546,186</u>	<u>352,036</u>
Total expenditures	<u>1,194,150</u>	<u>1,546,186</u>	<u>1,546,186</u>	<u>352,036</u>
Excess [deficiency] of revenues over [under] expenditures	<u>79,080</u>	<u>[45,002]</u>	<u>[45,002]</u>	<u>124,082</u>
Other financing sources [uses]				
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Total other financing sources [uses]	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	159,080	34,998	34,998	124,082
Unreserved fund balance, January 1	<u>154,658</u>	<u>154,658</u>	<u>154,658</u>	<u>-</u>
Unreserved fund balance, December 31	<u>\$ 313,738</u>	<u>\$ 189,656</u>	<u>\$ 189,656</u>	<u>\$ 124,082</u>

See independent auditor's report on the financial statements.



CITY OF SALINA, KANSAS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one agency to other departments or agencies of the government and to other governmental units on a cost reimbursement basis.

Workers' compensation reserve fund - To account for the costs of providing a partially self-insured workers' compensation plan and for accumulating the necessary reserve amounts.

Health insurance fund - To account for the costs of providing a partially self-insured health insurance and for accumulating the necessary reserve amounts.

Central garage fund - To account for the accumulation and allocation for costs associated with the City's centralized vehicle repair shop.

CITY OF SALINA, KANSAS  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2020

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 1,142,019	\$ 3,216,251	\$ 359,389	\$ 4,717,659
Inventory and prepaid supplies	-	-	101,219	101,219
Total current assets	<u>1,142,019</u>	<u>3,216,251</u>	<u>460,608</u>	<u>4,818,878</u>
Capital assets:				
Capital assets	-	-	168,234	168,234
Less: accumulated depreciation	-	-	153,963	153,963
Total capital assets	<u>-</u>	<u>-</u>	<u>14,271</u>	<u>14,271</u>
Total assets	<u>1,142,019</u>	<u>3,216,251</u>	<u>474,879</u>	<u>4,833,149</u>
Deferred outflows of resources:				
KPERS OPEB deferred outflows of resources	-	-	2,507	2,507
Pension deferred outflows of resources	-	-	47,470	47,470
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>49,977</u>	<u>49,977</u>
Total assets and deferred outflows of resources	<u>\$ 1,142,019</u>	<u>\$ 3,216,251</u>	<u>\$ 524,856</u>	<u>\$ 4,883,126</u>
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$ -	\$ 100	\$ 45,650	\$ 45,750
Current portion of compensated absences payable	-	-	13,919	13,919
Current portion of accrued claims payable	183,446	605,000	-	788,446
Total current liabilities (payable from current assets)	<u>183,446</u>	<u>605,100</u>	<u>59,569</u>	<u>848,115</u>
Noncurrent liabilities:				
Compensated absences payable	-	-	16,382	16,382
Accrued claims payable	263,049	-	-	263,049
Net KPERS OPEB obligation	-	-	8,723	8,723
Net pension liability	-	-	187,907	187,907
Total noncurrent liabilities	<u>263,049</u>	<u>-</u>	<u>213,012</u>	<u>476,061</u>
Total liabilities	<u>446,495</u>	<u>605,100</u>	<u>272,581</u>	<u>1,324,176</u>
Deferred inflows of resources				
KPERS OPEB deferred inflows of resources	-	-	1,251	1,251
Pension deferred inflows of resources	-	-	8,395	8,395
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>9,646</u>	<u>9,646</u>
Total liabilities and deferred inflows of resources	<u>\$ 446,495</u>	<u>\$ 605,100</u>	<u>\$ 282,227</u>	<u>\$ 1,333,822</u>
Net Position				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 14,271	\$ 14,271
Unrestricted	695,524	2,611,151	228,358	3,535,033
Total net position	<u>\$ 695,524</u>	<u>\$ 2,611,151</u>	<u>\$ 242,629</u>	<u>\$ 3,549,304</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUND  
For the Year Ended December 31, 2020

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
Operating revenues				
Charges for services	\$ 449,926	\$ 6,535,830	\$ 1,267,477	\$ 8,253,233
Miscellaneous	-	36,427	5,752	42,179
Total operating revenues	<u>449,926</u>	<u>6,572,257</u>	<u>1,273,229</u>	<u>8,295,412</u>
Operating expenses				
General government	505,760	5,660,142	1,225,572	7,391,474
Depreciation	-	-	362	362
Total operating expenses	<u>505,760</u>	<u>5,660,142</u>	<u>1,225,934</u>	<u>7,391,836</u>
Operating income [loss]	<u>[55,834]</u>	<u>912,115</u>	<u>47,295</u>	<u>903,576</u>
Nonoperating revenues [expenses]				
Investment revenue	-	-	-	-
Total other operating revenues [expenses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income [loss] before transfers	<u>[55,834]</u>	<u>912,115</u>	<u>47,295</u>	<u>903,576</u>
Transfers from [to] other funds				
Transfers in	-	-	80,000	80,000
Total transfers	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Change in net position	[55,834]	912,115	127,295	983,576
Net position, January 1	<u>751,358</u>	<u>1,699,036</u>	<u>115,334</u>	<u>2,565,728</u>
Net position, December 31	<u>\$ 695,524</u>	<u>\$ 2,611,151</u>	<u>\$ 242,629</u>	<u>\$ 3,549,304</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2020

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
Cash flows from operating activities				
Cash received from customers and users	\$ 584,849	\$ 6,651,412	\$ 1,267,477	\$ 8,503,738
Cash paid to suppliers of goods or services	[506,685]	[5,660,042]	[919,219]	[7,085,946]
Cash paid to employees	-	-	[274,765]	[274,765]
Other operating receipts	-	36,427	5,752	42,179
Net cash provided by [used in] operating activities	<u>78,164</u>	<u>1,027,797</u>	<u>79,245</u>	<u>1,185,206</u>
Cash flows from investing activities				
Interest received	-	-	-	-
Cash flows from noncapital financing activities				
Transfers in	-	-	80,000	80,000
Net cash provided by [used in] noncapital financing activities	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Net increase [decrease] in cash and cash equivalents	78,164	1,027,797	159,245	1,265,206
Cash and cash equivalents, January 1	<u>1,063,855</u>	<u>2,188,454</u>	<u>200,144</u>	<u>3,452,453</u>
Cash and cash equivalents, December 31	<u>\$ 1,142,019</u>	<u>\$ 3,216,251</u>	<u>\$ 359,389</u>	<u>\$ 4,717,659</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (Continued)  
For the Year Ended December 31, 2020

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ [55,834]	\$ 912,115	\$ 47,295	\$ 903,576
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation expense	-	-	362	362
[Increase] decrease in inventory	-	-	26,673	26,673
[Increase] decrease in deferred outflows	-	-	[24,376]	[24,376]
Increase [decrease] in accounts payable	[925]	100	165	[660]
Increase [decrease] in accrued compensated absences	-	-	[1,145]	[1,145]
Increase [decrease] in net pension liability	-	-	31,639	31,639
Increase [decrease] in KPERS OPEB liability	-	-	[1,405]	[1,405]
Increase [decrease] in claims payable	134,923	115,582	-	250,505
Increase [decrease] in deferred inflows	-	-	37	37
Net cash provided by [used in] operating activities	<u>\$ 78,164</u>	<u>\$ 1,027,797</u>	<u>\$ 79,245</u>	<u>\$ 1,185,206</u>

See independent auditor's report on the financial statements.

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## STATISTICAL SECTION

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Schedule 1  
City of Salina, Kansas  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in 000's)

	Fiscal Year																			
	2011 Amount	%	2012 Amount	%	2013 Amount	%	2014 Amount	%	2015 Amount	%	2016 Amount	%	2017 Amount	%	2018 Amount	%	2019 Amount	%	2020 Amount	%
Governmental activities																				
Net investment in capital																				
assets	\$ 109,289	93%	\$ 112,929	94%	\$ 116,585	90%	\$ 115,589	90%	\$ 130,401	122%	\$ 124,635	108%	\$ 129,921	105%	\$ 144,846	109%	\$ 151,527	110%	\$ 143,559	100%
Restricted	1,712	1%	1,082	1%	1,210	1%	876	1%	1,224	1%	1,738	1%	2,012	2%	2,366	2%	1,670	1%	2,267	2%
Unrestricted	6,333	5%	5,511	5%	11,628	9%	11,413	9%	(24,922)	-23%	(10,505)	-9%	(8,232)	-7%	(13,759)	-10%	(14,839)	-11%	(1,744)	-1%
Total governmental activities net position	<u>\$ 117,334</u>	100%	<u>\$ 119,522</u>	100%	<u>\$ 129,423</u>	100%	<u>\$ 127,878</u>	100%	<u>\$ 106,703</u>	100%	<u>\$ 115,868</u>	100%	<u>\$ 123,701</u>	100%	<u>\$ 133,453</u>	100%	<u>\$ 138,358</u>	100%	<u>\$ 144,081</u>	100%
Business-type activities																				
Net investment in capital																				
assets	\$ 44,227	63%	\$ 50,857	69%	\$ 57,103	75%	\$ 61,721	75%	\$ 68,107	80%	\$ 62,427	71%	\$ 63,316	71%	\$ 62,368	69%	\$ 63,301	68%	\$ 63,742	66%
Restricted	1,553	2%	1,553	2%	1,553	2%	1,512	2%	1,512	2%	1,512	2%	1,512	2%	1,512	2%	1,368	1%	1,175	1%
Unrestricted	24,528	35%	21,450	29%	17,794	23%	19,545	24%	15,610	18%	23,621	27%	24,255	27%	26,503	29%	28,883	31%	31,692	33%
Total business-type activities net position	<u>\$ 70,308</u>	100%	<u>\$ 73,860</u>	100%	<u>\$ 76,450</u>	100%	<u>\$ 82,778</u>	100%	<u>\$ 85,229</u>	100%	<u>\$ 87,560</u>	100%	<u>\$ 89,083</u>	100%	<u>\$ 90,383</u>	100%	<u>\$ 93,552</u>	100%	<u>\$ 96,610</u>	100%
Primary government																				
Net investment in capital																				
assets	\$ 153,516	82%	\$ 163,786	85%	\$ 173,688	84%	\$ 177,311	84%	\$ 198,508	103%	\$ 187,062	92%	\$ 193,237	91%	\$ 207,213	93%	\$ 214,828	93%	\$ 207,301	86%
Restricted	3,216	2%	2,635	1%	2,763	1%	2,388	1%	2,736	1%	3,250	2%	3,524	2%	3,878	2%	3,038	1%	3,442	1%
Unrestricted	30,867	16%	26,961	14%	29,422	14%	30,959	15%	(9,312)	-5%	13,116	6%	16,023	8%	12,744	6%	14,044	6%	29,948	12%
Total primary government net position	<u>\$ 187,599</u>	100%	<u>\$ 193,382</u>	100%	<u>\$ 205,873</u>	100%	<u>\$ 210,658</u>	100%	<u>\$ 191,932</u>	100%	<u>\$ 203,428</u>	100%	<u>\$ 212,784</u>	100%	<u>\$ 223,835</u>	100%	<u>\$ 231,910</u>	100%	<u>\$ 240,691</u>	100%

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020

Schedule 2  
City of Salina, Kansas  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in 000's)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 13,614	\$ 11,278	\$ 10,978	\$ 12,175	\$ 10,743	\$ 9,188	\$ 9,780	\$ 12,013	\$ 10,866	\$ 10,395
Public safety	18,579	19,066	19,649	20,208	21,084	22,232	23,120	23,892	25,358	24,672
Public works	9,858	10,957	11,064	11,401	9,049	9,773	10,345	10,458	10,529	10,511
Public health and sanitation	1,368	1,383	1,369	347	995	1,095	1,126	1,256	1,156	1,323
Culture and recreation	6,693	5,338	4,809	5,156	6,517	6,612	6,880	7,040	6,879	5,034
Planning and development	3,450	3,362	3,399	3,236	1,915	2,047	1,835	2,369	2,522	2,004
Interest on long term debt	1,650	1,914	1,953	1,817	1,774	2,971	1,725	2,117	2,169	2,350
Total governmental activities expenses	<u>55,212</u>	<u>53,298</u>	<u>53,221</u>	<u>54,340</u>	<u>52,077</u>	<u>53,918</u>	<u>54,811</u>	<u>59,145</u>	<u>59,479</u>	<u>56,288</u>
Business-type activities:										
Solid waste disposal	2,945	2,067	3,532	1,867	1,766	2,335	2,365	2,382	2,871	2,056
Water and sewer	13,597	14,897	15,418	14,938	11,712	14,807	15,650	15,190	14,551	13,386
Sanitation	2,261	2,441	2,237	2,399	1,909	2,043	2,178	2,419	2,313	2,526
Golf course	825	723	768	837	821	792	852	926	888	805
Total business-type activities expenses	<u>19,628</u>	<u>20,128</u>	<u>21,955</u>	<u>20,041</u>	<u>16,208</u>	<u>19,977</u>	<u>21,045</u>	<u>20,917</u>	<u>20,623</u>	<u>18,773</u>
Total primary government expenses	<u>\$ 74,840</u>	<u>\$ 73,426</u>	<u>\$ 75,176</u>	<u>\$ 74,381</u>	<u>\$ 68,285</u>	<u>\$ 73,895</u>	<u>\$ 75,856</u>	<u>\$ 80,062</u>	<u>\$ 80,102</u>	<u>\$ 75,061</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 6,106	\$ 6,328	\$ 5,548	\$ 5,662	\$ 3,151	\$ 3,134	\$ 3,470	\$ 3,569	\$ 3,401	\$ 3,339
Public safety	3,766	4,290	4,656	4,222	4,600	4,891	4,601	4,815	4,357	4,325
Public works	262	306	277	255	193	238	348	285	309	294
Public health and sanitation	43	46	34	46	46	44	50	47	46	49
Culture and recreation	3,140	1,728	1,466	1,533	1,501	1,638	1,541	1,545	1,514	279
Planning and development	153	158	161	167	73	140	91	150	104	113
Operating grants and contributions	2,907	4,495	4,200	4,015	3,394	4,332	4,541	4,299	4,540	4,714
Capital grants and contributions	-	-	-	-	-	733	-	-	-	-
Total governmental activities program revenues	<u>16,377</u>	<u>17,351</u>	<u>16,342</u>	<u>15,900</u>	<u>12,958</u>	<u>15,150</u>	<u>14,642</u>	<u>14,710</u>	<u>14,271</u>	<u>13,115</u>
Business-type activities:										
Charges for services										
Solid waste disposal	2,904	3,137	3,138	3,024	2,519	2,795	3,165	3,097	3,082	3,290
Water and sewer	17,904	19,099	17,938	18,742	19,059	19,322	19,855	20,202	20,510	19,449
Sanitation	2,334	2,462	2,514	2,553	2,529	2,751	2,885	3,006	3,325	3,194
Golf course	636	783	719	811	820	789	798	756	810	581
Operating grants and contributions	202	-	-	-	-	-	-	-	-	-
Capital grants and contributions	3,804	274	-	115	-	-	-	-	-	-
Total business-type activities program revenues	<u>27,784</u>	<u>25,755</u>	<u>24,309</u>	<u>25,245</u>	<u>24,927</u>	<u>25,657</u>	<u>26,703</u>	<u>27,061</u>	<u>27,727</u>	<u>26,513</u>
Total primary government program revenues	<u>\$ 44,161</u>	<u>\$ 43,106</u>	<u>\$ 40,651</u>	<u>\$ 41,145</u>	<u>\$ 37,885</u>	<u>\$ 40,807</u>	<u>\$ 41,345</u>	<u>\$ 41,771</u>	<u>\$ 41,998</u>	<u>\$ 39,628</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (38,835)	\$ (35,947)	\$ (36,879)	\$ (38,440)	\$ (39,119)	\$ (38,768)	\$ (40,169)	\$ (39,800)	\$ (45,208)	\$ (43,173)
Business-type activities	8,156	5,627	2,354	5,204	8,719	5,680	5,658	6,143	7,103	7,740
Total primary government net expense	<u>\$ (30,679)</u>	<u>\$ (30,320)</u>	<u>\$ (34,525)</u>	<u>\$ (33,236)</u>	<u>\$ (30,400)</u>	<u>\$ (33,088)</u>	<u>\$ (34,511)</u>	<u>\$ (33,657)</u>	<u>\$ (38,105)</u>	<u>\$ (35,433)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, general purpose	\$ 7,783	\$ 8,272	\$ 8,031	\$ 8,315	\$ 8,242	\$ 8,196	\$ 9,101	\$ 8,623	\$ 9,708	\$ 10,308
Property taxes, debt service	2,779	2,439	2,362	2,578	2,766	3,022	2,487	2,457	2,664	3,058
Motor vehicle taxes	1,150	1,153	1,200	1,250	1,312	1,370	1,372	1,428	1,403	1,520
Sales tax, general purpose	11,767	12,165	12,260	12,689	12,931	12,781	12,906	13,292	13,419	13,697
Selective sales tax	4,080	4,210	4,281	4,461	4,558	4,901	8,832	8,917	9,323	9,751
Other taxes	6,390	6,486	6,630	7,231	7,363	7,991	6,900	7,241	6,975	6,117
Investment revenues	77	66	67	98	86	148	92	183	670	286
Miscellaneous	872	660	9,918	1,160	2,371	5,842	2,003	1,062	1,168	8,328
Transfers, net	199	30	999	787	3,819	3,600	4,309	4,831	4,781	5,133
Total governmental activities	<u>35,097</u>	<u>35,481</u>	<u>45,748</u>	<u>38,569</u>	<u>43,448</u>	<u>47,851</u>	<u>48,002</u>	<u>48,034</u>	<u>50,111</u>	<u>58,199</u>
Business-type activities:										
Investment revenues	84	79	49	51	56	78	129	233	-	4
Miscellaneous	330	434	279	97	-	-	103	153	846	446
Reimbursements	-	-	-	180	132	79	-	-	-	-
Transfers, net	(199)	(30)	(950)	-	(3,781)	(3,581)	(4,367)	(4,831)	(4,781)	(5,133)
Total business-type activities	<u>215</u>	<u>483</u>	<u>(622)</u>	<u>328</u>	<u>(3,593)</u>	<u>(3,424)</u>	<u>(4,135)</u>	<u>(4,445)</u>	<u>(3,935)</u>	<u>(4,682)</u>
Total primary government	<u>\$ 35,312</u>	<u>\$ 35,964</u>	<u>\$ 45,126</u>	<u>\$ 38,897</u>	<u>\$ 39,855</u>	<u>\$ 44,427</u>	<u>\$ 43,867</u>	<u>\$ 43,589</u>	<u>\$ 46,176</u>	<u>\$ 53,517</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (3,738)	\$ (466)	\$ 8,869	\$ 129	\$ 4,329	\$ 9,083	\$ 7,833	8,233	4,902	15,026
Business-type activities	8,371	6,110	1,732	5,532	5,126	2,256	1,523	1,698	3,169	3,058
Total primary government	<u>\$ 4,633</u>	<u>\$ 5,644</u>	<u>\$ 10,601</u>	<u>\$ 5,661</u>	<u>\$ 9,455</u>	<u>\$ 11,339</u>	<u>\$ 9,356</u>	<u>\$ 9,931</u>	<u>\$ 8,071</u>	<u>\$ 18,084</u>

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020



Schedule 3  
City of Salina, Kansas  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in 000's)

	Fiscal Year									
	2011 (Note 1)	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Note 2)
General Fund										
Nonspendable	\$ 90	\$ 116	\$ 81	\$ 107	\$ 111	\$ 131	\$ 153	\$ 152	\$ 212	\$ 184
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	293	540	331	239	199	136	214	340	274	244
Unreserved/unassigned	3,454	3,172	3,138	3,908	4,530	4,765	6,516	6,251	8,821	14,714
Total general fund	<u>\$ 3,837</u>	<u>\$ 3,828</u>	<u>\$ 3,550</u>	<u>\$ 4,254</u>	<u>\$ 4,840</u>	<u>\$ 5,032</u>	<u>\$ 6,883</u>	<u>\$ 6,743</u>	<u>\$ 9,307</u>	<u>\$ 15,142</u>
Restatement										
Restated fund balance										
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,611	3,319	3,446	2,910	2,793	3,142	4,191	4,648	5,224	4,980
Committed	127	(516)	7,486	9,886	8,695	14,284	10,072	7,325	8,086	13,225
Assigned	4,323	4,087	3,146	1,280	619	1,043	641	1,227	963	1,965
Unreserved/unassigned	-	-	-	-	(10,537)	(6,823)	(28)	(852)	(7,804)	(4,028)
Total all other governmental funds	<u>\$ 8,061</u>	<u>\$ 6,890</u>	<u>\$ 14,078</u>	<u>\$ 14,076</u>	<u>\$ 1,570</u>	<u>\$ 11,646</u>	<u>\$ 14,876</u>	<u>\$ 12,348</u>	<u>\$ 6,469</u>	<u>\$ 16,143</u>

Note 1: Prior year amounts have not been restated for the implementation of GASB Statement 54 in fiscal year 2011.

Note 2: Committed fund balance increased due to changes from the implementation of GASB Statement 84 in fiscal year 2020.

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020

Schedule 4  
City of Salina, Kansas  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in 000's)

	2011	2012	2013	Fiscal Year 2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes (see Schedule 5)	\$ 33,949	\$ 34,724	\$ 34,764	\$ 36,523	\$ 37,171	\$ 38,261	\$ 41,597	\$ 41,958	\$ 43,492	\$ 44,452
Intergovernmental	2,901	4,487	4,192	4,008	3,385	4,325	4,536	4,297	4,573	5,317
Special assessments	1,535	2,315	1,706	1,810	1,679	1,669	1,539	1,546	1,596	1,511
Licenses and permits	6	8	9	7	10	7	6	3	4	5
Charges for services	9,730	8,484	8,536	8,276	6,416	6,953	6,880	7,338	6,804	5,557
Investment revenue	69	47	40	59	47	142	79	157	670	286
Reimbursements	32	36	9,015	123	491	1,406	-	-	-	-
Donations				241	83	141	111	238	90	129
Miscellaneous	599	537	810	799	1,853	4,315	1,851	884	1,545	5,656
Total revenues	<u>48,821</u>	<u>50,638</u>	<u>59,072</u>	<u>51,846</u>	<u>51,135</u>	<u>57,219</u>	<u>56,599</u>	<u>56,421</u>	<u>58,774</u>	<u>62,913</u>
<b>Expenditures</b>										
General government	3,461	3,574	4,269	3,986	5,342	5,422	5,423	5,649	4,582	5,506
Public safety	18,118	18,564	19,155	19,559	21,268	21,664	21,629	22,953	23,692	22,435
Public works	6,569	7,004	7,220	7,443	5,333	5,778	6,048	6,162	6,136	6,082
Public health and sanitation	1,330	1,343	1,344	319	982	1,078	1,097	1,236	1,121	1,280
Culture and recreation	5,900	4,449	3,939	4,292	5,659	5,817	6,143	6,255	6,047	4,245
Planning and development	3,344	3,256	3,293	3,232	1,910	2,042	1,801	2,185	2,311	1,794
Miscellaneous	-	-	-	-	-	-	-	-	-	1,354
Capital outlay	9,847	7,327	13,047	11,009	25,527	24,001	18,281	16,344	21,913	12,041
Debt service										
Principal	4,411	8,592	5,038	5,261	6,250	17,902	5,088	14,243	10,324	5,164
Interest	2,084	2,103	1,867	1,864	1,833	3,152	1,771	2,192	2,136	2,366
Deposit to escrow	-	92	-	-	-	-	-	-	-	-
Total expenditures	<u>55,064</u>	<u>56,304</u>	<u>59,172</u>	<u>56,965</u>	<u>74,104</u>	<u>86,856</u>	<u>67,281</u>	<u>77,219</u>	<u>78,262</u>	<u>62,267</u>
<b>Other financing sources (uses)</b>										
Bonds and notes issued	6,565	6,150	5,690	5,365	6,825	34,892	11,490	8,090	11,090	8,720
Bond and note premium	23	60	185	302	369	1,503	95	70	443	468
Transfers in	7,994	3,488	4,907	3,001	7,642	7,065	8,339	13,462	9,714	9,323
Transfers out	(5,692)	(3,458)	(3,907)	(2,999)	(3,913)	(3,555)	(4,160)	(4,186)	(5,073)	(4,271)
Issuance costs	-	-	-	-	-	-	-	-	-	-
Other	156	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>9,046</u>	<u>6,240</u>	<u>6,875</u>	<u>5,669</u>	<u>10,923</u>	<u>39,905</u>	<u>15,764</u>	<u>17,436</u>	<u>16,174</u>	<u>14,241</u>
Net change in fund balance	<u>\$ 2,803</u>	<u>\$ 574</u>	<u>\$ 6,775</u>	<u>\$ 550</u>	<u>\$ (12,046)</u>	<u>\$ 10,268</u>	<u>\$ 5,082</u>	<u>\$ (3,362)</u>	<u>\$ (3,314)</u>	<u>\$ 14,887</u>
Debt service as a percentage of non-capital expenditures										
	17%	28%	18%	18%	20%	50%	16%	37%	28%	18%

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020

Schedule 5  
City of Salina, Kansas  
Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in 000's)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Real estate	\$ 10,288	\$ 10,466	\$ 10,145	\$ 10,657	\$ 10,729	\$ 10,972	\$ 11,377	\$ 10,804	\$ 12,182	\$ 13,150
Delinquent	274	245	248	235	279	246	210	276	190	216
Motor vehicle	1,150	1,153	1,200	1,250	1,312	1,370	1,372	1,428	1,403	1,520
General sales	11,767	12,165	12,260	12,689	12,931	12,781	12,906	13,293	13,419	13,697
Selective sales	4,080	4,210	4,281	4,461	4,558	4,901	8,832	8,917	9,323	9,751
Other taxes	<u>6,390</u>	<u>6,485</u>	<u>6,630</u>	<u>7,231</u>	<u>7,362</u>	<u>7,991</u>	<u>6,900</u>	<u>7,240</u>	<u>6,975</u>	<u>6,117</u>
Total taxes	<u>\$ 33,949</u>	<u>\$ 34,724</u>	<u>\$ 34,764</u>	<u>\$ 36,523</u>	<u>\$ 37,171</u>	<u>\$ 38,261</u>	<u>\$ 41,597</u>	<u>\$ 41,958</u>	<u>\$ 43,492</u>	<u>\$ 44,452</u>

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020

Schedule 6  
City of Salina, Kansas  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal (Budget) Year	Assessed Value							Estimated Total Market Value (Note 2)	Ratio of Assessed Value to Est. Market Value
	Real Estate	Personal Property	State Assessed	Total, Excluding Motor Vehicles	Tax Rate	Motor Vehicle (Note 1)	Total, Taxable Assessed Value		
2011	\$ 367,750,803	\$ 19,918,188	\$ 14,685,585	\$ 402,354,576	26.022	\$ 50,330,252	\$ 452,684,828	\$ 2,884,188,981	15.70
2012	\$ 369,416,422	\$ 18,654,394	\$ 15,779,466	\$ 403,850,282	26.272	\$ 47,553,744	\$ 451,404,026	\$ 2,889,385,914	15.62
2013	\$ 370,390,092	\$ 17,769,120	\$ 16,948,264	\$ 405,107,476	26.927	\$ 48,882,411	\$ 453,989,887	\$ 2,917,267,724	15.56
2014	\$ 376,131,346	\$ 13,652,885	\$ 17,670,147	\$ 407,454,378	27.080	\$ 48,865,900	\$ 456,320,278	\$ 2,957,531,741	15.43
2015	\$ 381,087,426	\$ 12,607,815	\$ 18,984,453	\$ 412,679,694	27.311	\$ 50,350,566	\$ 463,030,260	\$ 2,957,531,741	15.66
2016	\$ 389,872,825	\$ 11,653,719	\$ 19,323,055	\$ 420,849,599	27.603	\$ 51,833,505	\$ 472,683,104	\$ 2,964,464,111	15.94
2017	\$ 399,918,216	\$ 10,900,308	\$ 19,671,685	\$ 430,490,209	26.129	\$ 50,970,796	\$ 481,461,005	\$ 3,097,885,103	15.54
2018	\$ 403,835,383	\$ 10,130,718	\$ 20,485,144	\$ 434,451,245	28.394	\$ 53,336,677	\$ 487,787,922	\$ 3,150,409,123	15.48
2019	\$ 421,108,311	\$ 11,245,813	\$ 22,113,195	\$ 454,467,319	29.720	\$ 54,687,311	\$ 509,154,630	\$ 3,294,115,685	15.46
2020	\$ 423,573,121	\$ 9,353,057	\$ 23,436,340	\$ 456,362,518	30.650	\$ 54,589,132	\$ 510,951,650	\$ 3,326,521,997	15.36

Note 1: The tax rate for motor vehicles is set based on the average countywide tax rate. The City of Salina then receives a share of that based on tax effort.

Note 2: The estimated market value excludes the value of the State assessed properties. Market value information is not available for those properties. However, state assessed property is generally assessed at 33% of market value, except for railroads, which are assessed at 15% of market value.

Note 3: The Direct rate is expressed in dollars per thousand dollars of assessed value.

Source: Saline County Clerk

Schedule 7  
City of Salina, Kansas  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$1,000 of assessed value)

Fiscal (Budget) Year	City of Salina			Saline County			USD 305 (2)			Other (1)	Total
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total USD Millage	Other	
2011	19.236	6.786	26.022	31.432		31.432	45.818	13.095	58.913	12.131	128.498
2012	20.326	5.946	26.272	32.576		32.576	47.127	11.693	58.820	11.989	129.657
2013	20.242	5.948	26.190	34.823		34.823	47.133	11.516	58.649	12.135	131.797
2014	20.539	6.388	26.927	37.895		37.895	46.599	11.517	58.116	12.941	135.879
2015	20.692	6.388	27.080	38.047		38.047	44.088	11.517	55.605	13.305	134.037
2016	19.950	7.361	27.311	38.275		38.275	44.465	11.655	56.120	13.293	134.999
2017	21.694	5.909	27.603	37.508		37.508	44.069	11.674	55.743	13.299	134.153
2018	20.339	5.790	26.129	37.321		37.321	45.130	11.371	56.501	13.189	133.140
2019	22.285	6.109	28.394	38.437		38.437	46.776	10.746	57.522	13.988	138.341
2020	22.908	6.812	29.720	41.097		41.097	44.761	10.747	55.508	13.983	140.308

Source: Saline County Treasurer

(1) The "Other" column includes the State of Kansas, the Salina Airport Authority, the Salina Public Library and Kansas State Extension District #3.

(2) A small portion of Salina is covered by USD 306, USD 307, or USD 400. Total Tax Rates are different in the areas covered by these jurisdictions.

Schedule 8  
City of Salina, Kansas  
Principal Property Taxpayers  
Current Year and Ten Years Ago

Taxpayer	Type of Business	2011 (2010 Assessed Value)			2020 (2019 Assessed Value)		
		Assessed Valuation	% of Total Valuation	Rank	Assessed Valuation	% of Total Valuation	Rank
Evergy (Westar Energy (Western Resources)	Utility	\$ 5,575,032	1.39%	4	\$ 13,682,027	#DIV/0!	1
SFC Global Supply Chain, Inc. (Schwan's)	Pizza Manufacturing	8,589,167	2.15%	1	6,855,966	#DIV/0!	2
Kansas Gas Service	Utility	3,622,225	0.90%	7	4,415,353	#DIV/0!	3
RAF Salina LLC	Retail Shopping Mall	6,254,013	1.56%	2	4,296,499	#DIV/0!	4
S&B Motels	Motel	-	N/A		3,774,927	#DIV/0!	5
Central Mall Realty Holding LLC	Regional Shopping Center	3,587,574	N/A		2,868,321	#DIV/0!	6
Union Pacific	Railroad		0.00%	N/A	2,570,668	#DIV/0!	7
Menard Inc.	Home Improvement		N/A		2,465,098	#DIV/0!	8
Individual	Residential	2,247,083	N/A		2,440,724	#DIV/0!	9
Sams Real Estate Business Trust/Walmart	Discount Retail Stores		N/A		2,286,508	#DIV/0!	10
Wal-mart Real Estate Business Trust	Discount Retail Stores	3,468,733	0.87%	5			
Great Plains Manufacturing	Manufacturing	2,879,602	0.72%	10			
Gateway Properties	Shopping Mall (Midstate)	-	0.00%	6			
Southwestern Bell	Telephone Utility	3,107,097	0.78%	8			
Sunflower Bank	Banking Institution	-	0.00%	9			
Salina Regional Health Center	Hospital and Medical Offices	5,589,420	1.40%	3			
Combined Valuation of the Ten Largest Taxpayers		<u>\$ 44,919,946</u>			<u>\$ 45,656,091</u>		
City Valuation		\$ 400,248,283			\$ -		
Percent of Total City Assessed Valuation			11.22%			#DIV/0!	

Source: Saline County Clerk's Office or recent OS

Schedule 9  
City of Salina, Kansas  
Property Tax Levies and Distributions  
Last Ten Fiscal Years

Fiscal (Budget) Year	Taxes Levied for the fiscal year	Current Year Tax Distributions			Delinquent Collections (1)	Total Tax Distributions	
		Amount	Percentage			Amount	Percentage of levy
2011	\$ 10,415,491	\$ 10,287,770	98.8%		\$ 273,843	\$ 10,561,613	101.4%
2012	\$ 10,570,420	\$ 10,411,299	98.5%		\$ 245,086	\$ 10,656,385	100.8%
2013	\$ 10,550,730	\$ 10,145,404	96.2%		\$ 354,845	\$ 10,500,249	99.5%
2014	\$ 10,868,225	\$ 10,776,688	99.2%		\$ 62,432	\$ 10,839,120	99.7%
2015	\$ 10,991,959	\$ 10,460,246	95.2%		\$ 372,726	\$ 10,832,972	98.6%
2016	\$ 11,209,245	\$ 10,984,630	98.0%		\$ 184,970	\$ 11,169,600	99.6%
2017	\$ 11,564,876	\$ 11,320,197	97.9%		\$ 203,904	\$ 11,524,101	99.6%
2018	\$ 11,248,278	\$ 10,938,457	97.2%		\$ 276,340	\$ 11,214,797	99.7%
2019	\$ 12,335,808	\$ 12,097,740	98.1%		\$ 189,587	\$ 12,287,327	99.6%
2020	\$ 13,506,590	\$ 13,203,183	97.8%		\$ 216,358	\$ 13,419,541	99.4%

(1) Delinquent collections are reported in the aggregate for all previous years. Data is not currently available for "collected in subsequent years"

Source: Saline County Treasurer's Office

Schedule 10  
City of Salina, Kansas  
Direct Sales Rate by Taxing Entity  
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>City Direct Tax Rate</b>										
General	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Special purpose	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.75%	0.75%	0.75%	0.75%
<b>County-wide Tax Rate</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Portion of County-wide tax allocated to City (July Percentage)	63.34%	61.72%	60.86%	60.23%	60.28%	60.28%	60.28%	59.85%	60.33%	60.17%

In addition to the direct tax, the City receives a portion of the Countywide sales tax, based on a formula distribution. The formula is based on property tax effort and population, and is adjusted in January and July of each year.

In May, 2016, the voters approved an increase in the Special Purpose Tax rate from .40% to .75%, to be effective October 1, 2016.

Source: Kansas Department of Revenue



Schedule 11  
City of Salina, Kansas  
Water Sales by Class of Customer  
Last Ten Fiscal Years

Rate Class	2012		2013		2014		2015		2016		2017		2018		2019		2020	
	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold	# Accts Billed	Water Sold
Residential	17,893	1,225,931	17,966	989,788	18,042	1,003,100	18,086	987,540	18,125	950,697	18,124	988,572	18,130	963,387	18,155	864,810	18,238	965,782
Commercial	1,565	38,547	1,579	348,968	1,599	353,675	1,600	350,767	1,603	345,232	1,606	345,250	1,614	340,960	1,607	352,051	1,612	319,080
Industrial	42	174,595	40	182,529	42	193,233	44	202,407	44	191,236	44	193,503	44	211,843	44	196,229	43	164,766
Government	99	54,618	99	46,484	97	45,346	97	41,928	99	45,136	99	41,552	98	35,932	97	41,911	94	28,200
Apartment	169	70,263	168	67,155	166	60,865	164	61,400	163	57,039	163	58,378	157	71,559	157	62,127	156	58,651
Schools	81	57,027	84	44,187	84	45,328	85	45,545	85	41,176	83	36,039	81	30,810	79	31,839	78	24,518
Industrial special	1	40,448	1	20,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumed in production	12	19,266	12	18,665	12	19,264	12	17,338	9	9,580	8	9,652	7	6,966	7	6,974	7	4,109
Rural water	1	25,930	1	21,530	1	22,993	1	21,915	1	23,384	1	25,624	1	22,345	1	21,663	1	31,776
Hospitals	10	17,896	9	26,482	10	32,184	9	31,858	9	33,728	9	35,132	9	31,896	9	29,892	9	29,483
Religious/non profit	38	5,399	37	4,810	37	4,973	37	4,986	36	5,224	36	4,749	36	4,458	35	2,780	35	2,215
Other taxable deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering studies	8	6,104	8	6,822	8	5,095	8	4,807	7	4,573	7	4,772	7	4,471	7	3,835	6	2,553
Providing taxable service	2	6,118	2	3,495	1	3,561	1	3,167	1	3,921	1	3,347	1	2,331	1	2,676	1	1,909
Sale of component parts	8	5,726	6	5,972	6	6,850	5	3,900	4	3,129	4	2,917	4	2,190	4	1,542	4	1,310
Fire hydrant	4	2,533	3	1,922	2	1,474	-	-	3	1,727	3	1,790	3	2,829	3	1,180	3	2,106
Industrial consumed in production	3	3,543	3	4,417	3	3,588	3	2,388	3	1,930	3	1,962	3	2,107	3	2,219	3	1,946
Sales of farm equipment	1	83	1	107	1	48	1	53	1	54	1	104	1	56	1	124	1	109
	<u>19,937</u>	<u>1,754,027</u>	<u>20,018</u>	<u>1,793,771</u>	<u>20,111</u>	<u>1,801,577</u>	<u>20,153</u>	<u>1,779,999</u>	<u>20,193</u>	<u>1,717,766</u>	<u>20,192</u>	<u>1,753,343</u>	<u>20,196</u>	<u>1,734,098</u>	<u>20,210</u>	<u>1,621,853</u>	<u>20,291</u>	<u>1,638,511</u>
Water Rate Schedule:																		
Monthly meter charge (5/8")		\$4.74		\$4.88		\$5.03		\$5.20		\$5.36		\$5.52		\$5.74		\$5.94		\$6.15
Commodity charge (per 000 gal.):																		
0 - 2000 gal.		\$3.88		\$4.04		\$4.24		\$4.45		\$4.48		\$4.77		\$4.96		\$5.13		\$5.31
2001 - 10,000 gal.																		
Over 10,000 gal.																		
Excess use charge		\$7.76		\$8.08		\$8.48		\$8.90		\$9.16		\$9.54		\$9.92		\$10.26		\$10.62
Wastewater Rate Schedule:																		
Monthly base charge		\$6.77		\$6.97		\$7.11		\$7.22		\$7.36		\$7.51		\$7.81		\$8.08		\$8.36
Unit cost (per 000 gal.):		\$4.61		\$4.79		\$4.94		\$5.01		\$5.19		\$5.29		\$5.51		\$5.70		\$5.90

Water sold is expressed in thousands of gallons.

Number of Accounts billed is the annual number of billings for each class divided by 12.

Monthly meter charge increases with the size of the meter.

Residential Wastewater is calculated based on Winter Quarter water consumption. Other accounts are based on monthly water consumption.

2008 Water Consumption Rate Structure changed from a decreasing tier structure to one rate and Excess Use Charge which is double the consumption rate

Source: City of Salina Water Customer Accounting Office.

Schedule 12  
City of Salina, Kansas  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income
	General Obligation	Loans Payable	Capital Lease	Temporary Notes	General Obligation	Water Revenue	Loans Payable	Temporary Notes			
	Bonds				Bonds	Bonds					
2011	\$ 55,225,670	\$ -	\$ -	\$ 3,400,000	\$ 7,417,907	\$ 16,193,925	\$ -	\$ -	\$ 82,237,502	4.3%	
2012	\$ 49,109,575	\$ -	\$ -	\$ 1,485,000	\$ 9,613,926	\$ 15,850,228	\$ -	\$ -	\$ 76,058,729	3.8%	
2013	\$ 49,631,797	\$ -	\$ -	\$ 3,800,000	\$ 8,519,799	\$ 15,226,532	\$ -	\$ -	\$ 77,178,128	3.7%	
2014	\$ 50,033,555	\$ -	\$ 176,235	\$ 5,000,000	\$ 9,587,351	\$ 14,592,836	\$ 6,208,102	\$ -	\$ 85,598,079	4.1%	
2015	\$ 50,840,632	\$ -	\$ 479,366	\$ 5,995,000	\$ 8,539,773	\$ 13,949,139	\$ 5,753,620	\$ -	\$ 85,557,530	4.1%	
2016	\$ 51,816,399	\$ 12,157,127	\$ 321,174	\$ 11,505,000	\$ 7,640,381	\$ 13,285,443	\$ 7,432,024	\$ -	\$ 104,157,548	5.0%	
2017	\$ 55,994,305	\$ 12,171,090	\$ 157,868	\$ 6,811,742	\$ 6,520,433	\$ 12,606,747	\$ 8,862,810	\$ -	\$ 103,124,995	4.9%	
2018	\$ 51,968,310	\$ 12,185,053	\$ -	\$ 18,123,505	\$ 5,282,578	\$ 11,898,051	\$ 10,632,351	\$ -	\$ 110,089,848	4.9%	
2019	\$ 54,607,702	\$ 12,640,000	\$ -	\$ 11,170,000	\$ 4,102,298	\$ 10,330,000	\$ 46,354,852	\$ -	\$ 139,204,852	6.0%	
2020	\$ 56,587,549	\$ 12,640,000	\$ -	\$ 7,050,000	\$ 8,742,451	\$ 9,615,000	\$ 35,926,029	\$ -	\$ 130,561,029	5.5%	

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020

Schedule 13  
City of Salina, Kansas  
Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding						Percentage of	
	General Obligation Bonds	Capital Lease	Temporary Notes	Total	Less: Debt Service Fund	Net General Bonded Debt	Actual Taxable Value of	Per Capita
2011	\$ 62,443,577		\$ 3,400,000	\$ 65,843,577	\$ 1,236,026	\$ 64,607,551	14.3%	\$ 1,354.26
2012	\$ 58,723,501	\$ -	\$ 1,485,000	\$ 60,208,501	\$ 582,412	\$ 59,626,089	13.1%	\$ 1,241.05
2013	\$ 58,151,596	\$ -	\$ 3,800,000	\$ 61,951,596	\$ 707,763	\$ 61,243,833	13.4%	\$ 1,280.02
2014	\$ 59,620,906	\$ 176,235	\$ 5,000,000	\$ 64,797,141	\$ 407,864	\$ 64,389,277	13.9%	\$ 1,345.17
2015	\$ 59,380,405	\$ 479,366	\$ 5,995,000	\$ 65,854,771	\$ 745,339	\$ 65,109,432	13.8%	\$ 1,361.75
2016	\$ 59,456,780	\$ 321,174	\$ 11,505,000	\$ 71,282,954	\$ 1,248,914	\$ 70,034,040	14.5%	\$ 1,479.51
2017	\$ 62,514,738	\$ 157,868	\$ 6,811,742	\$ 69,484,348	\$ 1,509,863	\$ 67,974,485	13.9%	\$ 1,446.45
2018	\$ 57,250,888	\$ -	\$ 18,123,505	\$ 75,374,393	\$ 1,851,358	\$ 73,523,035	14.4%	\$ 1,564.52
2019	\$ 58,710,000	\$ -	\$ 11,170,000	\$ 69,880,000	\$ 1,142,418	\$ 68,737,582	13.5%	\$ 1,471.39
2020	\$ 65,330,000	\$ -	\$ 7,050,000	\$ 72,380,000	\$ 1,724,117	\$ 70,655,883	#DIV/0!	\$ 1,517.85

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020

Schedule 14  
City of Salina, Kansas  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2020

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Salina	Amount Applicable to the City of Salina
Direct:			
City of Salina	<u>\$ 70,655,883</u>	100.00%	<u>\$ 70,655,883</u>
Overlapping:			
Salina Airport Authority	20,175,000	100.00%	20,175,000
Saline County	216,812	73.88%	163,268
USD 305	<u>104,270,000</u>	93.07%	<u>101,854,179</u>
Total Overlapping Debt	<u>124,661,812</u>		<u>122,192,447</u>
Total Direct and Overlapping Debt	<u>\$ 195,317,695</u>		<u>\$ 192,848,330</u>
Per Capita Direct and Overlapping debt			<u>\$ 4,033.39</u>

Percentage of debt applicable to the City of Salina is based on the proportion that the assessed valuation of the City of Salina bears to the assessed valuation of the overlapping entity.

Source: Saline County Clerk

Schedule 15  
City of Salina, Kansas  
Legal Debt Margin  
Last Ten Fiscal Years

Legal Debt Margin Calculation for 2020

Assessed Valuation	\$ -
Debt Limit (30% of Assessed Value)	-
Debt applicable to limit:	
Total Bonded Debt	\$ 134,396,160
Less GO Debt Attributable to Exempt Purposes	(8,742,451)
Less Revenue Bonds	(9,615,000)
Less Loans Payable	(48,566,029)
Less Fund Balance designated for Debt Service	(1,724,117)
Total Debt Applicable to Limitation	<u>\$ 65,748,563</u>
Legal debt margin	<u>\$ (65,748,563)</u>

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 134,928,191	\$ 135,421,208	\$ 136,196,966	136,896,083	138,909,078	141,804,931	142,000,537	146,336,377	152,724,804	-
Total net debt applicable to limit	<u>57,747,032</u>	<u>49,309,445</u>	<u>52,724,034</u>	<u>54,625,691</u>	<u>56,090,293</u>	<u>62,072,485</u>	<u>61,296,184</u>	<u>\$ 68,240,457</u>	<u>\$ 66,232,649</u>	<u>\$ 65,748,563</u>
Legal debt margin	<u>\$ 77,181,159</u>	<u>\$ 86,111,763</u>	<u>\$ 83,472,932</u>	<u>\$ 82,270,392</u>	<u>\$ 82,818,785</u>	<u>\$ 79,732,446</u>	<u>\$ 80,704,353</u>	<u>\$ 78,095,920</u>	<u>\$ 86,492,155</u>	<u>\$ (65,748,563)</u>
Total net debt applicable to the limit as a percentage of debt limit	43%	36%	39%	40%	40%	44%	43%	47%	43%	#DIV/0!

Schedule 16  
City of Salina, Kansas  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Water/Sewer Revenue Bonds

Fiscal Year	Utility Service	Less Operating	Net Available	Debt Service		Debt
	Charges	Expenses	Revenue	Principal	Interest	Service Coverage
2011	\$ 17,976,508	\$ 11,905,114	\$ 6,071,394	\$ 1,580,000	\$ 496,760	2.92
2012	\$ 19,163,426	\$ 12,222,431	\$ 6,940,995	\$ 340,000	\$ 596,992	7.41
2013	\$ 17,974,089	\$ 13,373,088	\$ 4,601,001	\$ 620,000	\$ 590,191	3.80
2014	\$ 18,964,164	\$ 12,112,288	\$ 6,851,876	\$ 630,000	\$ 577,791	5.67
2015	\$ 19,139,612	\$ 9,859,974	\$ 9,279,638	\$ 640,000	\$ 565,191	7.70
2016	\$ 19,389,348	\$ 11,800,473	\$ 7,588,875	\$ 660,000	\$ 549,191	6.28
2017	\$ 19,958,862	\$ 13,148,035	\$ 6,810,827	\$ 675,000	\$ 529,391	5.65
2018	\$ 20,382,469	\$ 12,973,621	\$ 7,408,848	\$ 705,000	\$ 509,141	6.10
2019	\$ 20,842,606	\$ 13,269,741	\$ 7,572,865	\$ 725,000	\$ 487,991	6.24
2020	\$ 19,448,780	\$ 12,460,334	\$ 6,988,446	\$ 715,000	\$ 327,117	6.71

Source: City of Salina Comprehensive Annual Financial Reports, 2011 - 2020  
City of Salina Debt Service Schedules

Schedule 17  
City of Salina, Kansas  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income (Saline County)	Personal Income, Salina (interpolated)	Unemployment Rate	Labor Force, City of Salina	USD 305 Headcount	Percentage Free and Reduced Lunch	City .5 cent sales tax	Per Capita .5 cent sales Tax	As a % of per capita personal income
2010	46,180	\$ 37,880	\$ 1,749,298,400	6.7%	26,379	7,346	57.8%	\$ 4,803,553	\$ 104.02	0.275%
2011	47,707	\$ 40,512	\$ 1,932,705,984	6.7%	26,258	7,289	58.7%	\$ 5,076,751	\$ 106.42	0.263%
2012	48,045	\$ 41,762	\$ 2,006,455,290	6.3%	26,185	7,305	59.1%	\$ 5,241,205	\$ 109.09	0.261%
2013	47,846	\$ 43,078	\$ 2,061,109,988	5.1%	26,441	7,305	60.7%	\$ 5,326,723	\$ 111.33	0.258%
2014	47,867	\$ 43,736	\$ 2,093,511,112	5.3%	26,303	7,388	61.3%	\$ 5,555,601	\$ 116.06	0.265%
2015	47,813	\$ 44,065	\$ 2,106,879,845	3.9%	26,170	7,369	61.8%	\$ 5,670,040	\$ 118.59	0.269%
2016	47,336	\$ 44,230	\$ 2,093,647,612	3.3%	27,684	7,386	68.7%	\$ 5,727,260	\$ 120.99	0.274%
2017	46,994	\$ 44,732	\$ 2,102,135,608	2.7%	27,684	7,176	62.1%	\$ 5,755,869	\$ 122.48	0.274%
2018	46,994	\$ 47,945	\$ 2,253,127,330	3.3%	30,174	7,180	61.7%	\$ 5,770,174	\$ 122.79	0.256%
2019	46,716	\$ 49,983	\$ 2,335,005,828	2.9%	30,094	7,245	59.2%	\$ 5,968,961	\$ 127.77	0.256%
2020	46,550	\$ 50,820	\$ 2,365,671,000	3.4%	30,094	7,156	59.0%	\$ 5,998,424	\$ 128.86	0.254%

Sources: Increase in per capita Sales Tax (10 years) 22.8%

Population: Kansas Division of the Budget. Increase in per capita Personal Income 32.0%

Employment: Kansas Department of Labor

Personal income for Salina is derived from the population and per capita personal income for Saline County

Per Capita Personal income as reported by the Bureau of Economic Analysis

2017 Per Capita Personal Income staff projection

2010 -2020 Employment City of Salina

USD305 headcount and free and reduced lunch data derived from Kansas Department of Education./USD 305 Budget Document

Free and Reduced Lunch percentage is an average of the percentages for each building reported. School Data is reported at beginning of school year, eg 2017-2018 school year is reported as 2017.

Schedule 18  
City of Salina, Kansas  
Principal Employers  
Current Year and Nine Years Ago

		2011			2020		
Employer	Type of Business	Employees	Rank	Percentage of Labor Force	Employees	Rank	Percentage of Labor Force
Salina Regional Health Center	Health Care	1082	2	4.1%	1,875	1	6.2%
Unified School District No 305	Public School System	935	3	3.5%	1,500	2	5.0%
Schwan's Global Supply Chain	Frozen Pizza Manufacturing	1850	1	7.0%	1,200	3	4.0%
Great Plains Manufacturing	Agricultural & Landscaping Equipment	650	5	2.5%	1,200	4	4.0%
Exide Technologies/Stryten Manufacturing	Automotive Battery Manufacturer	800	4	3.0%	700	5	2.3%
City of Salina	City Government	493	7	1.9%	425	6	1.4%
Salina Vortex	Manufacturing	-			385	7	1.3%
Saline County	County Government	277	8		325	8	1.1%
Walmart	Retail	-			250	9	0.8%
REV Group	Manufacturing	-			175	10	0.6%
Signify	Fluorescent Lamps	600	6	2.3%	-		
Eldorado National	Busses/Recreational Vehicle	255	9	1.0%	-		
Raytheon Aircraft	Aircraft Manufacturing	-	10	0.0%	-		
Total		<u>6,942</u>		26.4%	<u>8,035</u>		26.7%

Source: Salina Chamber of Commerce



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**GOVERNMENTAL AUDIT SECTION**

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## CITY OF SALINA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Fair Housing Assistance Program	14.401	\$ 91,100
Passed Through the Kansas Department of Commerce:		
Community Development Block Grants/Entitlement Grants Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	122,055
Total Community Development Block Grants/Entitlement Grants Cluster		122,055
Passed Through the Kansas Housing Resources Corporation:		
Emergency Solutions Grant	14.231	177,407
Total U.S. Department of Housing and Urban Development		390,562
<u>U.S. Department of Justice</u>		
Edward Byrne Memorial Justice Assistance Grant	16.738	52,713
Total U.S. Department of Justice		52,713
<u>U.S. Department of the Treasury</u>		
Passed Through Saline County:		
Coronavirus Relief Fund	21.019	1,218,475
Total U.S. Department of the Treasury		1,218,475
<u>U.S. Department of Homeland Security</u>		
Passed Through Kansas Adjutant General:		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	42,885
Total U.S. Department of Homeland Security		42,885
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	3,284
National Priority Safety Programs	20.616	2,262
Total Highway Safety Cluster		5,546
Total U.S. Department of Transportation		5,546
Total Expenditures of Federal Awards		\$ 1,710,181

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020

1. Organization

The City of Salina, Kansas (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2020.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants at December 31, 2020.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF SALINA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            Yes       X       No

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?            Yes       X       None reported

Noncompliance material to financial statements noted?            Yes       X       No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?            Yes       X       No

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?            Yes       X       None reported

Type of auditor's report issued  
on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with section 510(a)  
of Uniform Guidance?            Yes       X       No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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21.019	Coronavirus Relief Fund
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Dollar threshold used to distinguish between  
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?            Yes       X       No

CITY OF SALINA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended December 31, 2020

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

Mayor and City Commissioners  
City of Salina, Kansas

We have audited, in accordance with 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 government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Salina, Kansas (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 23, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant  
Lawrence, Kansas

July 23, 2021

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

Mayor and City Commissioners  
City of Salina, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Salina, Kansas (the City), with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal financial program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.



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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

July 23, 2021