



City of Salina, Kansas

Independent Auditor's Report, and Financial Statements

December 31, 2022



ANNUAL COMPREHENSIVE 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, 2022

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

City of Salina, Kansas
December 31, 2022

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Introductory Section

May 21, 2024

To the Citizens of the City of Salina, Kansas:

The Annual Comprehensive Financial Report of the City of Salina, Kansas (the "City") for the year ended December 31, 2022, 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, the changes in financial position/fund balances and, where applicable, the cash flows of all funds 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 Annual Comprehensive 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. 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 2022 decennial census was 46,868.

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 QalicB). SFH QalicB 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 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 Vortex Global, GeoProbe Systems, Great Plains Manufacturing/Kubota, 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 1.51 in 2022. 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 2022. 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 9th 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 2022. The City offered merit increases up to 3% in 2022.

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.

CIP increases in 2022 and 2023 are a result of the anticipated beginning of the construction of the Smoky Hill River Renewal Project, Fire Station No. 4 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 2023 and 2024 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 conducted in accordance with auditing standards generally accepted in the United States of America
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

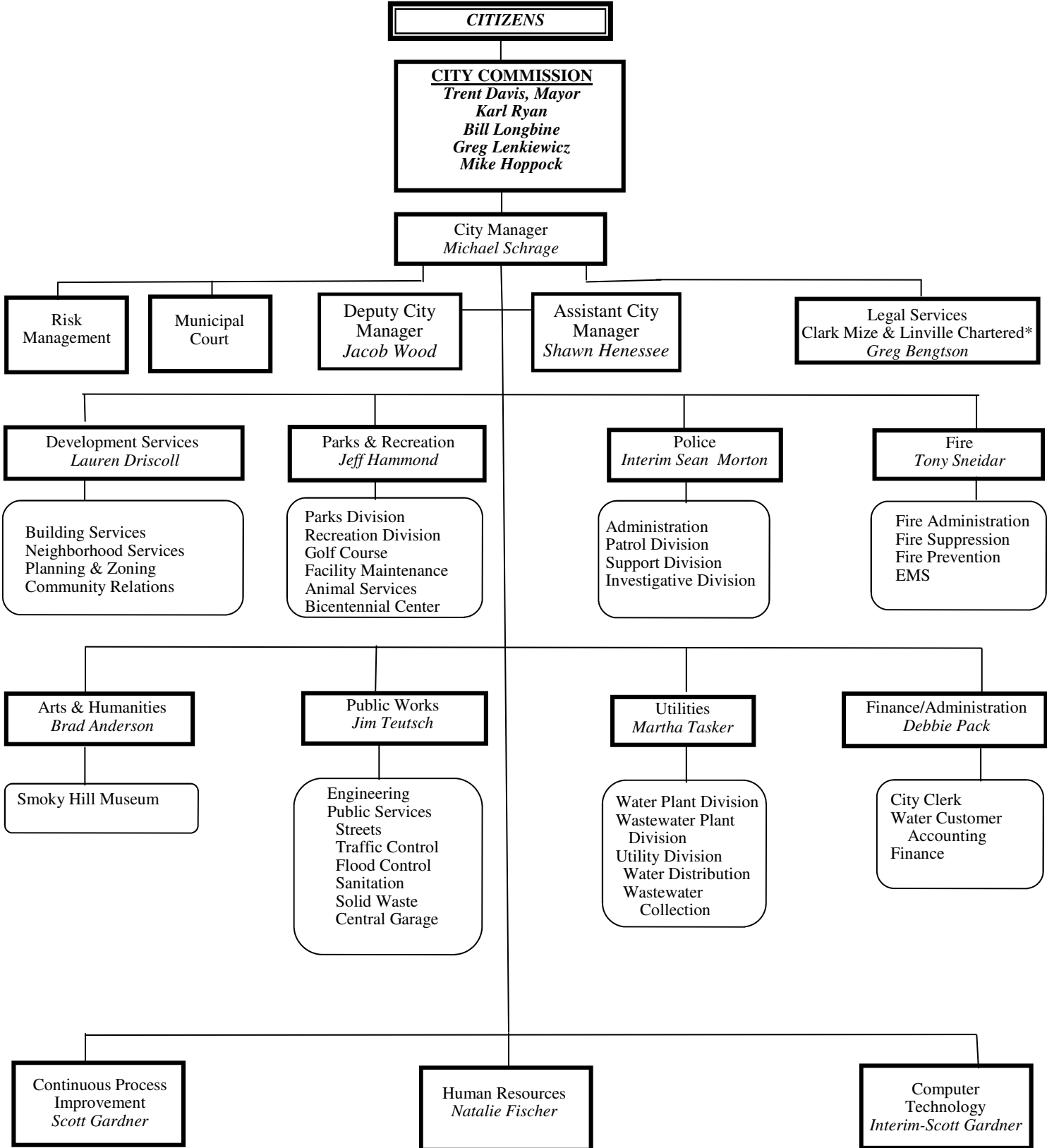
The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated Finance staff of the City of Salina and the professional advice and efforts of the FORVIS, LLP auditing team. Finally, preparation of this report would not have been possible without the support of the City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

Sincerely,



Michael D. Schrage
City Manager

City of Salina



* Contract Position

City of Salina, Kansas
List of Principal Officials

City Commission

Mayor Trent Davis
Vice-Mayor Karl Ryan
Commissioner Bill Longbine
Commissioner Greg Lenkiewicz
Commissioner Mike Hoppock

City Executive Staff

Mike Schrage, City Manager
Jacob Wood, Deputy City Manager
Shawn Hennessee, Assistant City Manager
Greg Bengston, City Attorney
Debbie Pack, Director of Finance & Administration
Brad Anderson, Director of Arts & Humanities
Lauren Driscoll, Director of Community & Development Services
Natalie Fischer, Director of Human Resources
Scott Gardner, Computer Technology and Continuous Process
Improvement Director
Sean Morton, Interim Police Chief
Martha Tasker, Director of Utilities
Jim Teutsch, Director of Public Works
Tony Sneidar, Fire Chief



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Independent Auditor's Report

Mayor and City Commissioners
City of Salina, Kansas
Salina, Kansas

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Salina, Kansas, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Sales Tax Capital funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Salina Field House Qualified Active Low-Income Community Business, Inc. (SFH QalicB), a blended component unit, which represent 11.08%, 11.47%, and 5.42% respectively, of the assets, the net position/fund balances and the revenues/additions of the aggregate remaining fund information as of and for the year ended December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for 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, a discretely presented component unit, which represent 88.23%, 79.30% and 75.67% respectively, of the assets and deferred outflows of resources, net position, and program revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2022. We also did not audit the financial statements of the Housing Authority of the City of Salina, a discretely presented component unit, which represent 11.77%, 20.70% and 24.33% respectively, of the assets and deferred outflows of resources, net position, and program revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2022. Those 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide (KMAAG). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of the City of Salina, Kansas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

The 2021 financial statements, before they were restated for the matter discussed in *Note 15*, were audited by other auditors, and their report thereon, dated October 14, 2022, expressed unmodified opinions. Our opinions are not modified with respect to this matter.

As discussed in *Note 6* to the financial statements, in 2022, the City adopted Governmental Accounting Standards Board Statement Number 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and KMAAG, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining schedules and individual fund statements and budgetary comparison schedules, as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

FORVIS,LLP

Wichita, Kansas
May 21, 2024

City of Salina, Kansas

Management's Discussion and Analysis

Year Ended December 31, 2022

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, 2022. 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 \$28.5 million from current activities with net position change of \$3.3 million and \$25.1 million in governmental activities and business-type activities, respectively. Of this increase, \$17.2 million of the increase to business-type activities related to a restatement for a correct of an error.
- At the close of 2022, the City's governmental funds reported combined ending fund balances of \$122.2 million, an increase of \$9.97 million from the prior year. The General Fund balance increased \$4.7 million, the Sales Tax Capital Fund decreased \$1.3 million, the Former Schilling AFB Environmental Fund decreased \$1.1 million and all Other Governmental Funds fund balances increased \$6.6 million over the prior year.
- At the close of 2022, the City's enterprise funds reported a combined ending Net Position of \$118.7 million, an increase of \$25.1 million compared to the prior year. The Water and Sewer Fund, accounted for most of the increase at \$22.2 million (which included the \$17.2 million restatement noted above), while the Sanitation Fund and Solid Waste Disposal Funds showed slight increases, the Golf Fund reported a slight decrease to the net position for the year.
- Revenues from governmental activities decreased by \$61.5 million from the prior year and revenues from business-type activities increased \$1.8 million from the prior year.
- Revenues from investments increased by \$329 thousand.
- The City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, in 2022. Comparative 2021 information presented herein has not been restated for its adoption.

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 nonmajor 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 activities 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.

City of Salina, Kansas

Management's Discussion and Analysis

Year Ended December 31, 2022

The Statement of Net Position reports all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is 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 activities of the City broken down between governmental and business-type activities. Governmental activities are the activities of the City generally supported by taxes, such as public safety (police, fire, and EMS), public works, public health and sanitation, culture and recreation and planning and development. Business-type activities are activities 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 nonmajor governmental funds are aggregated into an "Other Governmental Funds" column. A combining statement for the nonmajor 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.

City of Salina, Kansas

Management's Discussion and Analysis

Year Ended December 31, 2022

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: Solid Waste Disposal, Water and Sewer, Sanitation and Golf Course. 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. The City of Salina operates one custodial fund.

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 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.

Other Information

In addition to the basic financial statements and the notes described above, this report also presents combining statements and schedules and budgetary comparison schedules for nonmajor funds which are reported after the required supplementary information. Finally, the statistical section includes selected statistical data about the City's activities 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 (25%) and business-type (75%) activities.

City of Salina, Kansas

Management's Discussion and Analysis

Year Ended December 31, 2022

Charges for Services account for about 41% (\$42.3 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.

Sales Taxes are the next largest component of the revenue mix, providing 30% (\$31.7 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 2008, Salina voters approved an increase of the special purpose .25% tax to a .40% tax. The extended tax was to sunset March 31, 2019. The tax was repurposed, 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 13% (\$13.7 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 9.5%. The total City mill levy decreased by 1.3%. The overlapping levy decreased in 2022 by 2.8%.

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 \$9.5 million from its peak of \$39.7 million in 2007.

Motor vehicle value decreased 3%. Motor vehicle taxes are distributed based on a formula using prior year's tax effort (similar to the Countywide Sales Tax Distribution).

City of Salina, Kansas

Management's Discussion and Analysis

Year Ended December 31, 2022

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

Fiscal (budget) Year	2022	2021	Change
Real estate and personal property assessed valuation	\$ 503,880,021	\$ 459,861,906	\$ 44,018,115
City mill levy (\$ per \$1,000)			
Operating (general fund)	23.612	23.847	(0.235)
Debt service	6.736	6.803	(0.067)
Total city rate	30.348	30.452	(0.104)
Total overlapping levy	135.722	139.738	(4.016)
Percent total taxes collected	98.9%	98.0%	0.009
Ratio of total taxes (including delinquent collections) to taxes levied	99.2%	99.1%	(0.991)
Motor vehicle valuation	\$ 54,903,252	\$ 56,545,812	\$ (1,642,560)

The unemployment rate in Salina remained at 2.3% at the end of 2022, which was the same in 2021, reflecting general economic conditions. This is still slightly below the statewide and significantly below the national unemployment rate. The total labor force was 29,476 in 2021.

In 2022, the top ten property taxpayers accounted for 9.46% 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 and deferred inflows of resources by \$345.1 million as of December 31, 2022. This represents an increase in net position of \$28.4 million over 2021.

A comparative Condensed Statement of Net Position at December 31, 2022 and 2021, follows:

	Governmental Activities		Business-type Activities		%		Total		2022-2021 Change
	2022	2021	2022	2021	2022	Total	2021	Total	
Cash and investments	\$ 130,555	\$ 120,526	\$ 49,554	\$44,760	\$ 180,109	33%	\$ 165,286	32%	\$ 14,823
Other current assets	19,086	17,262	2,476	2,235	21,562	4%	19,497	4%	2,065
Noncurrent (capital) assets	217,899	218,619	133,570	117,494	351,469	64%	336,113	65%	15,356
Total assets	<u>367,540</u>	<u>356,408</u>	<u>185,600</u>	<u>164,489</u>	<u>553,140</u>	<u>100%</u>	<u>520,897</u>	<u>100%</u>	<u>32,244</u>
Total deferred outflows of resources	10,245	7,444	1,219	903	11,464	100%	8,347	100%	3,117
Total assets and deferred outflows of resources	<u>377,785</u>	<u>363,852</u>	<u>186,820</u>	<u>165,392</u>	<u>564,605</u>		<u>529,244</u>		<u>35,362</u>
Current liabilities	17,820	17,292	6,916	5,539	24,736	12%	22,831	12%	1,905
Noncurrent liabilities	115,015	100,427	60,737	64,899	175,752	88%	165,326	88%	10,426
Total liabilities	<u>132,835</u>	<u>117,719</u>	<u>67,653</u>	<u>70,438</u>	<u>200,488</u>	<u>100%</u>	<u>188,157</u>	<u>100%</u>	<u>12,331</u>
Total deferred inflows of resources	18,507	22,999	488	1,424	18,996		24,423		(5,427)
Net position									
Net investment in capital assets	142,399	143,768	75,933	56,004	218,331	63%	199,772	63%	18,559
Restricted for permanent funds	548	559	-	-	548	0%	559	0%	(11)
Restricted for public works	65,594	66,698	-	-	65,594	19%	66,698	21%	(1,104)
Restricted for debt service	2,196	2,112	1,347	1,132	3,543	1%	3,244	1%	299
Unrestricted	15,706	9,997	41,398	36,394	57,105	17%	46,391	15%	10,714
Total net position	<u>\$ 226,443</u>	<u>\$ 223,134</u>	<u>\$ 118,678</u>	<u>\$ 93,530</u>	<u>\$ 345,121</u>	<u>100%</u>	<u>\$ 316,664</u>	<u>100%</u>	<u>\$ 28,457</u>
Governmental and Business-type activities net position as a percent of total net position	66%	70%	34%	30%	100%		100%		
Cash and investments as a percentage of current liabilities	733%	697%	717%	808%	728%		724%		

City of Salina, Kansas

Management's Discussion and Analysis

Year Ended December 31, 2022

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.

In 2022, the amount of net investment in capital assets increased by \$18.6 million. Amount restricted for debt service increased by \$229,000. Amount restricted for public works decreased by \$1.1 million. Unrestricted increased by \$10.7 million. Outside of these changes, 2022 resulted in a \$11,000 decrease to the net position.

Total liabilities increased in governmental activities and slightly decreased in business-type activities. In governmental activities, current liabilities decreased, and noncurrent liabilities increased primarily due to a decrease in temporary notes and an increase in net pension liability.

Statement of Activities

A Comparative condensed Statement of Activities for the years ended December 31, 2022 and 2021, follows:

	Governmental Activities		Business-type Activities		Total Primary Government				2022-2021 change
	2022	2021	2022	2021	2022	% of Total	2021	% of Total	
Revenues									
Program Revenues									
Charges for services	\$ 12,178	\$ 9,629	\$ 30,146	\$ 29,001	\$ 42,324	41%	\$ 38,630	24%	\$ 3,694
Operating grants and contributions	3,407	4,711	-	-	3,407	3%	4,711	3%	(1,304)
Capital grants and contributions	-	66,150	-	-	-	0%	66,150	40%	(66,150)
General Revenues									
Property taxes	13,697	13,885	-	-	13,697	13%	13,885	8%	(188)
Sales taxes	31,676	26,720	-	-	31,676	30%	26,720	16%	4,956
Other taxes	9,452	8,759	-	-	9,452	9%	8,759	5%	693
Investment revenue	487	158	-	-	487	0%	158	0%	329
Other miscellaneous	(427)	2,406	3,026	2,417	2,599	2%	4,823	3%	(2,224)
Other income	398	-	-	-	398	0%	-	0%	398
Total revenues	70,869	132,418	33,172	31,418	104,041	100%	163,836	100%	(59,795)
Expenses									
General government	16,479	16,098	-	-	16,479	18%	16,098	18%	381
Public safety	29,381	23,877	-	-	29,381	32%	23,877	27%	5,504
Public works	11,141	16,335	-	-	11,141	12%	16,335	18%	(5,194)
Public health and sanitation	1,883	2,315	-	-	1,883	2%	2,315	3%	(432)
Culture and recreation	8,145	6,305	-	-	8,145	9%	6,305	7%	1,840
Planning and development	3,415	2,289	-	-	3,415	4%	2,289	3%	1,126
Solid waste disposal	-	-	788	1,836	788	1%	1,836	2%	(1,048)
Water and sewer	-	-	15,885	13,310	15,885	17%	13,310	15%	2,575
Sanitation	-	-	2,675	3,655	2,675	3%	3,655	4%	(980)
Golf course	-	-	916	878	916	1%	878	1%	38
Interest on long term debt	2,152	2,827	-	-	2,152	2%	2,827	3%	(675)
Total expenses	72,596	70,046	20,264	19,679	92,860	100%	89,725	100%	3,135
Increase in net assets before transfers and other extraordinary items	(1,728)	62,372	12,908	11,739	11,180		74,111		(62,931)
Transfers and other extraordinary items	5,036	16,681	(5,036)	(16,681)	-		-		-
Change in net position	3,309	79,053	7,872	(4,942)	11,180		74,111		(62,931)
Net Position, Beginning	223,134	144,081	93,530	96,610	316,664		240,691		75,973
Prior period adjustment	-	-	17,276	1,862	17,276		1,862		15,414
Net position, Beginning restated	223,134	144,081	110,806	98,472	333,940		242,553		91,387
Net Position, Ending	\$ 226,443	\$ 223,134	\$ 118,678	\$ 93,530	\$ 345,120		\$ 316,664		\$ 28,456

City of Salina, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2022

Governmental Activities. Charges for services attributable to governmental activities totaled \$12.2 million, operating grants for those purposes were \$3.4 million and capital grants totaled \$0.0 million. Charges for services increased, operating grants decreased slightly from the prior year due to the 2020 COVID pandemic as most services were paused temporarily. Operating grants decreased due to the American Rescue Plan payment received in 2021. Capital grants decreased due to the City receiving a payment from the U.S. Department of Defense for environmental remediation of the former Schilling Air Force Base in 2021. The balance was funded by general revenues. Sales taxes accounted for \$31.7 million of general revenues, with property taxes providing \$13.7 million. The net position increased by \$3.3 million as a result of governmental activities. This increase was primarily related to the increases in sales and other taxes.

Total expenses for governmental activities for the year ended December 31, 2022, were \$72.6 million compared to \$70 million in 2021. Governmental activities represent 78% of the City's total expenses. The largest element of governmental activity expense was public safety, accounting for 40% 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 \$20.2 million, or 22% of the City's total expenses. The majority of this expense (\$15.8 million) is attributable to water and sewer operations, with the other activities costing a combined total of \$4.3 million. Net position increased by \$7.8 million. This increase was primarily related to the lack of transfers and other extraordinary items in 2022.

Fund Financial Analysis

Governmental Fund Balances

The table below shows the Governmental Fund balances for major and nonmajor funds as of December 31, 2022 and 2021.

Fund	2022	2021	Change
General	\$ 25,828	\$ 21,064	\$ 4,764
Sales tax capital	8,063	9,402	(1,339)
Former Schilling AFB environmental	65,594	66,698	(1,104)
Debt service	2,196	2,112	84
Capital projects (deficit)	(199)	(922)	723
Federal grants	155	(136)	291
Other governmental funds	18,552	11,997	6,555
	<u>\$ 120,188</u>	<u>\$ 110,215</u>	<u>\$ 9,973</u>

City of Salina, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2022

Total governmental fund balances increased by \$9.97 million. The reasons for these changes are varied, including higher sales and other tax revenue.

Revenues and Expenditures

The following table shows a comparison of revenues and expenditures (including other sources and uses) for major and nonmajor funds for the years ending December 31, 2022 and 2021.

Fund	2022	2021	Change
Revenues (including other financing sources)			
General	\$ 49,660	\$ 46,346	\$ 3,314
Sales tax capital	10,435	9,639	796
Former schilling AFB environmental	210	67,959	(67,749)
Debt service	6,895	12,855	(5,960)
Capital projects	7,871	20,276	(12,405)
Federal Grants	830	1,136	(306)
Other governmental funds	19,112	9,722	9,390
Total revenues	<u>95,013</u>	<u>167,933</u>	<u>(72,920)</u>
Less other sources	(25,574)	(37,405)	11,831
Revenues, net of other sources	<u>\$ 69,439</u>	<u>\$ 130,528</u>	<u>\$ (61,089)</u>
Expenditures (including other financing uses)			
General	\$ 44,896	\$ 40,424	\$ 4,472
Sales tax capital	11,775	5,447	6,328
Former schilling AFB environmental	1,314	1,956	(642)
Debt service	6,810	12,467	(5,657)
Capital projects	7,149	17,169	(10,020)
Federal Grants	540	1,224	-
Other governmental funds	12,556	10,315	2,241
Total expenditures	<u>85,039</u>	<u>89,002</u>	<u>(3,278)</u>
Less other uses	(12,777)	(6,399)	(6,378)
Expenditures, net of other uses	<u>\$ 72,263</u>	<u>\$ 82,603</u>	<u>\$ (9,656)</u>

City of Salina, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2022

Total revenues, including other sources, decreased \$61 million compared to 2021, with Former Schilling AFB Environmental Fund showing the largest decrease between the two years, which was \$68 million.

Total expenditures decreased \$9.7 million over 2021. The majority of that decrease, \$10 million was in the Capital Projects Fund as a result of decreased spending on projects.

Proprietary Funds

The City of Salina operates four enterprise funds as well as three internal service funds. Summarized comparative Statements of Net Position follows for each enterprise fund as of December 31, 2022 and 2021:

	Solid Waste Disposal			Water and Sewer		
	2022	2021	Change	2022	2021	Change
Current assets	\$ 9,970	\$ 9,164	\$ 806	\$ 40,087	\$ 36,210	\$ 3,877
Capital assets	3,072	3,206	(134)	129,134	112,719	16,415.00
Deferred outflows	156	115	41	768	569	199.00
Total assets and deferred outflows	<u>\$ 13,199</u>	<u>\$ 12,485</u>	<u>\$ 714</u>	<u>\$ 169,989</u>	<u>\$ 149,498</u>	<u>\$ 20,491</u>
Current liabilities	\$ 358	\$ 2,306	\$ (1,948)	\$ 6,451	\$ 3,134	\$ 3,317
Noncurrent liabilities	4,470	4,360	110	55,295	59,760	(4,465.00)
Deferred inflows	53	153	(100)	316	921	(605.00)
Total liabilities	<u>\$ 4,880</u>	<u>\$ 6,819</u>	<u>\$ (1,939)</u>	<u>\$ 62,062</u>	<u>\$ 63,815</u>	<u>(1,753.00)</u>
Net investment in capital assets	\$ 3,072	\$ 1,185	\$ 1,887	\$ 71,497	\$ 53,250	\$ 18,247
Restricted	-	-	-	1,347	1,132	215
Unrestricted	5,247	4,482	765	35,083	31,301	3,782.00
Total net position	<u>\$ 8,319</u>	<u>\$ 5,667</u>	<u>\$ 2,652</u>	<u>\$ 107,927</u>	<u>\$ 85,683</u>	<u>\$ 22,244</u>
Current assets as percentage of current liabilities	2789%	397%		621%	1155%	
	Sanitation			Golf Course		
	2022	2021	Change	2022	2021	Change
Current assets	\$ 1,874	\$ 1,508	\$ 366	\$ 99	\$ 112	\$ (13)
Capital assets	976	1,135	(159.00)	388	433	(45.00)
Deferred outflows	170	127	43.00	125	91	34.00
Total assets and deferred outflows	<u>\$ 3,020</u>	<u>\$ 2,770</u>	<u>\$ 250</u>	<u>\$ 612</u>	<u>\$ 636</u>	<u>\$ (24)</u>
Current liabilities	\$ 82	\$ 82	\$ -	\$ 25	\$ 17	\$ 8
Noncurrent liabilities	683	562	121.00	290	216	74.00
Deferred inflows	91	264	(173.00)	28	86	(58.00)
Total liabilities	<u>\$ 856</u>	<u>\$ 908</u>	<u>\$ (52)</u>	<u>\$ 343</u>	<u>\$ 319</u>	<u>\$ 24</u>
Net investment in capital assets	\$ 976	\$ 1,135	\$ (159)	\$ 388	\$ 433	\$ (45)
Restricted	-	-	-	-	-	-
Unrestricted	1,187	727	460	(119)	(116)	(3)
Total net position	<u>\$ 2,163</u>	<u>\$ 1,862</u>	<u>\$ 301</u>	<u>\$ 269</u>	<u>\$ 317</u>	<u>\$ (48)</u>
Current assets as percentage of current liabilities	2288%	1839%		393%	659%	

City of Salina, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2022

Revenues, Expenses, and Changes in Net Position

Summarized comparative Statements of Revenues, Expenses and Changes in Net Position follows for the years ended December 31, 2022 and 2021:

	Solid Waste Disposal			Water and Sewer		
	2022	2021	Change	2022	2021	Change
Operating revenues	\$ 4,099	\$ 3,636	\$ 463	\$ 24,742	\$ 23,668	\$ 1,074
Operating expenses	774	1,746	(972)	14,595	12,078	2,517
Operating income	<u>\$ 3,326</u>	<u>\$ 1,890</u>	<u>\$ 1,436</u>	<u>\$ 10,147</u>	<u>\$ 11,590</u>	<u>\$ (1,443)</u>
Nonoperating revenues (expenses)	(14)	(90)	76	(1,290)	(1,232)	(58)
Income (loss) before transfers	\$ 3,312	\$ 1,800	\$ 1,512	\$ 8,857	\$ 10,358	\$ (1,501)
Transfers in (out)	(659)	(2,271)	1,612	(3,890)	(13,913)	10,023
Change in net position	<u>\$ 2,652</u>	<u>\$ (471)</u>	<u>\$ 3,123</u>	<u>\$ 4,967</u>	<u>\$ (3,555)</u>	<u>\$ 8,522</u>
Net position Jan 1	\$ 5,666	\$ 6,137	\$ (471)	\$ 85,682	\$ 87,375	\$ (1,693)
Restatement	-	-	-	17,276	1,862	15,414
Net position Jan 1, restated	<u>5,666</u>	<u>6,137</u>	<u>(471)</u>	<u>102,958</u>	<u>89,237</u>	<u>13,721</u>
Net position Dec 31	<u>\$ 8,318</u>	<u>\$ 5,666</u>	<u>\$ 2,652</u>	<u>\$ 107,925</u>	<u>\$ 85,682</u>	<u>\$ 22,243</u>
	Sanitation			Golf Course		
	2022	2021	Change	2022	2021	Change
Operating revenues	\$ 3,474	\$ 3,423	\$ 51	\$ 857	\$ 689	\$ 168
Operating expenses	2,675	3,655	(980)	916	878	38
Operating income	<u>\$ 799</u>	<u>\$ (232)</u>	<u>\$ 1,031</u>	<u>\$ (58)</u>	<u>\$ (189)</u>	<u>\$ 131</u>
Nonoperating revenue (expenses)	-	-	-	-	-	-
Income (loss) before transfers	\$ 799	\$ (232)	\$ 1,031	\$ (58)	\$ (189)	\$ 131
Transfers in (out)	(497)	(497)	-	10	-	10
Change in net position	<u>\$ 301</u>	<u>\$ (729)</u>	<u>\$ 1,031</u>	<u>\$ (48)</u>	<u>\$ (189)</u>	<u>\$ 141</u>
Net position Jan 1	\$ 1,862	\$ 2,591	\$ (729)	\$ 317	\$ 506	\$ (189)
Restatement	-	-	-	-	-	-
Net position Jan 1, restated	<u>1,862</u>	<u>2,591</u>	<u>(729)</u>	<u>317</u>	<u>506</u>	<u>(189)</u>
Net position Dec 31	<u>\$ 2,163</u>	<u>\$ 1,862</u>	<u>\$ 302</u>	<u>\$ 269</u>	<u>\$ 317</u>	<u>\$ (48)</u>

All enterprise funds continue to show healthy net position:

City of Salina, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2022

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 as of December 31, 2022. Formal budgetary amendments are limited to those circumstances in which the need is perceived to alter the total fund budget. Reallocation 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 as of December 31, 2022, was \$351.5 million, net of accumulated depreciation and amortization.

The following table illustrates the Capital Asset balances by various classes of assets as of December 31, 2022 and 2021:

	Governmental Activity		Business-type Activity		Total	
	2022	2021	2022	2021	2022	2021
Equipment, furniture and fixtures	\$ 2,107	\$ 2,378	\$ 663	\$ 902	\$ 2,769	\$ 3,280
Vehicles	2,686	2,315	676	885	3,361	3,200
Buildings and improvements	26,568	27,905	7,540	7,964	34,108	35,869
Land	24,647	24,647	2,386	2,386	27,034	27,033
Infrastructure	137,662	140,690	82,592	83,646	220,254	224,336
Leasehold improvements	357	357	-	-	357	357
Construction in progress	23,872	20,327	39,713	38,987	63,585	59,314
Total	<u>\$ 217,899</u>	<u>\$ 218,619</u>	<u>\$ 133,570</u>	<u>\$ 134,770</u>	<u>\$ 351,470</u>	<u>\$ 353,389</u>

City of Salina, Kansas
Management’s Discussion and Analysis
Year Ended December 31, 2022

Changes to capital assets may be summarized as follows:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Additions	\$ 6,176	\$ 2,876	\$ 9,052
Retirements	(38)	(25)	(63)
Depreciation and amortization	(6,858)	(4,050)	(10,908)
Net reductions	<u>\$ (721)</u>	<u>\$ (1,199)</u>	<u>\$ (1,920)</u>

Additional information on the City’s capital assets can be found in Note 5. 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 20 years for the City at Large portion, with some exceptions permitted for extraordinary projects. On special assessment bonds, the maturity may extend to 20 years.

The outstanding general obligation bonds for governmental activities as of December 31, 2022, totaled \$65,181,972. There were no temporary notes outstanding. Loans payable outstanding in the amount of \$12,240,905 related to SFH QalicB, a blended component unit of the City.

Business-type activities had \$8,696,478 in revenue bonds outstanding and \$6,911,392 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 \$43,798,557.

The City engaged in the following debt transactions during 2022:

- On April 28th, the City issued Series 2022-A, General Obligation Bonds in the amount of \$7,840,000 The proceeds were used to finance construction of a 9th Street Bridge, purchase Sanitation Trucks, replace HVAC units at Tony’s Pizza Event Center, Design for the Smoky Hill River Renewal Project, Magnolia Hills Estates No. 2, Stone Lake Phase 3A and the Markley Trail.

Additional information on the City’s debt can be found in Note 6, 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.

City of Salina, Kansas
Statement of Net Position
December 31, 2022

	Primary Government			Component Units	
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Salina Airport Authority	Salina Housing Authority
Assets					
Current Assets					
Cash and investments	\$ 130,555,268	\$ 49,554,201	\$ 180,109,469	\$ 3,588,407	\$ 2,538,529
Receivables, net of allowance				594,360	103,972
Accounts	2,367,679	1,861,273	4,228,952	-	-
Taxes	16,445,959	-	16,445,959	-	-
Interest	5,141	16	5,157	-	-
Leases	-	-	-	682,175	-
Interest - leases	-	-	-	7,997	-
Inventory	267,481	614,535	882,016	-	38,377
Restricted cash and investments	-	-	-	-	141,863
Prepaid expenses	-	-	-	18,746	113,271
	<u>149,641,528</u>	<u>52,030,025</u>	<u>201,671,553</u>	<u>4,891,685</u>	<u>2,936,012</u>
Total current assets					
Noncurrent Assets					
Capital assets, nondepreciable					
Construction in progress	23,872,057	39,713,436	63,585,493	475,414	136,350
Land	24,646,334	2,386,334	27,032,668	9,920,765	1,481,569
Capital assets, depreciable	314,964,834	174,223,545	489,188,379	91,420,736	8,808,594
Less: Accumulated depreciation	145,584,691	82,753,216	228,337,907	53,453,721	5,863,078
Leases receivable	-	-	-	3,009,970	-
	<u>217,898,534</u>	<u>133,570,099</u>	<u>351,468,633</u>	<u>51,373,164</u>	<u>4,563,435</u>
Total noncurrent assets					
	<u>367,540,062</u>	<u>185,600,124</u>	<u>553,140,186</u>	<u>56,264,849</u>	<u>7,499,447</u>
Deferred outflows of resources					
KPERS OPEB deferred outflows of resources	28,517	14,165	42,682	5,788	276
OPEB deferred outflows of resources	381,683	61,958	443,641	-	-
Pension deferred outflows of resources	9,834,696	1,143,349	10,978,045	381,567	157,304
Deferred charge on bond issuance	-	-	-	760,424	-
	<u>10,244,896</u>	<u>1,219,472</u>	<u>11,464,368</u>	<u>1,147,779</u>	<u>157,580</u>
Total deferred outflows of resources					

City of Salina, Kansas
Statement of Net Position (Continued)
December 31, 2022

	Primary Government			Component Units	
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Salina Airport Authority	Salina Housing Authority
Liabilities					
Current Liabilities					
Accounts payable	2,136,638	429,041	2,565,679	697,635	35,784
Retainage payable	591,981	-	591,981	-	-
Accrued liabilities	1,336,906	166,528	1,503,434	222,096	33,655
Accrued interest payable	503,495	502,089	1,005,584	194,893	-
Deposits payable	-	282,499	282,499	-	70,913
Unearned revenue	6,659,339	-	6,659,339	-	16,497
Current portion of compensated absences	723,032	160,616	883,648	58,021	2,677
Current portion of temporary notes payable	-	-	-	-	-
Current portion of loans payable	-	3,628,170	3,628,170	42,157	-
Current portion of leases payable	148,302	-	148,302	-	-
Current portion of revenue bonds payable	-	795,000	795,000	-	-
Current portion of general obligation bonds payable	5,720,000	952,000	6,672,000	8,355,000	-
Total current liabilities	17,819,693	6,915,943	24,735,636	9,569,802	159,526
Noncurrent Liabilities					
Accrued liabilities	-	-	-	-	-
Compensated absences	918,446	199,640	1,118,086	-	24,098
Security deposits returnable	-	-	-	128,146	-
OPEB obligation	3,419,949	556,290	3,976,239	-	-
KPERS OPEB obligation	257,078	127,697	384,775	9,003	-
Net pension liability	38,216,024	3,449,776	41,665,800	942,015	396,633
Loans payable	12,240,905	40,170,387	52,411,292	337,101	-
Leases payable	500,729	-	500,729	-	-
Revenue bonds payable	-	7,901,478	7,901,478	-	-
General obligation bonds payable	59,461,972	5,959,392	65,421,364	16,195,730	-
Landfill postclosure care liabilities	-	2,372,698	2,372,698	-	-
Total other liabilities	115,015,103	60,737,358	175,752,461	17,611,995	420,731
Total liabilities	132,834,796	67,653,301	200,488,097	27,181,797	580,257
Deferred inflows of resources					
Property taxes	15,815,648	-	15,815,648	-	-
KPERS OPEB deferred inflows of resources	215,265	106,930	322,195	17,499	6,775
Deferred leases	-	-	-	3,580,083	-
OPEB deferred inflows of resources	608,904	98,839	707,743	-	-
Pension deferred inflows of resources	1,867,399	282,587	2,149,986	24,205	123,444
Total deferred inflows of resources	18,507,216	488,356	18,995,572	3,621,787	130,219
Total liabilities and deferred inflows of resources	151,342,012	68,141,657	219,483,669	30,803,584	710,476
Net Position					
Net investment in capital assets	142,398,543	75,932,904	218,331,447	24,694,502	4,563,435
Restricted for:					
Permanent funds:					
Expendable	548,172	-	548,172	-	154
Public works	65,593,823	-	65,593,823	-	-
Debt service	2,196,006	1,346,625	3,542,631	-	-
Unrestricted	15,706,402	41,398,410	57,104,812	1,914,542	2,382,962
Total net position	\$ 226,442,946	\$ 118,677,939	\$ 345,120,885	\$ 26,609,044	\$ 6,946,551

City of Salina, Kansas

Statement of Activities

For the Year Ended December 31, 2022

	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	Salina Airport Authority	Salina Housing Authority
Governmental activities									
General government	\$ 16,479,381	\$ 5,516,275	\$ 259,238	\$ -	\$ (10,703,868)	\$ -	\$ (10,703,868)	\$ -	\$ -
Public safety	29,380,775	4,926,340	1,157,629	-	(23,296,806)	-	(23,296,806)	-	-
Public works	11,141,122	407,541	1,405,999	-	(9,327,582)	-	(9,327,582)	-	-
Public health and sanitation	1,882,876	60,167	277,304	-	(1,545,405)	-	(1,545,405)	-	-
Culture and recreation	8,145,408	967,945	289,816	-	(6,887,647)	-	(6,887,647)	-	-
Planning and development	3,415,263	299,885	16,675	-	(3,098,703)	-	(3,098,703)	-	-
Interest on long-term debt	2,151,604	-	-	-	(2,151,604)	-	(2,151,604)	-	-
Total governmental activities	72,596,429	12,178,153	3,406,661	-	(57,011,615)	-	(57,011,615)	-	-
Business-type activities									
Solid Waste Disposal	787,730	4,047,428	-	-	-	3,259,698	3,259,698	-	-
Water and Sewer	15,885,026	21,839,834	-	-	-	5,954,808	5,954,808	-	-
Sanitation	2,675,420	3,474,084	-	-	-	798,664	798,664	-	-
Golf Course	915,796	784,528	-	-	-	(131,268)	(131,268)	-	-
Total business-type activities	20,263,972	30,145,874	-	-	-	9,881,902	9,881,902	-	-
Total primary government	92,860,401	42,324,027	3,406,661	-	(57,011,615)	9,881,902	(47,129,713)	-	-
Component units									
Salina Airport Authority	7,317,904	3,118,576	-	5,292,019	-	-	-	1,092,691	-
Salina Housing Authority	2,748,717	382,976	2,166,414	155,468	-	-	-	-	(43,859)
Total component units	10,066,621	3,501,552	2,166,414	5,447,487	-	-	-	1,092,691	(43,859)
General Revenues									
Property taxes levied for									
General purposes					10,705,736	-	10,705,736	2,431,667	-
Debt service					2,991,642	-	2,991,642	-	-
Motor vehicle tax									
General purposes					2,013,660	-	2,013,660	-	-
Sales tax									
General purposes					16,697,633	-	16,697,633	-	-
Selective purposes					14,978,617	-	14,978,617	-	-
Other taxes									
General purposes					7,438,260	-	7,438,260	-	-
Investment revenues					486,951	-	486,951	8,383	4,209
Interest income - leases					-	-	-	105,299	-
Miscellaneous					(425,781)	3,027,257	2,601,476	-	-
Gain on disposal of capital assets					398,199	-	398,199	60,778	12,181
Bond issuance costs					-	-	-	(11,640)	-
Transfers, net					5,036,300	(5,036,300)	-	-	-
Total general revenues					60,321,217	(2,009,043)	58,312,174	2,594,487	16,390
Change in net position					3,309,602	7,872,859	11,182,461	3,687,178	(27,469)
Net position - beginning, as previously reported					223,133,344	93,529,507	316,662,851	22,921,866	6,974,020
Prior period adjustment					-	17,275,573	17,275,573	-	-
Net position - beginning, restated					223,133,344	110,805,080	333,938,424	22,921,866	6,974,020
Net position - ending					\$ 226,442,946	\$ 118,677,939	\$ 345,120,885	\$ 26,609,044	\$ 6,946,551

City of Salina, Kansas
Balance Sheet - Governmental Funds
December 31, 2022

	General	Sales Tax Capital	Former Schilling AFB Environmental	Debt Service	Capital Projects
Assets					
Cash and investments	\$ 24,903,235	\$ 8,337,703	\$ 65,823,996	\$ 2,136,972	\$ 766,972
Restricted cash	-	-	-	-	-
Receivables, net of allowance					
Accounts	1,274,119	-	-	-	-
Taxes	13,163,521	-	-	3,282,438	-
Interest	5,141	-	-	-	-
Inventory	156,576	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 39,502,592	\$ 8,337,703	\$ 65,823,996	\$ 5,419,410	\$ 766,972
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	214,397	274,748	230,173	-	374,488
Retainage payable	-	-	-	-	591,981
Accrued expenditures	867,943	-	-	-	-
Unearned revenue	-	-	-	-	-
Temporary notes payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	1,082,340	274,748	230,173	-	966,469
Deferred inflows of resources					
Unavailable revenue - property taxes	12,437,245	-	-	3,223,404	-
Unavailable revenue - other	154,999	-	-	-	-
Total deferred inflows of resources	12,592,244	-	-	3,223,404	-
Fund Balance					
Nonspendable	156,576	-	-	-	-
Restricted	-	-	61,424,146	2,196,006	-
Committed	-	7,625,529	-	-	-
Assigned	357,738	437,426	4,169,677	-	2,748,819
Unassigned	25,313,694	-	-	-	(2,948,316)
Total fund balances	25,828,008	8,062,955	65,593,823	2,196,006	(199,497)
Total liabilities, deferred inflows of resources and fund balances	\$ 39,502,592	\$ 8,337,703	\$ 65,823,996	\$ 5,419,410	\$ 766,972

Federal Grants	Other Governmental Funds	Total Governmental Funds
\$ 6,876,481	\$ 16,437,513	\$ 125,282,872
-	-	-
-	3,069,338	4,343,457
-	-	16,445,959
-	-	5,141
-	-	156,576
-	-	-
<u>\$ 6,876,481</u>	<u>19,506,851</u>	<u>146,234,005</u>
62,444	919,900	2,076,150
-	-	591,981
-	14,559	882,502
6,659,339	-	6,659,339
-	-	-
-	20,000	20,000
<u>6,721,783</u>	<u>954,459</u>	<u>10,229,972</u>
-	-	15,660,649
-	-	154,999
-	-	15,815,648
-	-	156,576
-	3,937,773	67,557,925
-	12,448,183	20,073,712
-	2,166,424	9,880,084
154,698	12	22,520,088
<u>154,698</u>	<u>18,552,392</u>	<u>120,188,385</u>
<u>\$ 6,876,481</u>	<u>\$ 19,506,851</u>	<u>\$ 146,234,005</u>

City of Salina, Kansas
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
December 31, 2022

Total Governmental Fund Balances		\$ 120,188,385
<p>Amounts reported for governmental activities in the statement of net position are different because</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds</p>		
Cost of capital assets	\$ 363,483,225	
Accumulated depreciation	<u>145,584,691</u>	<u>217,898,534</u>
<p>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.</p>		
		10,244,896
<p>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.</p>		
		(2,691,568)
<p>Certain intrafund transactions have been eliminated between the City's primary funds and the QALICB blended component unit.</p>		
		(1,816,406)
<p>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.</p>		
		4,729,037
<p>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.</p>		
<p>These liabilities at year end consist of:</p>		
Compensated absences	1,641,478	
Net OPEB obligation	3,677,027	
Net pension liability	38,216,024	
Bonds payable	65,181,972	
Loans payable	12,240,905	
Leases payable	649,031	
Accrued interest on the bonds	<u>503,495</u>	<u>(122,109,932)</u>
Net Position of Governmental Activities		<u>\$ 226,442,946</u>

City of Salina, Kansas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Sales Tax Capital	Former Schilling AFB Environmental	Debt Service	Capital Projects
Revenues					
Taxes					
Real estate taxes	\$ 10,554,177	\$ -	\$ -	\$ 2,991,642	\$ -
Delinquent taxes	117,647	-	-	33,912	-
Motor vehicle taxes	1,652,539	-	-	361,121	-
General sales taxes	16,697,633	-	-	-	-
Selective sales taxes	-	10,435,229	-	-	-
Other taxes	6,028,427	-	-	-	-
Intergovernmental	1,184,485	-	-	-	30,000
Special assessments	-	-	-	1,409,833	-
Licenses and permits	-	-	-	-	-
Charges for services	6,580,579	-	-	-	-
Investment revenue	206,496	-	209,872	-	-
Donations	-	-	-	-	-
Miscellaneous	832,136	-	-	172,199	-
Total revenues	<u>\$ 43,854,119</u>	<u>\$ 10,435,229</u>	<u>\$ 209,872</u>	<u>\$ 4,968,707</u>	<u>\$ 30,000</u>
Expenditures					
Current					
General government	\$ 6,783,483	\$ -	\$ -	\$ -	\$ -
Public safety	24,824,641	-	-	-	-
Public works	5,846,877	-	-	-	-
Public health and sanitation	800,884	-	-	-	-
Culture and recreation	4,025,077	-	-	-	-
Planning and development	702,721	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	372,260	1,440,852	1,313,816	-	3,418,056
Debt service					
Principal retirement	-	-	-	5,005,734	3,609,999
Interest and other charges	-	-	-	1,804,561	121,137
Total expenditures	<u>43,355,943</u>	<u>1,440,852</u>	<u>1,313,816</u>	<u>6,810,295</u>	<u>7,149,192</u>
Excess (deficiency) of revenue over (under) expenditures	<u>498,176</u>	<u>8,994,377</u>	<u>(1,103,944)</u>	<u>(1,841,588)</u>	<u>(7,119,192)</u>
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	7,840,000
Bond and temporary note premium	-	-	-	-	1,200
Transfers in	5,806,300	-	-	1,925,930	-
Transfers (out)	<u>(1,540,000)</u>	<u>(10,333,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,266,300</u>	<u>(10,333,850)</u>	<u>-</u>	<u>1,925,930</u>	<u>7,841,200</u>
Net change in fund balances	4,764,476	(1,339,473)	(1,103,944)	84,342	722,008
Fund balances (Deficit) - Beginning of year	<u>21,063,532</u>	<u>9,402,428</u>	<u>66,697,767</u>	<u>2,111,664</u>	<u>(921,505)</u>
Fund balances (Deficit) - End of year	<u>\$ 25,828,008</u>	<u>\$ 8,062,955</u>	<u>\$ 65,593,823</u>	<u>\$ 2,196,006</u>	<u>\$ (199,497)</u>

See Notes to Financial Statements

Federal Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 13,545,819
-	-	151,559
-	-	2,013,660
-	-	16,697,633
-	4,543,388	14,978,617
-	-	6,028,427
830,155	2,740,030	4,784,670
-	-	1,409,833
-	14,600	14,600
-	966,786	7,547,365
-	44,360	460,728
-	104,558	104,558
-	697,126	1,701,461
<u>\$ 830,155</u>	<u>9,110,848</u>	<u>69,438,930</u>
\$ -	\$ -	\$ 6,783,483
-	697,328	25,521,969
-	-	5,846,877
539,516	313,223	1,653,623
-	2,273,867	6,298,944
-	2,047,963	2,750,684
-	36,188	36,188
-	6,084,394	12,629,378
-	-	8,615,733
-	200,129	2,125,827
<u>539,516</u>	<u>11,653,092</u>	<u>72,262,706</u>
<u>290,639</u>	<u>(2,542,244)</u>	<u>(2,823,776)</u>
-	-	7,840,000
-	-	1,200
-	10,000,711	17,732,941
-	(902,791)	(12,776,641)
-	9,097,920	12,797,500
290,639	6,555,676	9,973,724
(135,941)	11,996,716	110,214,661
<u>\$ 154,698</u>	<u>\$ 18,552,392</u>	<u>\$ 120,188,385</u>

City of Salina, Kansas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2022

Total Net Change In Fund Balances - Governmental Funds	\$	9,973,724
Amounts reported for governmental activities in the statement of activities are different because		
<p>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 and amortization expenses in the statement of activities. This is the amount by which depreciation and amortization expense exceeds capital outlays in the period.</p>		
Capital outlays	\$	5,488,675
Depreciation and amortization expense	<u>(6,858,231)</u>	<u>(1,369,556)</u>
<p>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 increased.</p>		
		(25,777)
<p>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.</p>		
		220,426
<p>Certain intrafund transactions have been eliminated between the City's primary funds and the QALICB blended component unit.</p>		
		(303,774)
<p>Some expenses reported in the statement of activities, such as compensated absences and other postemployment benefits, are reported as paid in the governmental funds</p>		
		1,213,790
<p>Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.</p>		
		(3,806,741)
<p>Other changes</p>		
		280,165
<p>Bond, temporary note, and loan proceeds and leases 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.</p>		
		(7,841,200)
<p>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.</p>		
		<u>4,968,545</u>
Change in Net Position of Governmental Activities	\$	<u><u>3,309,602</u></u>

City of Salina, Kansas
Budget Comparison Statement of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual (Non - GAAP Basis) General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes				
Real estate taxes	\$ 10,681,513	\$ 10,681,513	\$ 10,554,177	\$ (127,336)
Delinquent taxes	172,000	172,000	117,647	(54,353)
Motor vehicle taxes	1,256,306	1,256,306	1,652,539	396,233
General sales tax	13,418,742	13,418,742	16,697,633	3,278,891
Other taxes	5,242,000	5,242,000	6,028,427	786,427
Intergovernmental	1,169,000	1,169,000	1,184,485	15,485
Charges for services	5,703,860	5,703,860	6,580,579	876,719
Investment revenue	300,000	300,000	206,496	(93,504)
Miscellaneous	368,560	368,560	832,136	463,576
Total revenues	38,311,981	38,311,981	43,854,119	5,542,138
Expenditures				
Current				
General government	6,322,722	6,322,722	6,783,483	(460,761)
Public safety	22,755,735	22,755,735	24,824,641	(2,068,906)
Public works	4,682,841	4,682,841	5,846,877	(1,164,036)
Public health and sanitation	-	-	800,884	(800,884)
Culture and recreation	6,542,559	6,542,559	4,025,077	2,517,482
Planning and development	2,840,206	2,840,206	702,721	2,137,485
Capital outlay	240,000	240,000	372,260	(132,260)
Total expenditures	43,384,063	43,384,063	43,355,943	28,120
Excess (deficiency) of revenues over (under) expenditures	(5,072,082)	(5,072,082)	498,176	5,570,258
Other Financing Sources (Uses)				
Transfers in	5,806,300	5,806,300	5,806,300	-
Transfers (out)	(1,655,500)	(1,655,500)	(1,540,000)	115,500
Total other financing sources (uses)	4,150,800	4,150,800	4,266,300	115,500
Net Change in Fund Balance	(921,282)	(921,282)	4,764,476	5,685,758
Fund Balance, Beginning	21,063,532	21,063,532	19,785,424	(1,278,108)
Fund Balance, Ending	\$ 20,142,250	\$ 20,142,250	\$ 24,549,900	\$ 4,407,650
Reconciliation to GAAP				
Accounts receivable			1,304,865	
Taxes receivable			13,121,855	
Inventory			156,576	
Accrued wages			(867,943)	
Deferred revenue			(12,437,245)	
GAAP Fund Balance, December 31			\$ 25,828,008	

City of Salina, Kansas

Budget Comparison 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, 2022

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes				
Selective sales tax	\$ 9,020,000	\$ 9,020,000	\$ 10,435,229	\$ 1,415,229
Total revenues	9,020,000	9,020,000	10,435,229	1,415,229
Expenditures				
Capital outlay	1,080,000	1,080,000	1,018,926	61,074
Total expenditures	1,080,000	1,080,000	1,018,926	61,074
Excess (deficiency) of revenues over (under) expenditures	7,940,000	7,940,000	9,416,303	1,476,303
Other Financing Sources (Uses)				
Transfers (out)	(10,333,850)	(10,333,850)	(10,333,850)	-
Total other financing sources (uses)	(10,333,850)	(10,333,850)	(10,333,850)	-
Net Change in Fund Balance	(2,393,850)	(2,393,850)	(917,547)	1,476,303
Fund Balance, Beginning	9,402,428	9,402,428	9,402,428	-
Fund Balance, Ending	\$ 7,008,578	\$ 7,008,578	\$ 8,484,881	\$ 1,476,303
Reconciliation to GAAP				
Current year encumbrances			(421,926)	
GAAP Net Change in Fund Balance			\$ (1,339,473)	

City of Salina, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2022

	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 9,598,676	\$ 38,259,558	\$ 1,624,957	\$ 71,010	\$ 49,554,201	\$ 5,272,396
Receivables, net of allowance						
Accounts	371,737	1,240,895	248,641	-	1,861,273	-
Interest	16	-	-	-	16	-
Inventory and prepaid supplies	-	586,413	-	28,122	614,535	110,905
Total current assets	<u>9,970,429</u>	<u>40,086,866</u>	<u>1,873,598</u>	<u>99,132</u>	<u>52,030,025</u>	<u>5,383,301</u>
Capital assets:						
Nondepreciable capital assets:						
Construction in progress	265	39,713,171	-	-	39,713,436	-
Land	682,000	1,689,334	-	15,000	2,386,334	-
Depreciable capital assets:						
Capital assets	13,304,495	156,759,503	2,848,648	1,310,899	174,223,545	168,234
Less: accumulated depreciation	10,914,668	69,028,270	1,872,464	937,814	82,753,216	154,325
Total capital assets	<u>3,072,092</u>	<u>129,133,738</u>	<u>976,184</u>	<u>388,085</u>	<u>133,570,099</u>	<u>13,909</u>
Total assets	<u>13,042,521</u>	<u>169,220,604</u>	<u>2,849,782</u>	<u>487,217</u>	<u>185,600,124</u>	<u>5,397,210</u>
Deferred outflows of resources:						
KPERS OPEB deferred outflows of resources	1,437	9,203	2,648	877	14,165	729
OPEB deferred outflows of resources	7,137	40,318	12,021	2,482	61,958	-
Pension deferred outflows of resources	147,644	718,854	155,399	121,452	1,143,349	50,723
Total deferred outflows of resources	<u>156,218</u>	<u>768,375</u>	<u>170,068</u>	<u>124,811</u>	<u>1,219,472</u>	<u>51,452</u>

City of Salina, Kansas
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2022

	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course	Total Enterprise Funds	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable	\$ 61,093	\$ 356,305	\$ 7,860	\$ 3,783	\$ 429,041	\$ 60,488
Interest payable	32,805	469,284	-	-	502,089	-
Accrued expenses	17,694	103,891	32,411	12,532	166,528	32,460
Meter deposits payable	-	282,499	-	-	282,499	-
Temporary notes payable	-	-	-	-	-	-
Current portion of compensated absences payable	11,916	98,150	41,609	8,941	160,616	7,407
Current portion of accrued claims payable	-	-	-	-	-	421,944
Current portion of loans payable	-	3,628,170	-	-	3,628,170	-
Current portion of general obligation bonds payable	234,000	718,000	-	-	952,000	-
Current portion of revenue bonds payable	-	795,000	-	-	795,000	-
Total current liabilities	<u>357,508</u>	<u>6,451,299</u>	<u>81,880</u>	<u>25,256</u>	<u>6,915,943</u>	<u>522,299</u>
Noncurrent liabilities:						
Compensated absences payable	14,811	121,997	51,719	11,113	199,640	9,206
Accrued claims payable	-	-	-	-	-	-
OPEB obligation	64,945	361,358	107,739	22,248	556,290	-
KPERS OPEB obligation	12,953	82,966	23,872	7,906	127,697	6,574
Net pension liability	468,918	2,232,312	499,782	248,764	3,449,776	161,523
Payable from restricted assets						
Loans payable	-	40,170,387	-	-	40,170,387	-
General obligation bonds payable	1,535,232	4,424,160	-	-	5,959,392	-
Revenue bonds payable	-	7,901,478	-	-	7,901,478	-
Landfill postclosure care liabilities	2,372,698	-	-	-	2,372,698	-
Total noncurrent liabilities	<u>4,469,557</u>	<u>55,294,658</u>	<u>683,112</u>	<u>290,031</u>	<u>60,737,358</u>	<u>177,303</u>
Total liabilities	<u>4,827,065</u>	<u>61,745,957</u>	<u>764,992</u>	<u>315,287</u>	<u>67,653,301</u>	<u>699,602</u>
Deferred inflows of resources						
KPERS OPEB deferred inflows of resources	10,848	69,472	19,990	6,620	106,930	5,505
OPEB deferred inflows of resources	11,385	64,318	19,176	3,960	98,839	-
Pension deferred inflows of resources	30,305	182,704	52,303	17,275	282,587	14,518
Total deferred inflows of resources	<u>52,538</u>	<u>316,494</u>	<u>91,469</u>	<u>27,855</u>	<u>488,356</u>	<u>20,023</u>
Total liabilities and deferred inflows of resources	<u>4,879,603</u>	<u>62,062,451</u>	<u>856,461</u>	<u>343,142</u>	<u>68,141,657</u>	<u>719,625</u>
Net Position						
Net investment in capital assets	3,072,092	71,496,543	976,184	388,085	75,932,904	13,909
Restricted						
Restricted for bond retirement	-	1,346,625	-	-	1,346,625	-
Unrestricted (deficit)	<u>5,247,044</u>	<u>35,083,360</u>	<u>1,187,205</u>	<u>(119,199)</u>	<u>41,398,410</u>	<u>4,715,128</u>
Total net position	<u>\$ 8,319,136</u>	<u>\$ 107,926,528</u>	<u>\$ 2,163,389</u>	<u>\$ 268,886</u>	<u>\$ 118,677,939</u>	<u>\$ 4,729,037</u>

City of Salina, Kansas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course	Total	Internal Service Fund
Operating Revenues						
Charges for services	\$ 4,047,428	\$ 21,839,834	\$ 3,474,084	\$ 784,528	\$ 30,145,874	\$ 8,022,849
Miscellaneous	51,972	2,902,407	30	72,848	3,027,257	26,223
Total operating revenues	<u>4,099,400</u>	<u>24,742,241</u>	<u>3,474,114</u>	<u>857,376</u>	<u>33,173,131</u>	<u>8,049,072</u>
Operating Expenses						
General government	-	-	-	-	-	7,908,646
Public works	639,495	10,883,710	2,516,563	-	14,039,768	-
Recreation	-	-	-	870,812	870,812	-
Depreciation	134,242	3,711,786	158,857	44,984	4,049,869	-
Total operating expenses	<u>773,737</u>	<u>14,595,496</u>	<u>2,675,420</u>	<u>915,796</u>	<u>18,960,449</u>	<u>7,908,646</u>
Operating income (loss)	<u>3,325,663</u>	<u>10,146,745</u>	<u>798,694</u>	<u>(58,420)</u>	<u>14,212,682</u>	<u>140,426</u>
Nonoperating Revenues (Expenses)						
Interest expense	(38,071)	(1,370,866)	-	-	(1,408,937)	-
Accretion of bond premium	24,078	81,336	-	-	105,414	-
Total nonoperating revenues (expenses)	<u>(13,993)</u>	<u>(1,289,530)</u>	<u>-</u>	<u>-</u>	<u>(1,303,523)</u>	<u>-</u>
Income (loss) before transfers	<u>3,311,670</u>	<u>8,857,215</u>	<u>798,694</u>	<u>(58,420)</u>	<u>12,909,159</u>	<u>140,426</u>
Transfers in	42,500	5,178,672	-	10,000	5,231,172	80,000
Transfers out	(701,700)	(9,068,422)	(497,350)	-	(10,267,472)	-
Change in net position	<u>2,652,470</u>	<u>4,967,465</u>	<u>301,344</u>	<u>(48,420)</u>	<u>7,872,859</u>	<u>220,426</u>
Net Position, Beginning, as previously reported	5,666,666	85,683,490	1,862,045	317,306	93,529,507	4,508,611
Prior period adjustment	-	17,275,573	-	-	17,275,573	-
Net Position, Beginning, restated	5,666,666	102,959,063	1,862,045	317,306	110,805,080	4,508,611
Net Position, Ending	<u>\$ 8,319,136</u>	<u>\$ 107,926,528</u>	<u>\$ 2,163,389</u>	<u>\$ 268,886</u>	<u>\$ 118,677,939</u>	<u>\$ 4,729,037</u>

City of Salina, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course	Total	Internal Service Fund
Cash Flows from Operating Activities						
Cash received from customers and users	\$ 3,915,233	\$ 21,950,239	\$ 3,462,226	\$ 784,528	\$ 30,112,226	\$ 8,022,849
Cash paid to suppliers of goods or services	(193,815)	(7,198,055)	(1,523,673)	(438,587)	(9,354,130)	(8,273,155)
Cash paid to employees	(560,062)	(3,834,187)	(1,087,893)	(449,528)	(5,931,670)	14,496
Other operating receipts	51,972	2,762,840	30	72,848	2,887,690	26,223
Net cash provided by (used in) operating activities	3,213,328	13,680,837	850,690	(30,739)	17,714,116	(209,587)
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	-	(2,850,764)	-	-	(2,850,764)	-
Proceeds from loans	-	2,035,480	-	-	2,035,480	-
Principal payments - loans	(1,839,714)	(1,975,289)	-	-	(3,815,003)	-
Principal payments - general obligation bonds	-	(1,035,351)	-	-	(1,035,351)	-
Principal payments - revenue bonds	-	(775,000)	-	-	(775,000)	-
Interest paid	(40,274)	(1,402,384)	-	-	(1,442,658)	-
Net cash used in capital and related financing activities	(1,879,988)	(6,003,308)	-	-	(7,883,296)	-
Cash Flows from Noncapital and Related Financing Activities						
Transfers in	42,500	5,178,672	-	10,000	5,231,172	80,000
Transfers out	(701,700)	(9,068,422)	(497,350)	-	(10,267,472)	-
Net cash provided by (used in) noncapital financing activities	(659,200)	(3,889,750)	(497,350)	10,000	(5,036,300)	80,000
Cash and Cash Equivalents, Beginning of Year	<u>8,924,536</u>	<u>34,471,779</u>	<u>1,271,617</u>	<u>91,749</u>	<u>44,759,681</u>	<u>5,401,983</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,598,676</u>	<u>\$ 38,259,558</u>	<u>\$ 1,624,957</u>	<u>\$ 71,010</u>	<u>\$ 49,554,201</u>	<u>\$ 5,272,396</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities						
Operating income (loss)	\$ 3,325,663	\$ 10,146,745	\$ 798,694	\$ (58,420)	\$ 14,212,682	\$ 140,426
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	134,242	3,711,786	158,857	44,984	4,049,869	-
(Increase) decrease in receivables	(132,195)	110,405	(11,858)	-	(33,648)	-
(Increase) decrease in inventory	-	(199,446)	-	(7,943)	(207,389)	25,470
(Increase) decrease in deferred outflows	(41,190)	(199,127)	(42,958)	(33,544)	(316,819)	(13,376)
Increase (decrease) in accounts payable	(125,276)	192,942	1,096	3,358	72,120	(19,467)
Increase (decrease) in accrued expenses	17,694	103,891	32,411	12,532	166,528	-
Increase (decrease) in accrued compensation absences	(21,624)	(178,116)	(75,510)	(16,226)	(291,476)	(176,439)
Increase (decrease) in claims payable	-	(139,567)	-	-	(139,567)	(169,062)
Increase (decrease) in net pension liability	161,453	768,607	172,079	85,652	1,187,791	55,614
Increase (decrease) in net KPERS OPEB obligation	(3,763)	(24,100)	(6,935)	(2,296)	(37,094)	(1,910)
Increase (decrease) in net OPEB obligation	(1,567)	(8,719)	(2,600)	(537)	(13,423)	-
Increase (decrease) in meter deposits payable	-	-	-	-	-	-
Increase (decrease) in deferred inflows	(100,109)	(604,464)	(172,586)	(58,299)	(935,458)	(50,843)
Total adjustments	(112,335)	3,534,092	51,996	27,681	3,501,434	(350,013)
Net cash provided by (used in) operating activities	<u>\$ 3,213,328</u>	<u>\$ 13,680,837</u>	<u>\$ 850,690</u>	<u>\$ (30,739)</u>	<u>\$ 17,714,116</u>	<u>\$ (209,587)</u>

City of Salina, Kansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Custodial Fund
Assets	
Cash and investments	\$ 6,059
Total assets	6,059
Liabilities and Net Position	
Liabilities	
Accounts payable	-
Total liabilities	-
Net Position	
Restricted for individuals, organizations, and other governments	6,059
Total net position	\$ 6,059

City of Salina, Kansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Custodial Funds
Additions	
Miscellaneous	\$ 25,964
Total additions	25,964
Deductions	
Contractual services	19,906
Total deductions	19,906
Change in Net Position	6,058
Net Position, Beginning of Year	1
Net Position, End of Year	\$ 6,059

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

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 separate from the government. The blended component unit is reported as a governmental fund of the City (see note below for description) to emphasize that, while it is a legally separate entity, it is so intertwined with the City that it is, in substance, part of the City.

Discretely Presented Component Units

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, 2022.

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

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

Salina Airport Authority 3237 Arnold Ave. Salina, Kansas	Housing Authority of the City of Salina 469 South 5th Salina, Kansas	Salina Field House QALICB, Inc. 300 West Ash Street Salina, Kansas
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Joint Ventures

The City of Salina also participates with Saline County in one joint venture. The City and County organized the Saline 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.

	(Kansas Regulatory Basis)
	Building Authority
	(Audited)
	<hr/>
Total unencumbered cash, December 31, 2022	\$ 2,065,833
Total change in unencumbered cash, year ended December 31, 2022	44,765
Total cash receipts, year ended December 31, 2022	1,576,973
Total cash receipts from City of Salina	504,888

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

Saline County-City
 Building Authority
 300 West Ash Street
 Salina, Kansas

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.

City of Salina, Kansas

Notes to Financial Statements

December 31, 2022

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.

Basis of Accounting and 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.

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 levied for, and interest associated with, the current fiscal period are 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, and central garage that are provided to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

The fiduciary funds are used by the City to account for resources held by the City for the benefit of third parties. 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.

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

Former Schilling AFB Environmental Fund (capital projects fund)- To account for the funding provided by U.S. Government 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.

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

The City reports the following major proprietary funds:

- Solid Waste Disposal Fund - To account for the activities of the City's landfill.
- Water and Sewer Fund - To account for the activities of the City's water and sewer operations.
- Sanitation Fund - To account for the operations of the City's refuse collection service.
- Golf Course Fund - To account for the operations of the municipal golf course.

The City reports 43 nonmajor governmental funds, three nonmajor permanent funds, one nonmajor debt service fund and three internal service funds.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Accounts Receivable 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 noncurrent 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, if applicable.

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 inflows of resources and are identical to the adopted budget for 2022. 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.

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. Taxes remaining due and unpaid as of February 15 and July 1 are subject to collection procedures prescribed in state statutes.

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

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.

Capital Assets (Including Intangible 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 is recognized as an expense (financial statements using the economic resources measurement focus) or an expenditure (financial statements using the current financial resources measurement focus) in accordance with GASB 89.

Capital assets of the primary government, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	50 years
Other equipment	5 - 15 years
Vehicles	6 - 10 years
Infrastructure	30 - 50 years

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Lease Assets

The City initially measures lease assets as the sum of the following: a. the amount of the initial measurement of the lease liability. lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term c. initial direct costs that are ancillary charges necessary to place the lease asset into service.

Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization of the lease asset is reported as an outflow of resources (amortization expense).

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports 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 as deferred outflows of resources in the governmental activities.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

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

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, 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.

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.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred under GASB 65.

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 Financial Statements
December 31, 2022

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 governmental funds financial statements:

	Major Governmental Funds						Other Governmental Funds	Total Governmental Funds
	General	Sales Tax Capital	Former Schilling AFB Environmental	Debt Service	Capital Projects	Federal Grants		
Fund balances:								
Nonspendable for:								
Inventory	\$ 156,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,576
Restricted for:								
Public works	-	-	-	-	-	-	2,246,841	2,246,841
Public health and sanitation	-	-	-	-	-	-	234	234
Culture and recreation	-	-	-	-	-	-	432,161	432,161
Planning and development	-	-	-	-	-	-	1,258,537	1,258,537
Capital improvements	-	-	61,424,146	-	-	-	-	61,424,146
Debt payments	-	-	-	2,196,006	-	-	-	2,196,006
Committed for:								
Public safety	-	-	-	-	-	-	992,571	992,571
Culture and recreation	-	-	-	-	-	-	766,819	766,819
Planning and development	-	-	-	-	-	-	3,227,973	3,227,973
Cemetery	-	-	-	-	-	-	548,172	548,172
Capital improvements	-	7,625,529	-	-	-	-	6,912,648	14,538,177
Assigned for:								
General government	357,738	-	-	-	-	-	33,519	391,257
Public safety	-	-	-	-	-	-	50,300	50,300
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	52,173	52,173
Capital improvements	-	437,426	4,169,677	-	2,748,819	-	2,030,432	9,386,354
Unassigned:	25,313,694	-	-	-	(2,948,316)	154,698	12	22,520,088
Total fund balances	<u>\$ 25,828,008</u>	<u>\$ 8,062,955</u>	<u>\$ 65,593,823</u>	<u>\$ 2,196,006</u>	<u>\$ (199,497)</u>	<u>\$ 154,698</u>	<u>\$ 18,552,392</u>	<u>\$ 120,188,385</u>

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 2: Deposits, Investments and Investment Income

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.

As of December 31, 2022, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 320,764	S&P AA Af/S1+
Total fair value	<u>\$ 320,764</u>	

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

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, 2022, the City's deposits were considered fully secured.

Restricted cash is comprised of an interest reserve account (the "Interest Reserve"), and an operating 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 6*). As of December 31, 2022, the balance of the Interest Reserve and Operating Reserve was \$54,271 and \$127,065, respectively.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 3: Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Primary Government				
Receivables:				
Accounts	\$ 8,240,843	\$ -	\$ 3,069,624	\$ 11,310,467
Taxes	13,163,521	3,282,438	-	16,445,959
Interest	5,141	-	500	5,641
Gross receivables	21,409,505	3,282,438	3,070,124	27,762,067
Less: allowance for uncollectibles	(6,966,724)	-	(786)	(6,967,510)
Total	<u>\$ 14,442,781</u>	<u>\$ 3,282,438</u>	<u>\$ 3,069,338</u>	<u>\$ 20,794,557</u>

	<u>Solid Waste Disposal</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Total</u>
Primary Government				
Receivables:				
Accounts	\$ 371,737	\$ 2,357,678	\$ 377,662	\$ 14,417,544
Taxes	-	-	-	16,445,959
Interest	16	-	-	5,657
Gross receivables	371,753	2,357,678	377,662	30,869,160
Less: allowance for uncollectibles	-	(1,116,783)	(129,021)	(8,213,314)
Total	<u>\$ 371,753</u>	<u>\$ 1,240,895</u>	<u>\$ 248,641</u>	<u>\$ 22,655,846</u>

Component Units				
Salina Airport Authority				
Receivables:				
Accounts			\$ 91,730	
Grants				504,130
Leases				682,175
Interest - leases				7,997
Less: allowance for uncollectibles				(1,500)
Total Salina Airport Authority				<u>1,284,532</u>

Salina Housing Authority				
Receivables:				
Accounts			\$ 110,593	
Less: allowance for uncollectibles				(6,621)
Total Salina Housing Authority				<u>103,972</u>
Total				<u>\$ 1,388,504</u>

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 4: Stewardship, Compliance and Accountability

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.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City was not required to hold a revenue neutral rate hearing for this year.

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 2022 budget was amended during the year for the Special Alcohol, Neighborhood Parks, TPEC, Solid Waste, Central Garage, Golf Course and Tourism and Convention 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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

A legal operating budget is not required for capital projects funds, Former Schilling AFB Environmental fund, SFH QalicB fund, nonmajor debt service funds, trust funds, permanent funds, and the following special revenue funds: Community Development Revolving, Downtown TIF District #1, South 9th CID, Downtown CID, Alley CID, Downtown Hotel CID, North 9th 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.

Expenditures in Excess of Budget

For the year ended December 31, 2022, for the Debt Service Fund had actual expenditures in excess of budget by \$109,295. This excess spending was covered by available cash basis reserves.

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. As of December 31, 2022, the statutory limit for the City was \$167,634,982, providing a debt margin of \$108,644,195.

Deficit Net Position/Fund Balances

At December 31, 2022, the capital projects fund, a major fund, had a deficit fund balance of \$199,497.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 5: Capital Assets

Capital assets activity for the year ended December 31, 2022, was:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Construction in progress	\$ 20,326,839	\$ 5,167,934	\$ -	\$ (1,622,716)	\$ 23,872,057
Land	24,646,334	-	-	-	24,646,334
Total capital assets not being depreciated	44,973,173	5,167,934	-	(1,622,716)	48,518,391
Capital assets being depreciated/amortized:					
Infrastructure	241,307,031	-	-	1,622,716	242,929,747
Buildings and improvements	53,158,946	-	-	-	53,158,946
Vehicles	10,387,525	278,950	(762,364)	-	9,904,111
Equipment, furniture and fixtures	7,885,409	80,207	-	-	7,965,616
Leased vehicles	-	649,031	-	-	649,031
Leasehold improvements	357,383	-	-	-	357,383
Totals capital assets being depreciated/amortized	313,096,294	1,008,188	(762,364)	1,622,716	314,964,834
Less accumulated depreciation/amortization for:					
Infrastructure	100,616,614	4,650,686	-	-	105,267,300
Buildings and improvements	25,253,821	1,337,075	-	-	26,590,896
Vehicles	8,072,895	518,648	(723,948)	-	7,867,595
Equipment, furniture and fixtures	5,507,078	351,822	-	-	5,858,900
Total accumulated depreciation/amortization	139,450,408	6,858,231	(723,948)	-	145,584,691
Total capital assets, being depreciated/amortized, net	\$ 218,619,059	\$ (682,109)	\$ (38,416)	\$ -	\$ 217,898,534
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
	(Restated)				
Business-type Activities					
Capital assets not being depreciated:					
Construction in progress	\$ 38,987,075	\$ 2,875,632	\$ -	\$ (2,149,271)	\$ 39,713,436
Land	2,386,334	-	-	-	2,386,334
Total capital assets not being depreciated	41,373,409	2,875,632	-	(2,149,271)	42,099,770
Capital assets being depreciated:					
Infrastructure	140,031,871	-	-	2,149,271	142,181,142
Buildings and improvements	22,864,164	-	-	-	22,864,164
Vehicles	3,781,267	-	(228,767)	-	3,552,500
Equipment, furniture, and fixtures	5,625,739	-	-	-	5,625,739
Totals capital assets being depreciated	172,303,041	-	(228,767)	2,149,271	174,223,545
Less accumulated depreciation for:					
Infrastructure	56,385,977	3,203,199	-	-	59,589,176
Buildings and improvements	14,900,421	423,824	-	-	15,324,245
Vehicles	2,896,199	184,275	(203,899)	-	2,876,575
Equipment, furniture, and fixtures	4,724,650	238,570	-	-	4,963,220
Total accumulated depreciation	78,907,247	4,049,868	(203,899)	-	82,753,216
Total capital assets, being depreciated, net	\$ 134,769,203	\$ (1,174,236)	\$ (24,868)	\$ -	\$ 133,570,099

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

During 2022 the City adjusted the beginning balances of several capital asset accounts in order for the ending balances to tie to their depreciation schedules. As a result of this restatement, beginning net position for Business-type Activities (Water and Sewer Fund) was increased by \$17,275,573.

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

Governmental Activities

General government	\$ 21,437
Public safety	791,376
Public works	4,591,522
Public health	30,508
Culture and recreation	1,089,408
Planning and development	333,980
Total depreciation expense – governmental activities	\$ 6,858,231

Business-type Activities

Solid waste disposal	\$ 134,242
Water and sewer	3,711,786
Sanitation	158,857
Golf course division	44,983
Total depreciation expense – business-type activities	\$ 4,049,868

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 6: Long-Term Obligations

The following is a summary of changes in long-term obligations for fiscal year 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 59,582,649	\$ 7,840,000	\$ (4,914,649)	\$ 62,508,000	\$ 5,353,000
General obligation bond premium	3,041,369	-	(367,397)	2,673,972	367,000
Loans payable	12,640,000	-	-	12,640,000	-
Loans payable discount	(413,058)	-	13,963	(399,095)	-
Lease payable	-	702,725	(53,694)	649,031	148,302
OPEB liability	3,502,471	459,451	(541,973)	3,419,949	-
KPERS OPEB liability	340,238	46,371	(129,531)	257,078	-
Net pension liability	25,057,864	-	13,158,160	38,216,024	-
Accrued compensation	2,838,655	55,008	(1,252,185)	1,641,478	723,032
Temporary notes	3,647,188	-	(3,647,188)	-	-
Temporary note premium	66,598	-	(66,598)	-	-
Total	<u>\$ 110,303,974</u>	<u>\$ 9,103,555</u>	<u>\$ 2,198,908</u>	<u>\$ 121,606,437</u>	<u>\$ 6,591,334</u>
Business-type Activities					
General obligation bonds	\$ 7,672,351	\$ -	\$ (1,035,351)	\$ 6,637,000	\$ 952,000
General obligation bond premium	326,140	-	(51,748)	274,392	39,399
Loans payable	43,966,366	2,035,480	(2,203,289)	43,798,557	3,628,170
Revenue bonds	8,865,000	-	(775,000)	8,090,000	795,000
Revenue bond premium	660,145	-	(53,667)	606,478	66,015
OPEB liability	569,713	74,732	(88,155)	556,290	-
KPERS OPEB liability	164,791	20,687	(57,781)	127,697	-
Net pension liability	2,261,985	-	1,187,791	3,449,776	-
Accrued compensation	651,732	-	(291,476)	360,256	160,616
Temporary notes	1,582,812	-	(1,582,812)	-	-
Temporary note premium	28,902	-	(28,902)	-	-
Total	<u>\$ 66,749,937</u>	<u>\$ -</u>	<u>\$ (4,980,390)</u>	<u>\$ 63,900,446</u>	<u>\$ 5,641,200</u>

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

The following is a detailed listing of the City's general obligation bonds outstanding as of December 31, 2022:

General Obligation Bonds - Primary Government						
Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original Issue	Governmental Activities Outstanding	Business-type Activities Outstanding
Internal Improvements, 2013A	2/15/2013	10/1/2028	2.60% to 3.65%	\$ 1,360,000	\$ 630,000	\$ -
Improvement and Refunding, 2015A	7/29/2015	10/1/2035	3.00 to 3.50%	6,825,000	4,420,000	-
Internal Improvements, 2016A	7/26/2016	10/1/2036	2.00% to 3.00%	6,570,000	4,925,000	-
Refunding, 2016B	7/26/2016	10/1/2031	2.00% to 5.00%	13,750,000	6,517,000	1,688,000
Internal Improvements, 2017A	7/27/2017	10/1/2037	3.00% to 3.38%	9,310,000	7,520,000	-
Internal Improvements, 2018A	11/27/2018	10/1/2033	3.15% to 4.00%	2,090,000	1,630,000	-
Internal Improvements, 2019A	4/24/2019	10/1/2039	3.00% to 4.00%	11,090,000	10,015,000	-
Internal Improvements, 2020A	4/29/2020	10/1/2035	2.00% to 3.00%	5,210,000	2,727,000	1,408,000
Internal Improvements, 2020B	11/19/2020	10/1/2036	2.00% to 3.00%	8,450,000	3,533,000	3,252,000
Internal Improvements, 2021A	4/29/2021	10/1/2041	1.63% to 4.50%	7,645,000	7,420,000	-
Refunding, 2021B	9/8/2021	10/1/2034	1.15% to 2.00%	6,220,000	5,331,000	289,000
Internal Improvements, 2022A	4/28/2022	10/1/2042	2.5% to 4.00%	7,840,000	7,840,000	-
					\$ 62,508,000	\$ 6,637,000

The following is a detailed listing of the City's revenue bonds outstanding as of December 31, 2022:

Revenue Bonds - Primary Government					
Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original Issue	Business-type Activities Outstanding
Revenue & Refunding, 2019	9/11/2029	10/1/2031	3.00%	\$ 10,330,000	\$ 8,090,000

The following is a detailed listing of the City's loans payable as of December 31, 2022:

Loans Payable - Primary Government						
Purpose	Issue Date	Final Maturity	Interest Rates	Original Issue	Governmental Activities Outstanding	Business-type Activities Outstanding
Kansas Public Water Supply 2629	8/1/2014	8/1/2034	2.12%	\$ 8,562,911	\$ -	\$ 5,286,080
Kansas Public Water Supply 2917	8/15/2018	2/1/2040	2.33%	32,000,000	-	28,422,912
Kansas Public Water Supply 2957	7/2/2018	2/1/2040	2.33%	4,250,000	-	3,544,914
Kansas Public Water Supply 2997	7/7/2020	8/1/2041	1.43%	4,250,000	-	2,784,646
Kansas Water Pollution Control 2049	2/22/2021	9/1/2042	1.30%	31,500,000	-	2,707,614
Kansas Water Pollution Control 2050	12/11/2018	3/1/2035	2.54%	2,250,000	-	1,052,391
Dakotas Note A	7/27/2016	12/10/2050	1.58%	6,016,500	6,016,500	-
Dakotas Note B	7/27/2016	12/10/2050	1.58%	2,623,500	2,623,500	-
CNMC Note A	7/27/2016	12/10/2050	1.58%	2,674,000	2,674,000	-
CNMC Note B	7/27/2016	12/10/2050	1.58%	1,326,000	1,326,000	-
					\$ 12,640,000	\$ 43,798,557

City of Salina, Kansas
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The following is a detailed listing of the long-term debt outstanding of Salina Airport Authority, a component unit of the City, as of December 31, 2022:

General Obligation Bonds - Component Units

Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original	
				Issue	Outstanding
Internal Improvement & Refunding, 2015A	8/28/2015	9/1/2025	1.50% to 3.55%	\$ 3,075,000	\$ 255,000
Taxable Refunding, 2017A	7/12/2017	9/1/2030	1.61% to 3.35%	10,255,000	9,420,000
Refunding, 2017B	7/12/2017	9/1/2031	2.00% to 3.00%	4,835,000	4,710,000
Refunding, 2019A	10/10/2019	9/1/2029	2.10% to 3.10%	675,000	490,000
Taxable Refunding, 2019B	10/10/2019	9/1/2023	2.80% to 3.00%	3,455,000	870,000
Refunding, 2021A	8/17/2021	9/1/2031	0.25% to 2.00%	2,345,000	2,200,000
Less: Unamortized bond premium					13,209
Plus: Unamortized bond discount					(52,479)
					\$ 17,905,730

Temporary Notes - Component Units

Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original	
				Issue	Outstanding
Internal Improvements, 2020-1	9/1/2020	9/1/2023	0.48%	\$ 2,100,000	\$ 2,100,000
Taxable, 2021-1	11/10/2021	9/1/2023	0.45%	3,545,000	3,545,000
Taxable, 2022-1	7/1/2022	7/1/2023	2.25%	1,000,000	1,000,000
					\$ 6,645,000

Financed Purchase Agreement - Component Units

Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original	
				Issue	Outstanding
Building 824 Improvements	8/12/2020	9/1/2030	3.30%	\$ 460,000	\$ 379,258

Annual debt service requirements to maturity for general obligation bonds:

General Obligation Bonds - Primary Government

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
	2023	\$ 5,353,000	\$ 1,899,852	\$ 7,252,852	\$ 952,000	\$ 176,765
2024	5,392,000	1,587,816	6,979,816	873,000	140,525	1,013,525
2025	5,195,000	1,432,854	6,627,854	805,000	118,312	923,312
2026	4,717,000	1,279,937	5,996,937	593,000	97,309	690,309
2027	4,562,000	1,137,532	5,699,532	558,000	81,857	639,857
2028 - 2032	19,250,000	3,874,260	23,124,260	1,845,000	228,729	2,073,729
2033 - 2037	14,599,000	1,546,848	16,145,848	1,011,000	47,476	1,058,476
2038 - 2042	3,440,000	190,200	3,630,200	-	-	-
Total	\$ 62,508,000	\$ 12,949,299	\$ 75,457,299	\$ 6,637,000	\$ 890,973	\$ 7,527,973

City of Salina, Kansas
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Annual debt service requirements to maturity for revenue bonds to be paid with utility revenues:

Year Ending December 31,	Revenue Bonds - Primary Government		
	Business-type Activities		
	Principal	Interest	Total
2023	\$ 795,000	\$ 242,700	\$ 1,037,700
2024	820,000	218,850	1,038,850
2025	845,000	194,250	1,039,250
2026	870,000	168,900	1,038,900
2027	895,000	142,800	1,037,800
2028 - 2031	3,865,000	293,850	4,158,850
Total	<u>\$ 8,090,000</u>	<u>\$ 1,261,350</u>	<u>\$ 9,351,350</u>

Annual debt service requirements to maturity of the for loans payable:

Year Ending December 31,	Total
2023	\$ -
2024	-
2025	-
2026	616,140
2027	616,140
Thereafter	11,407,720
	<u>\$ 12,640,000</u>

City of Salina, Kansas
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December 31, 2022

Annual debt service requirements to maturity of the long-term debt outstanding of the City's component unit, the Salina Airport Authority, as of December 31, 2022:

General Obligation Bonds - Component Units

Year Ending December 31,	Principal	Interest	Total
2023	\$ 8,355,000	\$ 546,911	\$ 8,901,911
2024	1,760,000	454,540	2,214,540
2025	1,810,000	411,120	2,221,120
2026	1,865,000	363,633	2,228,633
2027	1,905,000	312,193	2,217,193
2028 - 2032	8,215,000	687,076	8,902,076
2033 - 2036	680,000	33,795	713,795
Total	<u>\$ 24,590,000</u>	<u>\$ 2,809,268</u>	<u>\$ 27,399,268</u>

Financed Purchase Agreement - Component Units

Year Ending December 31,	Principal	Interest	Total
2023	\$ 42,157	\$ 12,171	\$ 54,328
2024	43,560	10,768	54,328
2025	45,009	9,318	54,327
2026	46,507	7,821	54,328
2027	48,055	6,273	54,328
2028 - 2030	153,970	7,697	161,667
Total	<u>\$ 379,258</u>	<u>\$ 54,048</u>	<u>\$ 433,306</u>

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:

Loans Payable - Primary Government

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2023	\$ 391,228	\$ 110,002	\$ 501,230
2024	399,566	101,664	501,230
2025	408,082	93,148	501,230
2026	416,779	84,451	501,230
2027	425,662	75,569	501,231
Thereafter	3,244,763	263,850	3,508,613
Total	<u>\$ 5,286,080</u>	<u>\$ 728,684</u>	<u>\$ 6,014,764</u>

City of Salina, Kansas
Notes to Financial Statements
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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, 2022, 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, 2022, the note balance was \$2,623,500.

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, 2022, 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, 2022, the note balance was \$1,326,000.

City of Salina, Kansas
Notes to Financial Statements
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As of December 31, 2022, the principal balance of these four loans was \$12,240,905.

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.

Premises lease. On July 27, 2016, SFH QalicB, as lessor, entered into a lease agreement with the City, as lessee, for the use of the Salina Field House, as defined in the Net Lease agreement (the "Property"). 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, 2022, SFH QalicB earned \$492,917 of rental income under the terms of the Net Lease. As of December 31, 2022, rental income of \$109,737 remained receivable from the City. The lease has been reported as an intra-entity lease. Accordingly, the reporting requirements of GASB 87 do not apply and the appropriate eliminations have been made.

The following is a schedule, by year, of total minimum lease payments by the City to SFH QalicB under the lease as of December 31, 2022:

Premises Lease between QalicB and City	
Year Ending December 31,	Lease Payment
2023	\$ 162,500
2024	227,500
2025	227,500
2026	650,000
2027	650,000
2028 - 2032	3,250,000
2033 - 2037	3,250,000
2038 - 2042	3,250,000
2043 - 2046	2,275,000
Total	<u>\$ 13,942,500</u>

City of Salina, Kansas
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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. The lease does not qualify for GASB 87 reporting.

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.

In connection with the issuance of STAR bonds, the City of Salina and the State of Kansas entered 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, 2022, the outstanding balances for the 2018-A and 2018-B were \$16,585,000 and \$4,320,000, respectively.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Leases

Vehicle Leases			
Year Ending December 31,	Principal	Interest	Total
2023	\$ 148,302	\$ 5,932	\$ 154,234
2024	142,599	11,636	154,235
2025	137,114	17,121	154,235
2026	130,654	22,193	152,847
2027	90,362	19,577	109,939
Total	\$ 649,031	\$ 76,459	\$ 725,490

During fiscal year 2022, the City implemented Governmental Accounting Standards Board Statement No. 87, Leases (GASB 87). Leases having a greater than twelve month lease term are analyzed to determine if the arrangement is subject to GASB 87. If the City is found to be either the lessee or the lessor in the agreement, GASB 87 accounting principles are applied. Adoption of GASB 87 had no effect on the City's beginning net position or fund balances at January 1, 2022.

Note 7: Interfund Transfers

A reconciliation of interfund transfers follows:

	Transfer In	Transfer Out
General	\$ 5,806,300	\$ 1,540,000
Tourism and convention	-	902,791
Special gas	160,000	-
Sales tax capital	-	10,333,850
Bicentennial center	861,861	-
Debt service	1,925,930	-
Arts & Humanity	520,000	-
Sales Tax Economic Development	750,000	-
Solid waste disposal	42,500	701,700
Water and sewer	5,178,672	9,068,422
Sanitation	-	497,350
Golf course	10,000	-
Parks Maintenance	2,020,000	-
Fleet Management	1,000,000	-
Street Maintenance	3,750,000	-
Building and Facilities Maintenance	870,500	-
Kenwood Cove Capital	68,350	-
Central garage	80,000	-
	\$ 23,044,113	\$ 23,044,113
Total transfers	\$ 23,044,113	\$ 23,044,113

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

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 8: 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 the financial statements of the City as of December 31, 2022.

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 9: 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, 2022.

<u>Project</u>	<u>Authorization</u>	<u>Expenditures</u>
Downtown Streetscape	\$ 12,787,597	\$ 12,327,367
Smoky Hill River Renewal	12,165,000	3,639,274
S Well Field & WTP Phase 1	41,500,000	31,112,703
Rehab Pump St 28,29/Repl 28 Face Main	550,000	-
Northbound 9th Street Bridge	2,000,000	2,307,696
Smoky Hill Greenway Trail	435,637	62,362
Chorine Building 2 Roof Replacement	35,000	-
2019 Water Main Replacement	4,000,000	2,436,516
Magnolia Hills Estates II	1,575,240	13,785
Stone Lake Phase 2	670,166	456,485
Stone Lake Phase 3A	1,647,053	3,368
Sound Garden Oakdale Park	10,046	10,046
Wheatland Valley - Specials	5,474,790	9,000
WWTP Owners Rep	896,790	447,919
WWTP Improvement PH I	879,193	3,577,149
Public Safety Communication System	2,361,323	2,434,573
2021 Pavement Sealing	460,000	400,607
TPEC Improvements (Floor/HVAC)	170,246	578,367
5th Street Parking Lot	467,963	444,476
Pool Tennis Court Remodel	864,000	15,807
2021 Water Main Replacement	2,000,000	-
Campbell Plaza	300,000	282,473
Magnolia Road Sidewalk	250,000	20,430
Automated Sanitation Trucks	1,600,000	1,560,781
SH River Trail Raise	250,000	59,645
Cedar Point Addition	1,017,910	750
Holmes Road Magnolia to Crawford	250,000	121,970
West Magnolia - Centennial to 135	267,290	117,804
Winn Road Culvert Replacement	193,510	28,050
Bill Burke Restrooms	400,000	23,080
Bill Burke Improvements	3,600,000	83,687
Markley Trail BFRA	65,000	338
	<u>\$ 99,143,754</u>	<u>\$ 62,576,508</u>

City of Salina, Kansas
Notes to Financial Statements
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Note 10: Pollution Remediation Obligations

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 statement of net position date. The \$2,372,698 reported as landfill closure and postclosure care liability as of December 31, 2022, represents the cumulative amount reported to date based on the use of 26.6% of the estimated capacity of the landfill.

The City's solid waste fund will recognize the remaining estimated cost of closure and postclosure care of \$8,918,907 as the remaining estimated capacity is filled over the remaining life expectancy of 179.2 years.

These amounts are based on what it would cost to perform all closure and postclosure care in 2022. 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 postclosure care costs will be provided through the normal budgeting and rate setting process, including the issuance of general obligation bonds, if necessary.

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, thus no liability is recorded related to this remediation as of December 31, 2022.

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 received

City of Salina, Kansas
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by the City during the year ended December 31, 2021 and was recorded as restricted fund balance as of December 31, 2022. No liability has been accrued as of December 31, 2022 due to the uncertainty of the amounts required to mitigate the property.

Note 11: Pension Plans

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 Annual Comprehensive Financial Report, which is available on the KPERs website at 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

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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.

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, 2022.

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 8.9% for KPERS and 22.99% for KP&F for the year ended December 31, 2022. Member contribution rates as a percentage of eligible compensation for the fiscal year 2022 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, 2022, 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, 2022.

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The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the City's proportion for the Local employees group was 0.733%, which was a decrease of .032% from its proportion measured at June 30, 2021. At June 30, 2022, the City's proportion for the Police and Firemen group was 1.878%, which was a decrease of .104% from its proportion measured at June 30, 2021.

Net Pension Liability. At December 31, 2022, the City and its component units reported a liability of \$41,665,800 for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

The total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Salary increases, including wage increases	3.50% to 12.00% including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

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, 2021, valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2017, through December 31, 2019. The experience study is dated January 26, 2023.

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equities	23.5%	5.20%
Non-US Equities	23.5%	6.40%
Private Equity	8.0%	9.50%
Private Real Estate	11.0%	4.45%
Yield Driven	8.0%	4.70%
Real Return	11.0%	3.25%
Fixed Income	11.0%	1.55%
Short Term Investments	4.0%	0.25%
	<u>100.0%</u>	

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Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The 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.

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 7.00%, 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 (6.200%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Local	\$ 20,946,725	\$ 14,581,450	\$ 9,278,252
Police & Firemen	37,150,150	27,084,350	18,709,024
	\$ 58,096,875	\$ 41,665,800	\$ 27,987,276

For the year ended December 31, 2022, the City recognized Local pension expense of \$1,747,091 and Police and Firemen pension expense of \$3,672,711, 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 \$33,484 and \$1,969, respectively.

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Deferred Outflows of Resources and Deferred Inflows of Resources. As of December 31, 2022, 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:

Local	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 551,531	\$ 26,137
Net differences between projected and actual earnings on investments	1,234,319	-
Changes in assumptions	2,330,761	-
Changes in proportion	372,737	751,693
Total	<u>\$ 4,489,348</u>	<u>\$ 777,830</u>

Police and Firemen	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 1,149,350	\$ -
Net differences between projected and actual earnings on investments	1,858,833	-
Changes in assumptions	3,480,514	-
Changes in proportion	-	1,372,156
Total	<u>\$ 6,488,697</u>	<u>\$ 1,372,156</u>

Local	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 12,548	\$ 2,878
Net differences between projected and actual earnings on investments	-	112,883
Changes in assumptions	62,577	-
Changes in proportion	44,343	7,683
Total	<u>\$ 119,468</u>	<u>\$ 123,444</u>

Local	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 35,631	\$ 1,689
Net differences between projected and actual earnings on investments	79,742.00	-
Changes in assumptions	150,577	-
Changes in proportion	70,327	22,516
Total	<u>\$ 336,277</u>	<u>\$ 24,205</u>

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\$2,441,561 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, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Local Deferred (Inflows) Outflows Amount	Police & Firemen Deferred (Inflows) Outflows Amount	Total
2023	\$ 960,082	\$ 1,481,479	\$ 2,441,561
2024	891,664	1,292,913	2,184,577
2025	423,408	517,834	941,242
2026	1,373,261	1,778,217	3,151,478
2027	63,103	46,098	109,201
	<u>\$ 3,711,518</u>	<u>\$ 5,116,541</u>	<u>\$ 8,828,059</u>

\$40,163 and \$84,492 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, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Housing Authority Deferred (Inflows) Outflows Amount	Airport Authority Deferred (Inflows) Outflows Amount	Total
2023	\$ 40,163	\$ 84,492	\$ 124,655
2024	2,858	74,688	77,546
2025	2,586	48,970	51,556
2026	(15,882)	98,745	82,863
2027	4,135	5,177	9,312
	<u>\$ 33,860</u>	<u>\$ 312,072</u>	<u>\$ 345,932</u>

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.

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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.

Note 12: 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, \$146,926 is considered to be due within one year.

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

	<u>2022</u>	<u>2021</u>
Unpaid claims, January 1	\$ 366,796	\$ 446,495
Incurred claims (including IBNRs)	734,629	989,033
Claim payments	(701,647)	(1,068,732)
Unpaid claims, December 31	<u>\$ 399,778</u>	<u>\$ 366,796</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.

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

	2022	2021
Unpaid claims, January 1	\$ 417,000	\$ 605,000
Incurred claims (including IBNRs)	5,640,514	4,560,880
Claim payments	(5,652,514)	(4,748,880)
Unpaid claims, December 31	\$ 405,000	\$ 417,000

Note 13: Other Postemployment Healthcare Benefits

Plan Description (OPEB)

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 benefit payment requirements of plan participants and the City are established and amended by the City. The required payments are based on projected pay-as-you-go financing requirements. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

As of December 31, 2022, the following employees were covered by the benefit terms:

Active employees	440
Retirees and covered spouses	29
Total	469

The total OPEB liability of \$3,976,239 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021.

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The total OPEB liability in the December 31, 2021, 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, 2021
Actuarial cost method	Entry age normal as a level percentage of payroll	
Inflation		2.75%
Salary increases		3.50%
Discount rate		2.06%
	Medical: 5.90% for 2021, decreasing 0.50% per year year to an ultimate rate of 3.7% for 2074	
Healthcare cost trend rates	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.

Changes in the total OPEB liability are as follows:

Balance, January 1, 2022	\$	4,072,184
Service cost		282,579
Interest		90,906
Benefit paid		(134,193)
Economic/demographic gains/losses		(495,935)
Changes in assumptions		160,698
Balance, December 31, 2022	<u>\$</u>	<u>3,976,239</u>

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 (1.06%) or one percentage point higher (3.06%) than the current discount rate:

	<u>1% Decrease</u> <u>(1.06%)</u>	<u>Discount rate</u> <u>(2.06%)</u>	<u>1% Increase</u> <u>(3.06%)</u>
Total OPEB Liability	<u>\$ 4,361,588</u>	<u>\$ 3,976,239</u>	<u>\$ 3,623,200</u>

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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:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB Liability	\$ 3,409,594	\$ 3,976,239	\$ 4,633,927

For the year ended December 31, 2022, the City recognized OPEB expense of \$336,083.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2022, 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	\$ 443,642	\$ (100,964)
Differences between expected and actual experience	-	(606,779)
Total	\$ 443,642	\$ (707,743)

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

Year Ended June 30,	Deferred (Inflows) Outflows Amount
2023	\$ (37,402)
2024	(37,402)
2025	(37,402)
2026	(40,210)
2027	(42,055)
2028+	(69,630)
Total	\$ (264,101)

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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.

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 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

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

Employees covered by benefit terms. As of June 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Active employees	263
Disabled members	<u>3</u>
Total	<u><u>266</u></u>

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Total OPEB Liability. The City and its component units reported a total KPERS OPEB liability of \$408,297 as of December 31, 2022, was measured as of June 30, 2022, and was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions:

Valuation date	December 31, 2021
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)	3.54%

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

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-2021. The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study for the period of January 1, 2017 through December 31, 2019. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2021, KPERS pension valuation.

The changes in the total OPEB liability are as follows:

	Total KPERS OPEB Liability			
	City	Housing Authority	Airport Authority	Total
Balance, January 1, 2022	\$ 505,029	\$ 7,868	\$ 13,911	\$ 526,808
Service cost	55,188	1,835	3,837	60,860
Interest	11,870	215	382	12,467
Effect of economic/demographic gains or losses	(72,452)	(1,984)	(6,203)	(80,639)
Changes in assumptions	(86,805)	11	(2,924)	(89,718)
Benefit payments	(21,481)	-	-	(21,481)
Balance, December 31, 2022	<u>\$ 391,349</u>	<u>\$ 7,945</u>	<u>\$ 9,003</u>	<u>\$ 408,297</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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability - City	\$ 409,102	\$ 391,349	\$ 373,779
Total OPEB Liability - Housing Authority	8,117	7,945	7,718
Total OPEB Liability - Airport Authority	9,277	9,003	8,692

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For the year ended June 30, 2022, the City recognized OPEB expense of \$38,875.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2022, 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	\$ 48,285	\$ (242,805)	\$ -	\$ (6,636)	\$ -	\$ (14,767)
Changes of assumptions	31,304	(84,895)	276	(139)	699	(2,732)
Total	<u>\$ 79,589</u>	<u>\$ (327,700)</u>	<u>\$ 276</u>	<u>\$ (6,775)</u>	<u>\$ 699</u>	<u>\$ (17,499)</u>

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 June 30,	City	Housing Authority	Airport Authority
2023	\$ (28,183)	\$ (914)	\$ (2,251)
2024	(28,183)	(914)	(2,251)
2025	(28,183)	(914)	(2,251)
2026	(27,878)	(914)	(2,243)
2027	(29,424)	(909)	(2,101)
Thereafter	(106,260)	(1,934)	(5,703)
Total	<u>\$ (248,111)</u>	<u>\$ (6,499)</u>	<u>\$ (16,800)</u>

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Note 14: Tax Abatements

In 2021, 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.

Company	Abatement		%	2022 Tax Abated
	Start	End		
Salina Vortex Corp (facility improvements)	2015	2024	37.50%	\$ 3,023
Great Plains Mfg. (facility improvements)	2014	2023	50%	2,238
Veris Technologies (facility addition/improvements)	2015	2024	50%	495
Twin Oaks (facility addition/improvements)	2015	2024	50%	647
				\$ 6,403

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

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	2022 Reimbursements	
				Sales Tax	Property Tax
Downtown	Promote, stimulate and develop the general and economic welfare of a major commercial entertainment and tourism area	2016	2036	\$ -	\$ 215,115
Total				<u>\$ -</u>	<u>\$ 215,115</u>

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.

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

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	2022 Eligible Reimbursement Amount
South 9th Street	2.00%	3/1/2016	12/31/2037	Assist with improvements to hotel and conference center	\$ 293,657
Alley	1.00%	10/1/2019	9/30/2041	Assist with building of family entertainment facility in downtown	18,684
Downtown	1.00%	7/1/2019	6/30/2041	Assist with Revitalization of Downtown Corridor	167,356
Downtown Hotel	1.00%	10/1/2019	9/30/2041	Assist with building of downtown hotel	96,599
North 9th Street	2.00%	7/1/2021	6/30/2043	Assist with improvements to hotel and conference center	37,531
					\$ 613,827

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.

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

The City of Salina approves NRAs on an individual basis.

Neighborhood Revitalization Act (NRA)

Property/Business Name	Address	Type	2022 Rebate Paid
Heritage at Hawthorne Partners	715 N. 9th Street	Com	\$ 2,181
Sergio Guzman-Polanco & Rosa Sanchez	241 N. Front Street	Res	114
Overland Property Group	254 N. Santa Fe Ave	Com	3,966
Yvette Gelinis	1115 N. 8th Street	Res	113
Latisha Pierce	705 N. 2nd Street	Res	114
Tanya Shiehzadeh	703 N. 2nd Street	Res	118
Robert & Brenda Burns	1205 N. 4th Street	Res	134
Property Partners LLC	116 & 118 N. Santa Fe (2nd Floor Loft Apartments)	Com	818
Phill Hemmer	2035 E. Iron Avenue, Unit #203R	Res	923
AP Property Holdings, LLC	201 E. Iron Avenue	Com	4,992
Gregory Davis	156-158 N. 11th Street	Res	287
Micheal Money	2035 E. Iron Avenue, Unit #206R	Res	641
Micheal Money	2036 E. Iron Avenue, Unit #205R	Res	138
Mark Martin Living Trust	2035 E. Iron #104R	Res	541
Traniesh Byrd	701 N. 2nd Street	Res	114
Jana Endsley	1321 N. 3rd Street	Res	194
Kanesha Samilton	214 W. Grand Avenue	Res	279
Maria E Padilla	810 N. 5th Street	Res	277
JK Webb Properties LLC	120 S. Santa Fe Avenue	Com	2,110
Alan and Nancy Franzen	1413 Arapahoe	Res	187
Brandon Sears	900 N. 12th Street	Res	42
Santa Fe Properties, LLC	131 N. Santa Fe Avenue/128 S. Santa Fe Avenue	Com	4,527
Ceecee Investments LLC	200 S. Santa Fe Avenue	Com	662
Rusty A Leister Living Trust	600 N. Santa Fe Avenue	Com	2,190
Christopher Helm	608 N. 11th Street	Res	81
Christopher Helm	752 N. Broadway	Com	2,815
Laurie Donmyer	255 N. Columbia	Res	379
Eva Wright	1200 N. 8th	Res	265
Foley Equipment Co.	2225 N. Ohio St	Com	15,931
Mark Ritter	2035 E. Iron #108R	Res	1,724
Angelica Farris	846 Choctaw Ave	Res	285
Christopher Vogel	2035 E. Iron #209R	Res	903
Christopher Helm	619 N. 5th Street	Com	776
HPSA, LLC.	501 Bhakta Court	Com	5,871
Jordan Bressel	2035 E. Iron #106R	Res	245
Mary C. Roth	2035 E. Iron #208R	Res	1,302
John & Kristen Gunn	2035 E Iron #106R	Res	1,365
TJTM, Inc.	2035 E Iron #005R	Res	268
TJTM, Inc.	2035 E Iron #004R	Res	132
TJTM, Inc.	2035 E Iron #003R	Res	396
TJTM, Inc.	2035 E Iron #002R	Res	353
TJTM, Inc.	2035 E Iron #001R	Res	158
TJTM, Inc.	2035 E Iron #301BR	Res	304
TJTM, Inc.	2035 E Iron #301AR	Res	175
TJTM, Inc.	2035 E Iron #006R	Res	394
Greg Huston & Terry Swearingen	1025 W Crawford	Com	1,954
Kevin & Rebecca Poland	601 Johnstown	Res	76
TJTM, Inc.	2035 E Iron #202R	Res	229
TJTM, Inc.	2035 E Iron #302R	Res	183
TJTM, Inc.	2035 E Iron #105R	Res	272
Timothy Rickman	719 E Ash	Res	163
Troy Vancil	853 Navaho	Res	66
TJTM, Inc.	2035 E Iron #213C	Res	79
Donnie Marrs	2035 E Iron #300R	Res	969
GWM Rentals LLC	809 W Ash	Res	145
Lamont Outland	201 E. Iron Avenue	Res	121
Michelle Bunch	156-158 N. 11th Street	Res	129
Jermaine and Tykea Polk	701 N. 2nd Street	Res	152
Mary Marshall	2035 E. Iron #105R	Res	106
Angela Fishburn	1219 N. 8th Street	Res	108
Salina Office Station	356 N. Santa Fe	Com	1,094
			<u>\$ 65,634</u>

City of Salina, Kansas
Notes to Financial Statements
December 31, 2022

Note 15: Prior Period Adjustment

During 2022, construction in progress for Business-type Activities was found to be understated. The 2022 beginning net position for the Water and Sewer fund was increased by \$17,275,573 for this error. Change in net position for the Business-type Activities and the Water and Sewer funds for the year ended December 31, 2021, was not impacted.

Required Supplementary Information

City of Salina, Kansas
Other Postemployment Benefits
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	Measurement Year				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 282,579	\$ 244,531	\$ 231,391	\$ 249,957	\$ 226,762
Interest (on the total OPEB liability)	90,906	104,082	150,552	125,877	128,578
Benefit paid	(134,193)	(122,821)	(159,018)	(157,465)	(265,000)
Economic/demographic gains/losses	(495,935)	-	(255,426)	-	-
Changes in assumptions	160,698	231,338	128,228	(186,344)	90,918
Net Change in Total OPEB Liability	(95,945)	457,130	95,727	32,025	181,258
Total OPEB Liability – Beginning	4,072,184	3,615,054	3,519,327	3,487,302	3,306,044
Total OPEB Liability – Ending	<u>\$ 3,976,239</u>	<u>\$ 4,072,184</u>	<u>\$ 3,615,054</u>	<u>\$ 3,519,327</u>	<u>\$ 3,487,302</u>
 Covered Employee Payroll	 \$ 25,166,069	 \$ 25,163,639	 \$ 25,163,639	 \$ 25,232,129	 \$ 24,740,225
 Total OPEB liability as a percentage of covered-employee payroll	 15.80%	 16.18%	 14.37%	 13.95%	 14.10%
 Actuarially determined contribution	 <u>\$ 134,193</u>	 <u>\$ 122,821</u>	 <u>\$ 159,018</u>	 <u>\$ 157,465</u>	 <u>\$ 265,000</u>
 Actual contribution	 <u>\$ 134,193</u>	 <u>\$ 122,821</u>	 <u>\$ 159,018</u>	 <u>\$ 157,465</u>	 <u>\$ 265,000</u>
 Contributions as a percentage of covered payroll	 0.53%	 0.49%	 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
Other Postemployment Benefits - KPERS
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	Measurement Year				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 55,188	\$ 64,709	\$ 57,185	\$ 52,863	\$ 52,380
Interest (on the total OPEB liability)	11,870	14,404	19,037	22,667	17,061
Benefit paid	(21,481)	(151,608)	17,086	(95,243)	75,173
Economic/demographic gains/losses	(72,452)	984	37,368	7,614	(6,574)
Changes in assumptions	(86,805)	(20,904)	(39,627)	(28,432)	(30,368)
Net Change in Total OPEB Liability	(113,680)	(92,415)	91,049	(40,531)	107,672
Total OPEB Liability – Beginning	505,029	597,444	506,395	546,926	439,254
Total OPEB Liability – Ending	<u>\$ 391,349</u>	<u>\$ 505,029</u>	<u>\$ 597,444</u>	<u>\$ 506,395</u>	<u>\$ 546,926</u>
Covered Employee Payroll	<u>\$ 13,877,624</u>	<u>\$ 12,482,683</u>	<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	2.82%	4.05%	4.17%	3.62%	4.01%
Actuarially determined contribution	<u>\$ 134,612</u>	<u>\$ 135,087</u>	<u>\$ 144,746</u>	<u>\$ 135,087</u>	<u>\$ 109,466</u>
Actual contribution	<u>\$ 134,612</u>	<u>\$ 135,087</u>	<u>\$ 144,746</u>	<u>\$ 135,087</u>	<u>\$ 109,466</u>
Contributions as a percentage of covered payroll	0.97%	1.08%	1.01%	0.97%	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
KPERS Pension Plan
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	Measurement Year							
	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability								
Local	0.764%	0.761%	0.811%	0.079%	0.796%	0.766%	0.701%	0.733%
Police & Fire	2.258%	2.180%	2.191%	2.081%	2.074%	2.038%	1.982%	1.878%
City's proportionate share of the net pension liability								
Local	\$ 10,027,679	\$ 11,770,679	\$ 11,753,246	\$ 11,014,328	\$ 11,123,112	\$ 13,290,226	\$ 8,409,377	\$ 14,581,450
Police & Fire	\$ 16,395,794	\$ 20,251,512	\$ 20,546,882	\$ 20,019,473	\$ 20,993,820	\$ 25,135,770	\$ 18,910,472	\$ 27,084,350
City's covered-employee payroll								
Local	\$ 12,931,197	\$ 13,251,236	\$ 13,548,056	\$ 13,944,989	\$ 14,366,294	\$ 14,948,415	\$ 13,436,992	\$ 14,200,661
Police & Fire	\$ 10,161,866	\$ 10,730,033	\$ 10,593,419	\$ 10,441,055	\$ 10,859,219	\$ 11,285,465	\$ 10,970,505	\$ 11,241,597
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%	62.58%	102.68%
Police & Fire	161.35%	188.74%	193.96%	191.74%	193.33%	222.73%	172.38%	240.93%
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%	81.14%	70.66%
Police & Fire	74.60%	69.30%	70.99%	71.53%	71.22%	66.81%	76.09%	66.12%

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

City of Salina, Kansas
KPERS Pension Plan
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution								
Local	\$ 1,256,217	\$ 1,243,711	\$ 1,179,745	\$ 1,205,334	\$ 1,328,915	\$ 1,156,925	\$ 1,259,601	\$ 1,309,782
Police & Fire	2,527,995	2,361,273	1,986,933	2,181,617	2,497,473	2,405,832	2,563,084	2,553,522
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	1,259,601	1,309,782
Police & Fire	2,527,995	2,361,273	1,986,933	2,181,617	2,497,473	2,405,832	2,563,084	2,553,522
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	\$ 14,200,661	\$ 14,716,651
Police & Fire	\$ 10,730,033	\$ 10,593,419	\$ 10,441,055	\$ 10,859,219	\$ 11,285,465	\$ 10,970,505	\$ 11,241,597	\$ 11,107,098
Contributions as a percentage of covered employee payroll								
Local	9.48%	9.18%	8.46%	8.39%	8.89%	8.61%	8.87%	8.90%
Police & Fire	23.56%	22.29%	19.03%	20.09%	22.13%	21.93%	22.80%	22.99%

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

Combining Schedules and Individual Fund Statements

**City of Salina, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Permanent Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 15,889,341	\$ 548,172	\$ -	\$ 16,437,513
Receivables				
Accounts	3,069,338	-	-	3,069,338
Total assets	<u>18,958,679</u>	<u>548,172</u>	<u>-</u>	<u>19,506,851</u>
Liabilities and Fund Balances				
Accounts payable	919,900	-	-	919,900
Accrued expenditures	14,559	-	-	14,559
Unearned revenue	-	-	-	-
Due to other funds	20,000	-	-	20,000
Total liabilities	<u>954,459</u>	<u>-</u>	<u>-</u>	<u>954,459</u>
Fund Balances				
Restricted	3,937,773	-	-	3,937,773
Committed	11,900,011	548,172	-	12,448,183
Assigned	2,166,424	-	-	2,166,424
Unassigned	12	-	-	12
Total fund balances	<u>18,004,220</u>	<u>548,172</u>	<u>-</u>	<u>18,552,392</u>
 Total liabilities and fund balances	 <u>\$ 18,958,679</u>	 <u>\$ 548,172</u>	 <u>\$ -</u>	 <u>\$ 19,506,851</u>

City of Salina, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Permanent Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,543,388	\$ -	\$ -	\$ 4,543,388
Intergovernmental	2,740,030	-	-	2,740,030
Charges for services	954,184	12,602	-	966,786
Licenses and permits	14,600	-	-	14,600
Investment revenue	42,378	1,982	-	44,360
Donations	104,558	-	-	104,558
Miscellaneous	697,126	-	-	697,126
Total revenues	<u>9,096,264</u>	<u>14,584</u>	<u>-</u>	<u>9,110,848</u>
Expenditures				
Current				
Culture and recreation	2,273,867	-	-	2,273,867
Public safety	697,328	-	-	697,328
Public health and sanitation	313,223	-	-	313,223
Planning and development	2,047,963	-	-	2,047,963
Miscellaneous	10,000	25,388	800	36,188
Debt Service				
Interest and other charges	200,129	-	-	200,129
Capital Outlay	6,084,394	-	-	6,084,394
Total expenditures	<u>11,626,904</u>	<u>25,388</u>	<u>800</u>	<u>11,653,092</u>
Deficiency of revenues under expenditures	<u>(2,530,640)</u>	<u>(10,804)</u>	<u>(800)</u>	<u>(2,542,244)</u>
Other Financing Sources (Uses)				
Transfers in	10,000,711	-	-	10,000,711
Transfers out	(902,791)	-	-	(902,791)
Total other financing sources (uses)	<u>9,097,920</u>	<u>-</u>	<u>-</u>	<u>9,097,920</u>
Net Change in Fund Balances	6,567,280	(10,804)	(800)	6,555,676
Fund Balances, Beginning	<u>11,436,940</u>	<u>558,976</u>	<u>800</u>	<u>11,996,716</u>
Fund Balances, Ending	<u>\$ 18,004,220</u>	<u>\$ 548,172</u>	<u>\$ -</u>	<u>\$ 18,552,392</u>

City of Salina, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Tourism and Convention	Special Gas	Bicentennial Center	Business Improvement District	Neighborhood Park	Special Parks & Recreation	Special Alcohol	Community Development Revolving	Sales Tax Economic Development	Downtown TIF District #1	South 9th CID
Assets											
Cash and cash equivalents	\$ 316,830	\$ 2,901,387	\$ 447,078	\$ 6,651	\$ 47,821	\$ 484,334	\$ 234	\$ 186,307	\$ 897,844	\$ 1,705,824	\$ 27,933
Receivables											
Accounts	723,614	369,446	-	-	-	-	-	-	-	-	-
Total assets	1,040,444	3,270,833	447,078	6,651	47,821	484,334	234	186,307	897,844	1,705,824	27,933
Liabilities and fund balances											
Liabilities:											
Accounts payable	-	204,846	210,472	2,960	1,380	-	-	-	-	-	-
Accrued expenditures	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	204,846	210,472	2,960	1,380	-	-	-	-	-	-
Fund balances:											
Restricted	1,040,444	2,246,841	-	3,691	-	432,161	234	186,307	-	-	-
Committed	-	-	203,087	-	46,441	-	-	-	897,844	1,705,824	27,933
Assigned	-	819,146	33,519	-	-	52,173	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	1,040,444	3,065,987	236,606	3,691	46,441	484,334	234	186,307	897,844	1,705,824	27,933
Total liabilities and fund balances	\$ 1,040,444	\$ 3,270,833	\$ 447,078	\$ 6,651	\$ 47,821	\$ 484,334	\$ 234	\$ 186,307	\$ 897,844	\$ 1,705,824	\$ 27,933

City of Salina, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2022

	Downtown CID	Alley CID	Downtown Hotel CID	North 9th CID	STAR Bonds Subprojects	State Grants	911 Communications	Kenwood Cove Capital	Special Law Enforcement	Police Grants
Assets										
Cash and cash equivalents	\$ 470,426	\$ 1,405	\$ 7,933	\$ 3,383	\$ 2,000,000	\$ 248,460	\$ 626,865	\$ 70,053	\$ 82	\$ 3,479
Receivables										
Accounts	-	-	-	-	-	-	-	-	-	-
Total assets	470,426	1,405	7,933	3,383	2,000,000	248,460	626,865	70,053	82	3,479
Liabilities and fund balances										
Liabilities:										
Accounts payable	19,393	1,405	7,931	-	-	-	6,551	137	-	-
Accrued expenditures	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	19,393	1,405	7,931	-	-	-	6,551	137	-	-
Fund balances:										
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	451,033	-	2	3,383	2,000,000	248,460	571,299	68,631	82	3,479
Assigned	-	-	-	-	-	-	49,015	1,285	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	451,033	-	2	3,383	2,000,000	248,460	620,314	69,916	82	3,479
Total liabilities and fund balances	\$ 470,426	\$ 1,405	\$ 7,933	\$ 3,383	\$ 2,000,000	\$ 248,460	\$ 626,865	\$ 70,053	\$ 82	\$ 3,479

City of Salina, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2022

	SFH QalicB	D.A.R.E Donations	War Memorial Maintenance	Arts & Humanities	Federal CARE Grant	Police Department Federal Forfeiture Funds	Homeowners' Assistance	Private Grants	Animal Shelter Donations	Special Assessments Escrow	Court Bond and Restitution
Assets											
Cash and cash equivalents	\$ 185,087	\$ 29,485	\$ 30,944	\$ 107,400	\$ 26,141	\$ 99	\$ 21,910	\$ 1,954	\$ 601,320	\$ 116,682	\$ 26,840
Receivables											
Accounts	1,975,778	500	-	-	-	-	-	-	-	-	-
Total assets	2,160,865	29,985	30,944	107,400	26,141	99	21,910	1,954	601,320	116,682	26,840
Liabilities and fund balances											
Liabilities:											
Accounts payable	13,823	-	-	4,269	-	-	-	-	458	-	-
Accrued expenditures	-	-	-	14,559	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	20,000	-	-	-	-	-	-	-	-	-	-
Total liabilities	33,823	-	-	18,828	-	-	-	-	458	-	-
Fund balances:											
Restricted	-	-	-	-	26,141	-	-	1,954	-	-	-
Committed	2,127,042	29,985	30,944	88,572	-	99	21,910	-	600,862	116,682	26,840
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	2,127,042	29,985	30,944	88,572	26,141	99	21,910	1,954	600,862	116,682	26,840
Total liabilities and fund balances	\$ 2,160,865	\$ 29,985	\$ 30,944	\$ 107,400	\$ 26,141	\$ 99	\$ 21,910	\$ 1,954	\$ 601,320	\$ 116,682	\$ 26,840

City of Salina, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2022

	Police Investigation Account	Citizenship	DTF Local	DTF Reserve	Beechcraft Remediation Settlement	Bail Bond Escrow	Parks Maintenance	Fleet Management	Street Maintenance	Building and Facilities Maintenance	Totals
Assets											
Cash and cash equivalents	\$ 3,385	\$ 70,160	\$ 29,692	\$ 53,401	\$ 12	\$ 1,135	\$ 1,368,266	\$ 735,084	\$ 1,288,814	\$ 737,201	\$ 15,889,341
Receivables	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-	3,069,338
Total assets	<u>3,385</u>	<u>70,160</u>	<u>29,692</u>	<u>53,401</u>	<u>12</u>	<u>1,135</u>	<u>1,368,266</u>	<u>735,084</u>	<u>1,288,814</u>	<u>737,201</u>	<u>18,958,679</u>
Liabilities and fund balances											
Liabilities:											
Accounts payable	-	-	4,209	-	-	-	13,265	-	379,322	49,479	919,900
Accrued expenditures	-	-	-	-	-	-	-	-	-	-	14,559
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	20,000
Total liabilities	<u>-</u>	<u>-</u>	<u>4,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,265</u>	<u>-</u>	<u>379,322</u>	<u>49,479</u>	<u>954,459</u>
Fund balances:											
Restricted	-	-	-	-	-	-	-	-	-	-	3,937,773
Committed	3,385	70,160	25,483	53,401	-	1,135	917,638	735,084	236,001	587,290	11,900,011
Assigned	-	-	-	-	-	-	437,363	-	673,491	100,432	2,166,424
Unassigned	-	-	-	-	12	-	-	-	-	-	12
Total fund balances	<u>3,385</u>	<u>70,160</u>	<u>25,483</u>	<u>53,401</u>	<u>12</u>	<u>1,135</u>	<u>1,355,001</u>	<u>735,084</u>	<u>909,492</u>	<u>687,722</u>	<u>18,004,220</u>
Total liabilities and fund balances	<u>\$ 3,385</u>	<u>\$ 70,160</u>	<u>\$ 29,692</u>	<u>\$ 53,401</u>	<u>\$ 12</u>	<u>\$ 1,135</u>	<u>\$ 1,368,266</u>	<u>\$ 735,084</u>	<u>\$ 1,288,814</u>	<u>\$ 737,201</u>	<u>\$ 18,958,679</u>

City of Salina, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Tourism and Convention	Special Gas	Bicentennial Center	Business Improvement District	Neighborhood Park	Special Parks & Recreation	Special Alcohol	Community Development Revolving	Sales Tax Economic Development	Downtown TIF District #1	South 9th CID
Revenues											
Taxes	\$ 2,453,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,490	\$ 850,345	\$ 285,121
Intergovernmental	-	1,444,399	-	-	-	259,238	259,238	-	-	-	-
Charges for services	-	-	-	86,833	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	14,600	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-	3,903	70
Donations	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	93,830	38,979	-	-	-	-	-	-	-	14,530
Total revenues	2,453,194	1,538,229	38,979	86,833	14,600	259,238	259,238	-	423,490	854,248	299,721
Expenditures											
Current											
Culture and recreation	-	-	1,316,597	-	-	-	-	-	-	-	-
Public safety	-	440,495	-	-	-	-	-	-	-	-	-
Public health and sanitation	-	-	-	-	-	-	259,238	-	-	-	-
Planning and development	1,113,444	-	-	83,720	-	-	-	-	-	245,058	273,506
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	553,684	-	-	12,280	257,847	-	-	373,001	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,113,444	994,179	1,316,597	83,720	12,280	257,847	259,238	-	373,001	245,058	273,506
Excess (deficiency) of revenues over (under) expenditures	1,339,750	544,050	(1,277,618)	3,113	2,320	1,391	-	-	50,489	609,190	26,215
Other Financing Sources (Uses)											
Transfers in	-	160,000	861,861	-	-	-	-	-	750,000	-	-
Transfers out	(902,791)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(902,791)	160,000	861,861	-	-	-	-	-	750,000	-	-
Net Change in Fund Balances	436,959	704,050	(415,757)	3,113	2,320	1,391	-	-	800,489	609,190	26,215
Fund Balances, Beginning	603,485	2,361,937	652,363	578	44,121	482,943	234	186,307	97,355	1,096,634	1,718
Fund Balances, Ending	\$ 1,040,444	\$ 3,065,987	\$ 236,606	\$ 3,691	\$ 46,441	\$ 484,334	\$ 234	\$ 186,307	\$ 897,844	\$ 1,705,824	\$ 27,933

City of Salina, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Downtown CID	Alley CID	Downtown Hotel CID	North 9th CID	STAR Bonds Subprojects	State Grants	911 Communications	Kenwood Cove Capital	Special Law Enforcement	Police Grants
Revenues										
Taxes	\$ 387,042	\$ 18,321	\$ 87,578	\$ 38,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	380,577	396,578	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Investment revenue	937	3	19	-	-	-	1,417	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	73,168	-	-	-	-	-
Total revenues	387,979	18,324	87,597	38,297	73,168	380,577	397,995	-	-	-
Expenditures										
Current										
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	232,864	-	-	-
Public health and sanitation	-	-	-	-	-	-	-	-	-	-
Planning and development	117,320	18,327	148,247	34,914	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	73,168	350,000	-	56,402	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	117,320	18,327	148,247	34,914	73,168	350,000	232,864	56,402	-	-
Excess (deficiency) of revenues over (under) expenditures	270,659	(3)	(60,650)	3,383	-	30,577	165,131	(56,402)	-	-
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	68,350	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	68,350	-	-
Net Change in Fund Balances	270,659	(3)	(60,650)	3,383	-	30,577	165,131	11,948	-	-
Fund Balances, Beginning	180,374	3	60,652	-	2,000,000	217,883	455,183	57,968	82	3,479
Fund Balances, Ending	\$ 451,033	\$ -	\$ 2	\$ 3,383	\$ 2,000,000	\$ 248,460	\$ 620,314	\$ 69,916	\$ 82	\$ 3,479

City of Salina, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	SFH QalicB	DARE Donations	War Memorial Maintenance	Arts & Humanities	Federal CARE Grant	Police Department Federal Forfeiture Funds	Homeowners' Assistance	Private Grants	Animal Shelter Donations	Special Assessments Escrow	Court Bond and Restitution
Revenues											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Charges for services	492,917	-	-	374,434	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	795	-	71	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	104,558	-	-
Miscellaneous	-	1,525	-	-	-	-	1,315	-	-	-	-
Total revenues	493,712	1,525	71	374,434	-	-	1,315	-	104,558	-	-
Expenditures											
Current											
Culture and recreation	-	-	-	957,270	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public health and sanitation	-	-	-	-	-	-	-	-	53,985	-	-
Planning and development	-	3,427	-	-	-	-	-	10,000	-	-	-
Miscellaneous	10,000	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Interest and other charges	200,129	-	-	-	-	-	-	-	-	-	-
Total expenditures	210,129	3,427	-	957,270	-	-	-	10,000	53,985	-	-
Excess (deficiency) of revenues over (under) expenditures	283,583	(1,902)	71	(582,836)	-	-	1,315	(10,000)	50,573	-	-
Other Financing Sources (Uses)											
Transfers in	-	-	-	520,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	520,000	-	-	-	-	-	-	-
Net Change in Fund Balances	283,583	(1,902)	71	(62,836)	-	-	1,315	(10,000)	50,573	-	-
Fund Balances, Beginning	1,843,459	31,887	30,873	151,408	26,141	99	20,595	11,954	550,289	116,682	26,840
Fund Balances, Ending	\$ 2,127,042	\$ 29,985	\$ 30,944	\$ 88,572	\$ 26,141	\$ 99	\$ 21,910	\$ 1,954	\$ 600,862	\$ 116,682	\$ 26,840

City of Salina, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Police Investigation Account	Citizenship	DTF Local	DTF Reserve	Beechcraft Remediation Settlement	Bail Bond Escrow	Parks Maintenance	Fleet Management	Street Maintenance	Building and Facilities Maintenance	Total Nonmajor Governmental Funds
Revenues											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,543,388
Intergovernmental	-	-	-	-	-	-	-	-	-	-	2,740,030
Charges for services	-	-	-	-	-	-	-	-	-	-	954,184
Licenses and permits	-	-	-	-	-	-	-	-	-	-	14,600
Investment revenue	-	35,085	-	-	78	-	-	-	-	-	42,378
Donations	-	-	-	-	-	-	-	-	-	-	104,558
Miscellaneous	-	-	22,296	5,678	-	-	-	2,415	443,390	-	697,126
Total revenues	-	35,085	22,296	5,678	78	-	-	2,415	443,390	-	9,096,264
Expenditures											
Current											
Culture and recreation	-	-	-	-	-	-	-	-	-	-	2,273,867
Public safety	-	-	23,969	-	-	-	-	-	-	-	697,328
Public health and sanitation	-	-	-	-	-	-	-	-	-	-	313,223
Planning and development	-	-	-	-	-	-	-	-	-	-	2,047,963
Miscellaneous	-	-	-	-	-	-	-	-	-	-	10,000
Capital Outlay	-	9,006	-	-	-	-	664,999	267,331	3,283,898	182,778	6,084,394
Interest and other charges	-	-	-	-	-	-	-	-	-	-	200,129
Total expenditures	-	9,006	23,969	-	-	-	664,999	267,331	3,283,898	182,778	11,626,904
Excess (deficiency) of revenues over (under) expenditures	-	26,079	(1,673)	5,678	78	-	(664,999)	(264,916)	(2,840,508)	(182,778)	(2,530,640)
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	2,020,000	1,000,000	3,750,000	870,500	10,000,711
Transfers out	-	-	-	-	-	-	-	-	-	-	(902,791)
Total other financing sources (uses)	-	-	-	-	-	-	2,020,000	1,000,000	3,750,000	870,500	9,097,920
Net Change in Fund Balances	-	26,079	(1,673)	5,678	78	-	1,355,001	735,084	909,492	687,722	6,567,280
Fund Balances, Beginning	3,385	44,081	27,156	47,723	(66)	1,135	-	-	-	-	11,436,940
Fund Balances, Ending	\$ 3,385	\$ 70,160	\$ 25,483	\$ 53,401	\$ 12	\$ 1,135	\$ 1,355,001	\$ 735,084	\$ 909,492	\$ 687,722	\$ 18,004,220

City of Salina, Kansas
Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2022

	<u>Cemetery Endowment</u>	<u>Mausoleum Endowment</u>	<u>Tricentennial Commission</u>	<u>Total</u>
Assets				
Cash and investments	\$ 546,085	\$ 2,085	\$ 2	\$ 548,172
Total assets	<u>546,085</u>	<u>2,085</u>	<u>2</u>	<u>548,172</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Committed	<u>546,085</u>	<u>2,085</u>	<u>2</u>	<u>548,172</u>
Total liabilities and fund balances	<u>\$ 546,085</u>	<u>\$ 2,085</u>	<u>\$ 2</u>	<u>\$ 548,172</u>

City of Salina, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended December 31, 2022

	<u>Cemetery Endowment</u>	<u>Mausoleum Endowment</u>	<u>Tricentennial Commission</u>	<u>Total</u>
Revenues				
Charges for services	\$ 12,602	\$ -	\$ -	\$ 12,602
Investment revenue	1,962	12	8	1,982
Total revenues	<u>14,564</u>	<u>12</u>	<u>8</u>	<u>14,584</u>
Expenditures				
Miscellaneous	<u>19,459</u>	-	<u>5,929</u>	<u>25,388</u>
Total expenditures	<u>19,459</u>	<u>-</u>	<u>5,929</u>	<u>25,388</u>
Net change in fund balances	(4,895)	12	(5,921)	(10,804)
Fund balances - beginning of year	<u>550,980</u>	<u>2,073</u>	<u>5,923</u>	<u>558,976</u>
Fund balances - end of year	<u>\$ 546,085</u>	<u>\$ 2,085</u>	<u>\$ 2</u>	<u>\$ 548,172</u>

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, 2022

	Workers' Compensation Reserve	Health Insurance	Central Garage and Maintenance	Total
Current assets:				
Cash and investments	\$ 1,077,472	\$ 3,855,846	\$ 339,078	\$ 5,272,396
Inventory and prepaid supplies	-	-	110,905	110,905
Total current assets	<u>1,077,472</u>	<u>3,855,846</u>	<u>449,983</u>	<u>5,383,301</u>
Capital assets				
Less: accumulated depreciation	-	-	168,234	168,234
Total capital assets	<u>-</u>	<u>-</u>	<u>154,325</u>	<u>154,325</u>
Total assets	<u>1,077,472</u>	<u>3,855,846</u>	<u>463,892</u>	<u>5,397,210</u>
Deferred outflows of resources:				
KPERS OPEB deferred outflows of resources	-	-	729	729
Pension deferred outflows of resources	-	-	50,723	50,723
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>51,452</u>	<u>51,452</u>
Total assets and deferred outflows of resources	<u>1,077,472</u>	<u>3,855,846</u>	<u>515,344</u>	<u>5,448,662</u>
Current liabilities:				
Accounts payable	124	-	60,364	60,488
Accrued expenses	-	23,801	8,659	32,460
Current portion of compensated absences payable	-	-	7,407	7,407
Current portion of accrued claims payable	16,944	405,000	-	421,944
Total current liabilities	<u>17,068</u>	<u>428,801</u>	<u>76,430</u>	<u>522,299</u>
Noncurrent liabilities:				
Compensated absences payable	-	-	9,206	9,206
Accrued claims payable	-	-	-	-
Net KPERS OPEB obligation	-	-	6,574	6,574
Net pension liability	-	-	161,523	161,523
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>177,303</u>	<u>177,303</u>
Total liabilities	<u>17,068</u>	<u>428,801</u>	<u>253,733</u>	<u>699,602</u>
Deferred inflows of resources				
KPERS OPEB deferred inflows of resources	-	-	5,505	5,505
Pension deferred inflows of resources	-	-	14,518	14,518
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>20,023</u>	<u>20,023</u>
Total liabilities and deferred inflows of resources	<u>17,068</u>	<u>428,801</u>	<u>273,756</u>	<u>719,625</u>
Net Position				
Net investment in capital assets, net of related debt	-	-	13,909	13,909
Unrestricted	1,060,404	3,427,045	227,679	4,715,128
Total net position	<u>\$ 1,060,404</u>	<u>\$ 3,427,045</u>	<u>\$ 241,588</u>	<u>\$ 4,729,037</u>

City of Salina, Kansas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2022

	Workers' Compensation Reserve	Health Insurance	Central Garage and Maintenance	Total
Operating Revenues				
Charges for services	\$ 250,000	\$ 6,220,586	\$ 1,552,263	\$ 8,022,849
Miscellaneous	1,203	23,899	1,121	26,223
Total operating revenues	<u>251,203</u>	<u>6,244,485</u>	<u>1,553,384</u>	<u>8,049,072</u>
Operating Expenses				
General government	(104,788)	6,254,166	1,759,268	7,908,646
Depreciation	-	-	-	-
Total operating expenses	<u>(104,788)</u>	<u>6,254,166</u>	<u>1,759,268</u>	<u>7,908,646</u>
Income (loss) before transfers	<u>355,991</u>	<u>(9,681)</u>	<u>(205,884)</u>	<u>140,426</u>
Transfers in	-	-	80,000	80,000
Change in net position	355,991	(9,681)	(125,884)	220,426
Net Position, Beginning	<u>704,413</u>	<u>3,436,726</u>	<u>367,472</u>	<u>4,508,611</u>
Net Position, Ending	<u>\$ 1,060,404</u>	<u>\$ 3,427,045</u>	<u>\$ 241,588</u>	<u>\$ 4,729,037</u>

City of Salina, Kansas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	<u>Workers' Compensation Reserve</u>	<u>Health Insurance</u>	<u>Central Garage</u>	<u>Total</u>
Operating Activities				
Cash received from customers and users	\$ 250,000	\$ 6,220,586	\$ 1,552,263	\$ 8,022,849
Cash paid to suppliers of goods and services	(244,941)	(6,266,166)	(1,762,048)	(8,273,155)
Cash paid to employees	-	23,801	(9,305)	14,496
Other operating receipts	1,203	23,899	1,121	26,223
Net cash provided by (used in) operating activities	<u>6,262</u>	<u>2,120</u>	<u>(217,969)</u>	<u>(209,587)</u>
Noncapital Financing Activities				
Transfers in	-	-	80,000	80,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Net increase (decrease) in cash and cash equivalents	6,262	2,120	(137,969)	(129,587)
Cash and Cash Equivalents, Beginning of Year	<u>1,071,210</u>	<u>3,853,726</u>	<u>477,047</u>	<u>5,401,983</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,077,472</u>	<u>\$ 3,855,846</u>	<u>\$ 339,078</u>	<u>\$ 5,272,396</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 355,991	\$ (9,681)	\$ (205,884)	\$ 140,426
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	-	-	-
(Increase) decrease in prepaids	-	-	25,470	25,470
(Increase) decrease in deferred outflows	-	-	(13,376)	(13,376)
Increase (decrease) in accounts payable	124	-	(19,591)	(19,467)
Increase (decrease) in accrued and claims payable	(180,863)	11,801	-	(169,062)
Increase (decrease) in accrued compensated absences	(168,990)	-	(7,449)	(176,439)
Increase (decrease) in net pension liability	-	-	55,614	55,614
Increase (decrease) in KPERS OPEB liability	-	-	(1,910)	(1,910)
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in deferred inflows	-	-	(50,843)	(50,843)
Total adjustments	<u>(349,729)</u>	<u>11,801</u>	<u>(12,085)</u>	<u>(350,013)</u>
Net cash provided by (used in) operating activities	<u>\$ 6,262</u>	<u>\$ 2,120</u>	<u>\$ (217,969)</u>	<u>\$ (209,587)</u>

City of Salina, Kansas

Budget Comparison Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non - GAAP Basis) Tourism and Convention Fund For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes				
Other taxes	\$ 1,754,000	\$ 2,333,000	\$ 2,453,194	\$ 120,194
Total revenues	1,754,000	2,333,000	2,453,194	120,194
Expenditures				
Current				
Planning and development	841,920	1,119,840	1,113,444	6,396
Total expenditures	841,920	1,119,840	1,113,444	6,396
Excess (deficiency) of revenues over (under) expenditures	912,080	1,213,160	1,339,750	126,590
Other Financing Sources (Uses)				
Transfers (out)	(912,080)	(1,213,160)	(902,791)	310,369
Total other financing sources (uses)	(912,080)	(1,213,160)	(902,791)	310,369
Net Change in Fund Balance	-	-	436,959	436,959
Fund Balance, Beginning	853	853	603,485	602,632
Fund Balance, Ending	\$ 853	\$ 853	\$ 1,040,444	\$ 1,039,591

City of Salina, Kansas
Budget Comparison Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual (Non - GAAP Basis)
Special Gas Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Taxes				
Intergovernmental	\$ 1,323,000	\$ 1,323,000	\$ 1,444,399	\$ 121,399
Miscellaneous	433,000	433,000	93,830	(339,170)
Total revenues	1,756,000	1,756,000	1,538,229	(217,771)
Expenditures				
Current				
Public works	486,950	486,950	440,495	46,455
Capital outlay	2,386,243	2,386,243	553,684	1,832,559
Total expenditures	2,873,193	2,873,193	994,179	1,879,014
Excess (deficiency) of revenues over (under) expenditures	(1,117,193)	(1,117,193)	544,050	1,661,243
Other Financing Sources (Uses)				
Transfers in	160,000	160,000	160,000	-
Total other financing sources (uses)	160,000	160,000	160,000	-
Net Change in Fund Balance	(957,193)	(957,193)	704,050	1,661,243
Fund Balance, Beginning	2,361,937	2,361,937	2,361,937	-
Fund Balance, Ending	\$ 1,404,744	\$ 1,404,744	\$ 3,065,987	\$ 1,661,243

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues				
Miscellaneous	\$ -	\$ 38,000	\$ 38,979	\$ 979
Total revenues	-	38,000	38,979	979
Expenditures				
Current				
Culture and recreation	925,000	1,350,000	1,316,597	33,403
Total expenditures	925,000	1,350,000	1,316,597	33,403
Excess (deficiency) of revenues over (under) expenditures	(925,000)	(1,312,000)	(1,277,618)	34,382
Other Financing Sources (Uses)				
Transfers in	710,400	862,000	861,861	(139)
Total other financing sources (uses)	710,400	862,000	861,861	(139)
Net Change in Fund Balance	(214,600)	(450,000)	(415,757)	34,243
Fund Balance, Beginning	396,628	643,173	652,363	9,190
Fund Balance, Ending	<u>\$ 182,028</u>	<u>\$ 193,173</u>	<u>\$ 236,606</u>	<u>\$ 43,433</u>

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 90,000	\$ 90,000	\$ 86,833	\$ (3,167)
Total revenues	90,000	90,000	86,833	(3,167)
Expenditures				
Current				
Planning and development	90,000	90,000	83,720	6,280
Total expenditures	90,000	90,000	83,720	6,280
Excess (deficiency) of revenues over (under) expenditures	-	-	3,113	3,113
Net Change in Fund Balance	-	-	3,113	3,113
Fund Balance, Beginning	578	578	578	-
Fund Balance, Ending	\$ 578	\$ 578	\$ 3,691	\$ 3,113

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Licenses and permits	\$ 5,000	\$ 15,000	\$ 14,600	\$ (400)
Total revenues	5,000	15,000	14,600	(400)
Expenditures				
Capital Outlay	10,000	15,000	12,280	2,720
Total expenditures	10,000	15,000	12,280	2,720
Excess (deficiency) of revenues over (under) expenditures	(5,000)	-	2,320	2,320
Net Change in Fund Balance	(5,000)	-	2,320	2,320
Fund Balance, Beginning	28,321	44,120	44,121	1
Fund Balance, Ending	\$ 23,321	\$ 44,120	\$ 46,441	\$ 2,321

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 174,000	\$ 174,000	\$ 259,238	\$ 85,238
Total revenues	<u>174,000</u>	<u>174,000</u>	<u>259,238</u>	<u>85,238</u>
Expenditures				
Capital Outlay	174,000	174,000	81,750	92,250
Total expenditures	<u>174,000</u>	<u>174,000</u>	<u>81,750</u>	<u>92,250</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	177,488	177,488
Net Change in Fund Balance	-	-	177,488	177,488
Fund Balance, Beginning	<u>482,943</u>	<u>482,943</u>	<u>482,943</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 482,943</u>	<u>\$ 482,943</u>	<u>\$ 660,431</u>	<u>\$ 177,488</u>
Reconciliation to GAAP				
Current year encumbrances			<u>(176,097)</u>	
GAAP Net Change in Fund Balance			<u>\$ 1,391</u>	

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 174,000	\$ 275,000	\$ 259,238	\$ (15,762)
Total revenues	<u>174,000</u>	<u>275,000</u>	<u>259,238</u>	<u>(15,762)</u>
Expenditures				
Current				
Public health and sanitation	174,000	275,000	259,238	15,762
Total expenditures	<u>174,000</u>	<u>275,000</u>	<u>259,238</u>	<u>15,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	<u>234</u>	<u>234</u>	<u>234</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ -</u>

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 366,000	\$ 366,000	\$ 423,490	\$ 57,490
Total revenues	<u>366,000</u>	<u>366,000</u>	<u>423,490</u>	<u>57,490</u>
Expenditures				
Capital Outlay	1,045,000	1,045,000	373,001	671,999
Total expenditures	<u>1,045,000</u>	<u>1,045,000</u>	<u>373,001</u>	<u>671,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(679,000)</u>	<u>(679,000)</u>	<u>50,489</u>	<u>729,489</u>
Other Financing Sources (Uses)				
Transfers in	750,000	750,000	750,000	-
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net Change in Fund Balance	71,000	71,000	800,489	729,489
Fund Balance, Beginning	<u>97,355</u>	<u>97,355</u>	<u>97,355</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 168,355</u>	<u>\$ 168,355</u>	<u>\$ 897,844</u>	<u>\$ 729,489</u>

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 326,000	\$ 326,000	\$ 374,434	\$ 48,434
Miscellaneous	37,000	37,000	-	(37,000)
Total revenues	363,000	363,000	374,434	11,434
Expenditures				
Current				
Culture and recreation	993,017	993,017	957,270	35,747
Total expenditures	993,017	993,017	957,270	35,747
Excess (deficiency) of revenues over (under) expenditures	(630,017)	(630,017)	(582,836)	47,181
Other Financing Sources (Uses)				
Transfers in	645,500	645,500	520,000	(125,500)
Total other financing sources (uses)	645,500	645,500	520,000	(125,500)
Net Change in Fund Balance	15,483	15,483	(62,836)	(78,319)
Fund Balance, Beginning	151,408	151,408	151,408	-
Fund Balance, Ending	\$ 166,891	\$ 166,891	\$ 88,572	\$ (78,319)

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes				
Real estate taxes	\$ 3,342,920	\$ 3,342,920	\$ 2,991,642	\$ (351,278)
Delinquent taxes	50,000	50,000	33,912	(16,088)
Motor vehicle taxes	358,394	358,394	361,121	2,727
Special assessments	1,435,600	1,435,600	1,409,833	(25,767)
Total revenues	<u>5,186,914</u>	<u>5,186,914</u>	<u>4,968,707</u>	<u>(218,207)</u>
Expenditures				
Debt service				
Principal retirement	4,712,000	4,712,000	5,005,734	(293,734)
Interest and other charges	1,989,000	1,989,000	1,804,561	184,439
Total expenditures	<u>6,701,000</u>	<u>6,701,000</u>	<u>6,810,295</u>	<u>(109,295)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,514,086)</u>	<u>(1,514,086)</u>	<u>(1,841,588)</u>	<u>(327,502)</u>
Other Financing Sources (Uses)				
Transfers in	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,925,930</u>	<u>300,930</u>
Total other financing sources (uses)	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,925,930</u>	<u>300,930</u>
Net Change in Fund Balance	110,914	110,914	84,342	(26,572)
Fund Balance, Beginning	<u>2,111,664</u>	<u>2,111,664</u>	<u>2,111,664</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,222,578</u>	<u>\$ 2,222,578</u>	<u>\$ 2,196,006</u>	<u>\$ (26,572)</u>

City of Salina, Kansas
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non – GAAP Basis)
Solid Waste Disposal Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Charges for services	\$ 2,454,000	\$ 3,150,000	\$ 4,047,428	\$ 897,428
Miscellaneous	-	-	51,972	51,972
Total revenues	2,454,000	3,150,000	4,099,400	949,400
Expenditures				
Public works	2,331,442	2,681,439	639,495	2,041,944
Total expenditures	2,331,442	2,681,439	773,737	1,907,702
Excess (deficiency) of revenues over (under) expenditures	122,558	468,561	3,325,663	2,857,102
Other financing sources (uses)				
Accretion of board premium	-	-	24,078	24,078
Interest expense	(57,268)	(57,268)	(38,071)	19,197
Transfers in	612,000	650,000	42,500	(607,500)
Transfers (out)	(636,700)	(636,700)	(701,700)	(65,000)
Total other financing sources (uses)	(81,968)	(43,968)	(673,193)	(629,225)
Net Change in Fund Balance	40,590	424,593	2,652,470	2,227,877
Fund Balance, Beginning	5,429,823	6,225,330	5,666,666	(558,664)
Fund Balance, Ending	\$ 5,470,413	\$ 6,649,923	\$ 8,319,136	\$ 1,669,213

City of Salina, Kansas
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non – GAAP Basis)
Water and Sewer Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 19,964,700	\$ 19,964,700	\$ 21,839,834	\$ 1,875,134
Miscellaneous	4,000	4,000	2,902,407	2,898,407
Total revenues	<u>19,968,700</u>	<u>19,968,700</u>	<u>24,742,241</u>	<u>4,773,541</u>
Expenditures				
Public works	18,966,281	18,966,281	10,883,710	8,082,571
Depreciation	-	-	3,711,786	(3,711,786)
Total expenditures	<u>18,966,281</u>	<u>18,966,281</u>	<u>14,595,496</u>	<u>4,370,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,002,419</u>	<u>1,002,419</u>	<u>10,146,745</u>	<u>9,144,326</u>
Other financing sources (uses)				
Accretion of board premium	-	-	81,336	81,336
Interest expense	-	-	(1,370,866)	(1,370,866)
Transfers in	144,400	144,400	5,178,672	5,034,272
Transfers (out)	(5,343,790)	(5,343,790)	(9,068,422)	(3,724,632)
Total other financing sources (uses)	<u>(5,199,390)</u>	<u>(5,199,390)</u>	<u>(5,179,280)</u>	<u>20,110</u>
Net Change in Fund Balance	(4,196,971)	(4,196,971)	4,967,465	9,164,436
Fund Balance, Beginning	<u>102,959,063</u>	<u>102,959,063</u>	<u>102,959,063</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 98,762,092</u>	<u>\$ 98,762,092</u>	<u>\$ 107,926,528</u>	<u>\$ 9,164,436</u>

City of Salina, Kansas
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non – GAAP Basis)
Sanitation Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 3,229,000	\$ 3,229,000	\$ 3,474,084	\$ 245,084
Total revenues	3,229,000	3,229,000	3,474,114	245,114
Expenditures				
Public works	2,771,622	2,771,622	2,516,563	255,059
Total expenditures	2,771,622	2,771,622	2,675,420	96,202
Excess (deficiency) of revenues over (under) expenditures	457,378	457,378	798,694	341,316
Other financing sources (uses)				
Transfers (out)	(619,454)	(619,454)	(497,350)	122,104
Total other financing sources (uses)	(619,454)	(619,454)	(497,350)	122,104
Net Change in Fund Balance	(162,076)	(162,076)	301,344	463,420
Fund Balance, Beginning	1,862,045	1,862,045	1,862,045	-
Fund Balance, Ending	\$ 1,699,969	\$ 1,699,969	\$ 2,163,389	\$ 463,420

City of Salina, Kansas
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non – GAAP Basis)
Golf Course Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 882,000	\$ 882,000	\$ 784,528	\$ (97,472)
Total revenues	882,000	882,000	857,376	(24,624)
Expenditures				
Recreation	850,110	971,110	870,812	100,298
Total expenditures	850,110	971,110	915,796	55,314
Excess (deficiency) of revenues over (under) expenditures	31,890	(89,110)	(58,420)	30,690
Other financing sources (uses)				
Transfers in	-	10,000	10,000	-
Total other financing sources (uses)	-	10,000	10,000	-
Net Change in Fund Balance	31,890	(79,110)	(48,420)	30,690
Fund Balance, Beginning	51,692	80,898	317,306	236,408
Fund Balance, Ending	\$ 83,582	\$ 1,788	\$ 268,886	\$ 267,098

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Miscellaneous	100	100	1,203	1,103
Total revenues	250,100	250,100	251,203	1,103
Expenditures				
General government	430,418	430,418	(104,788)	535,206
Total expenditures	430,418	430,418	(104,788)	535,206
Excess (deficiency) of revenues over (under) expenditures	(180,318)	(180,318)	355,991	536,309
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(180,318)	(180,318)	355,991	536,309
Fund Balance, Beginning	704,413	704,413	704,413	-
Fund Balance, Ending	\$ 524,095	\$ 524,095	\$ 1,060,404	\$ 536,309

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 7,268,999	\$ 7,268,999	\$ 6,220,586	\$ (1,048,413)
Miscellaneous	49,500	49,500	23,899	(25,601)
Total revenues	<u>7,318,499</u>	<u>7,318,499</u>	<u>6,244,485</u>	<u>(1,074,014)</u>
Expenditures				
General government	<u>7,136,300</u>	<u>7,136,300</u>	<u>6,254,166</u>	<u>882,134</u>
Total expenditures	<u>7,136,300</u>	<u>7,136,300</u>	<u>6,254,166</u>	<u>882,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>182,199</u>	<u>182,199</u>	<u>(9,681)</u>	<u>(191,880)</u>
Net Change in Fund Balance	<u>182,199</u>	<u>182,199</u>	<u>(9,681)</u>	<u>(191,880)</u>
Fund Balance, Beginning	<u>3,436,726</u>	<u>3,436,726</u>	<u>3,436,726</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,618,925</u>	<u>\$ 3,618,925</u>	<u>\$ 3,427,045</u>	<u>\$ (191,880)</u>

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Charges for services	\$ 1,510,400	\$ 1,625,000	\$ 1,552,263	\$ (72,737)
Miscellaneous	-	-	1,121	1,121
Total revenues	1,510,400	1,625,000	1,553,384	(71,616)
Expenditures				
General government	1,504,200	1,888,550	1,759,268	129,282
Total expenditures	1,504,200	1,888,550	1,759,268	129,282
Excess (deficiency) of revenues over (under) expenditures	6,200	(263,550)	(205,884)	57,666
Other financing sources (uses)				
Transfers in	-	-	80,000	80,000
Total other financing sources (uses)	-	-	80,000	80,000
Net Change in Fund Balance	6,200	(263,550)	(125,884)	137,666
Fund Balance, Beginning	327,853	394,425	367,472	(26,953)
Fund Balance, Ending	\$ 334,053	\$ 130,875	\$ 241,588	\$ 110,713

Statistical Section

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

	Fiscal Year																			
	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Governmental activities																				
Net investment in capital assets																				
assets	\$ 116,585	90%	\$ 115,589	90%	\$ 130,401	122%	\$ 124,635	108%	\$ 129,921	105%	\$ 144,846	109%	\$ 151,527	110%	\$ 143,559	100%	\$ 143,768	64%	\$ 142,399	63%
Restricted	1,210	1%	876	1%	1,224	1%	1,738	1%	2,012	2%	2,366	2%	1,670	1%	2,267	2%	69,368	31%	68,338	30%
Unrestricted	<u>11,682</u>	9%	<u>11,413</u>	9%	<u>(24,922)</u>	-23%	<u>(10,505)</u>	-9%	<u>(8,232)</u>	-7%	<u>(13,759)</u>	-10%	<u>(14,839)</u>	-11%	<u>(1,744)</u>	-1%	<u>9,997</u>	4%	<u>15,706</u>	7%
Total governmental activities net position	<u>\$ 129,477</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>\$ 144,082</u>	100%	<u>\$ 223,133</u>	100%	<u>\$ 226,443</u>	100%
Business-type activities																				
Net investment in capital assets																				
Restricted	57,103	75%	61,721	75%	68,107	80%	62,427	71%	63,316	71%	62,368	69%	63,301	68%	63,742	66%	56,004	60%	75,933	64%
Unrestricted	<u>17,794</u>	23%	<u>19,545</u>	24%	<u>15,610</u>	18%	<u>23,621</u>	27%	<u>24,255</u>	27%	<u>26,503</u>	29%	<u>28,883</u>	31%	<u>31,692</u>	33%	<u>36,394</u>	39%	<u>41,398</u>	35%
Total business-type activities net position	<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>\$ 96,609</u>	100%	<u>\$ 93,530</u>	100%	<u>\$ 118,678</u>	100%
Primary government																				
Net investment in capital assets																				
Restricted	173,688	84%	177,310	84%	198,508	103%	187,062	92%	193,237	91%	207,214	93%	214,828	93%	207,301	86%	199,772	63%	218,331	63%
Unrestricted	<u>29,476</u>	14%	<u>30,958</u>	15%	<u>(9,312)</u>	-5%	<u>13,116</u>	6%	<u>16,023</u>	8%	<u>12,744</u>	6%	<u>14,044</u>	6%	<u>29,948</u>	12%	<u>46,391</u>	15%	<u>57,105</u>	17%
Total primary government net position	<u>\$ 205,927</u>	100%	<u>\$ 210,656</u>	100%	<u>\$ 191,932</u>	100%	<u>\$ 203,428</u>	100%	<u>\$ 212,784</u>	100%	<u>\$ 223,836</u>	100%	<u>\$ 231,910</u>	100%	<u>\$ 240,691</u>	100%	<u>\$ 316,663</u>	100%	<u>\$ 345,121</u>	100%

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

City of Salina, Kansas

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)(in 000's)

Schedule 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 10,978	\$ 12,175	\$ 10,743	\$ 9,188	\$ 9,780	\$ 12,013	\$ 10,866	\$ 10,395	\$ 16,098	\$ 16,479
Public safety	19,649	20,208	21,084	22,232	23,120	23,892	25,358	24,672	23,877	29,381
Public works	11,064	11,401	9,049	9,773	10,345	10,458	10,529	10,511	16,335	11,141
Public health and sanitation	1,369	347	995	1,095	1,126	1,256	1,156	1,323	2,315	1,883
Culture and recreation	4,809	5,156	6,517	6,612	6,880	7,040	6,879	5,034	6,305	8,145
Planning and development	3,399	3,236	1,915	2,047	1,835	2,369	2,522	2,004	2,289	3,415
Interest on long term debt	1,953	1,817	1,774	2,971	1,725	2,117	2,169	2,350	2,827	2,152
Total governmental activities expenses	\$ 53,221	\$ 54,340	\$ 52,077	\$ 53,918	\$ 54,811	\$ 59,145	\$ 59,479	\$ 56,289	\$ 70,046	\$ 72,596
Business-type activities:										
Solid waste disposal	3,532	1,867	1,766	2,335	2,365	2,382	2,871	2,056	1,836	788
Water and sewer	15,418	14,938	11,712	14,807	15,650	15,190	14,551	13,386	13,310	15,885
Sanitation	2,237	2,399	1,909	2,043	2,178	2,419	2,313	2,526	3,655	2,675
Golf course	768	837	821	792	852	926	888	805	878	916
Total business-type activities expenses	\$ 21,955	\$ 20,041	\$ 16,208	\$ 19,977	\$ 21,045	\$ 20,917	\$ 20,623	\$ 18,773	\$ 19,679	\$ 20,264
Total primary government expenses	\$ 75,176	\$ 74,381	\$ 68,285	\$ 73,895	\$ 75,856	\$ 80,062	\$ 80,102	\$ 75,062	\$ 89,725	\$ 92,860
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 5,548	\$ 5,662	\$ 3,151	\$ 3,134	\$ 3,470	\$ 3,569	\$ 3,401	\$ 3,339	\$ 3,440	\$ (25,653)
Public safety	4,656	4,222	4,600	4,891	4,601	4,815	4,357	4,325	4,527	4,926
Public works	277	255	193	238	348	285	309	294	415	408
Public health and sanitation	34	46	46	44	50	47	46	49	63	60
Culture and recreation	1,466	1,533	1,501	1,638	1,541	1,545	1,514	279	1,070	968
Planning and development	161	167	73	140	91	150	104	113	114	300
Operating grants and contributions	4,200	4,015	3,394	4,332	4,541	4,299	4,540	4,714	4,711	3,407
Capital grants and contributions	-	-	-	733	-	-	-	-	-	-
Total governmental activities program revenues	\$ 16,342	\$ 15,900	\$ 12,958	\$ 15,150	\$ 14,642	\$ 14,710	\$ 14,271	\$ 13,113	\$ 14,340	\$ (15,585)
Business-type activities:										
Charges for services										
Solid waste disposal	3,138	3,024	2,519	2,795	3,165	3,097	3,082	3,290	3,549	4,047
Water and sewer	17,938	18,742	19,059	19,322	19,855	20,202	20,510	19,449	21,241	21,840
Sanitation	2,514	2,553	2,529	2,751	2,885	3,006	3,325	3,194	3,422	3,474
Golf course	719	811	820	789	798	756	810	581	790	785
Capital grants and contributions	-	115	-	-	-	-	-	-	-	-
Total business-type activities program revenues	\$ 24,309	\$ 25,245	\$ 24,927	\$ 25,657	\$ 26,703	\$ 27,061	\$ 27,727	\$ 26,514	\$ 29,002	\$ 30,146
Total primary government program revenues	\$ 40,651	\$ 41,145	\$ 37,885	\$ 40,807	\$ 41,345	\$ 41,771	\$ 41,998	\$ 39,627	\$ 43,342	\$ 14,561
Net (Expense) Revenue	\$ (34,525)	\$ (33,236)	\$ (30,400)	\$ (33,088)	\$ (34,511)	\$ (38,291)	\$ (38,104)	\$ (35,435)	\$ (46,383)	\$ (78,299)
General Revenues & Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, general purpose	\$ 8,031	\$ 8,315	\$ 8,242	\$ 8,196	\$ 9,101	\$ 8,623	\$ 9,708	\$ 10,308	\$ 10,821	\$ 10,706
Property taxes, debt service	2,362	2,578	2,766	3,022	2,487	2,457	2,664	3,058	3,065	2,992
Motor vehicle taxes	1,200	1,250	1,312	1,370	1,372	1,428	1,403	1,520	1,643	2,014
Sales tax, general purpose	12,260	12,689	12,931	12,781	12,906	13,292	13,419	13,697	15,315	16,698
Selective sales tax	4,281	4,461	4,558	4,901	8,832	8,917	9,323	9,751	11,405	14,979
Other taxes	6,630	7,231	7,363	7,991	6,900	7,241	6,975	6,117	7,116	7,438
Investment revenues	67	98	86	148	92	183	670	286	158	487
Miscellaneous	9,918	1,160	2,371	5,842	2,003	1,062	1,168	8,328	2,405	(28)
Transfers, net	999	787	3,819	3,600	4,309	4,831	4,781	5,133	16,681	5,036
Total governmental activities program revenues	\$ 45,748	\$ 38,569	\$ 43,448	\$ 47,851	\$ 48,002	\$ 48,034	\$ 50,111	\$ 58,198	\$ 68,609	\$ 60,321
Business-type activities:										
Investment revenues	\$ 49	\$ 51	\$ 56	\$ 78	\$ 129	\$ 233	\$ -	\$ 4	\$ -	\$ -
Miscellaneous	279	97	-	-	103	153	846	446	2,416	3,027
Reimbursements	-	180	132	79	-	-	-	-	-	-
Transfers, net	(950)	-	(3,781)	(3,581)	(4,367)	(4,831)	(4,781)	(5,133)	(16,681)	(5,036)
Total business-type activities program revenues	\$ (622)	\$ 328	\$ (3,593)	\$ (3,424)	\$ (4,135)	\$ (4,445)	\$ (3,935)	\$ (4,683)	\$ (14,265)	\$ (2,009)
Total primary government	\$ 45,126	\$ 38,897	\$ 39,855	\$ 44,427	\$ 43,867	\$ 43,589	\$ 46,176	\$ 53,515	\$ 54,344	\$ 58,312
Change in Net Position										
Governmental activities	\$ 8,869	\$ 129	\$ 4,329	\$ 9,083	\$ 7,833	\$ 3,599	\$ 4,903	\$ 15,022	\$ 12,903	\$ (27,860)
Business-type activities	1,732	5,532	5,126	2,256	1,523	1,699	3,169	3,058	(4,942)	7,873
Total primary government	\$ 10,601	\$ 5,661	\$ 9,455	\$ 11,339	\$ 9,356	\$ 5,298	\$ 8,072	\$ 18,080	\$ 7,961	\$ (19,987)

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 81	\$ 107	\$ 111	\$ 131	\$ 153	\$ 152	\$ 212	\$ 184	\$ 168	\$ 157
Assigned	331	239	199	136	214	340	274	244	152	358
Unreserved/unassigned	3,138	3,908	4,530	4,765	6,516	6,251	8,821	14,714	20,743	25,314
Total general fund	<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>	<u>\$ 21,063</u>	<u>\$ 25,828</u>
All other governmental funds										
Restricted	\$ 3,446	\$ 2,910	\$ 2,793	\$ 3,142	\$ 4,191	\$ 4,648	\$ 5,224	\$ 4,980	\$ 72,025	\$ 67,558
Committed	7,486	9,886	8,695	14,284	10,072	7,325	8,086	13,225	16,597	20,074
Assigned	3,146	1,280	619	1,043	641	1,227	963	1,965	1,587	9,522
Unreserved/unassigned	-	-	(10,537)	(6,823)	(28)	(852)	(7,804)	(4,028)	(1,058)	(2,794)
Total all other governmental funds	<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>\$ 16,142</u>	<u>\$ 89,151</u>	<u>\$ 94,360</u>

Note 1: Committed fund balance increased due to changes from the implementation of GASB Statement 84 in fiscal year 2020.

Note 2: Restricted fund balance increased due to the City receiving \$65.9 million from the federal government in 2021, restricted for the environmental cleanup of the former Schilling Air Force Base.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes (see Schedule 5)	\$ 34,764	\$ 36,523	\$ 37,171	\$ 38,261	\$ 41,597	\$ 41,958	\$ 43,492	\$ 44,452	\$ 49,364	\$ 53,416
Intergovernmental	4,192	4,008	3,385	4,325	4,536	4,297	4,573	5,317	70,892	4,785
Special assessments	1,706	1,810	1,679	1,669	1,539	1,546	1,596	1,511	1,405	1,410
Licenses and permits	9	7	10	7	6	3	4	5	10	15
Charges for services	8,536	8,276	6,416	6,953	6,880	7,338	6,804	5,557	6,710	7,547
Investment revenue	40	59	47	142	79	157	670	286	158	461
Reimbursements	9,015	123	491	1,406	-	-	-	-	-	105
Donations	-	241	83	141	111	238	90	129	90	1,701
Miscellaneous	810	799	1,853	4,315	1,851	884	1,545	5,656	1,898	-
Total revenues	\$ 59,072	\$ 51,846	\$ 51,135	\$ 57,219	\$ 56,599	\$ 56,421	\$ 58,774	\$ 62,913	\$ 130,527	\$ 69,439
Expenditures										
General government	\$ 4,269	\$ 3,986	\$ 5,342	\$ 5,422	\$ 5,423	\$ 5,649	\$ 4,582	\$ 5,506	\$ 5,630	\$ 6,783
Public safety	19,155	19,559	21,268	21,664	21,629	22,953	23,692	22,435	23,215	25,522
Public works	7,220	7,443	5,333	5,778	6,048	6,162	6,136	6,082	6,166	5,847
Public health and sanitation	1,344	319	982	1,078	1,097	1,236	1,121	1,280	2,296	1,654
Culture and recreation	3,939	4,292	5,659	5,817	6,143	6,255	6,047	4,245	5,317	6,299
Planning and development	3,293	3,232	1,910	2,042	1,801	2,185	2,311	1,794	2,078	2,751
Miscellaneous	-	-	-	-	-	-	-	1,354	2	36
Capital outlay	13,047	11,009	25,527	24,001	18,281	16,344	21,913	12,041	24,939	12,629
Debt service										
Principal	5,038	5,261	6,250	17,902	5,088	14,243	10,324	5,164	10,550	8,616
Interest	1,867	1,864	1,833	3,152	1,771	2,192	2,136	2,366	2,411	2,126
Deposit to escrow	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 59,172	\$ 56,965	\$ 74,104	\$ 86,856	\$ 67,281	\$ 77,219	\$ 78,262	\$ 62,267	\$ 82,604	\$ 72,263
Other financing sources (uses)										
Bonds and notes issued	\$ 5,690	\$ 5,365	\$ 6,825	\$ 34,892	\$ 11,490	\$ 8,090	\$ 11,090	\$ 8,720	\$ 13,813	\$ 7,840
Bond and note premium	185	302	369	1,503	95	70	443	468	592	1
Transfers in	4,907	3,001	7,642	7,065	8,339	13,462	9,714	9,323	23,000	17,733
Transfers out	(3,907)	(2,999)	(3,913)	(3,555)	(4,160)	(4,186)	(5,073)	(4,271)	(6,399)	(12,777)
Total other financing sources (uses)	\$ 6,875	\$ 5,669	\$ 10,923	\$ 39,905	\$ 15,764	\$ 17,436	\$ 16,174	\$ 14,240	\$ 31,006	\$ 12,798
Net change in fund balance	\$ 6,775	\$ 550	\$ (12,046)	\$ 10,268	\$ 5,082	\$ (3,362)	\$ (3,314)	\$ 14,886	\$ 78,929	\$ 9,974
Debt service as a percentage of non-capital expenditures	28%	18%	18%	20%	50%	16%	37%	28%	29%	22%

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real estate	\$ 10,145	\$ 10,657	\$ 10,729	\$ 10,972	\$ 11,377	\$ 10,804	\$ 12,182	\$ 13,150	\$ 13,500	\$ 13,546
Delinquent	248	235	279	246	210	276	190	216	385	152
Motor vehicle	1,200	1,250	1,312	1,370	1,372	1,428	1,403	1,520	1,643	2,014
General sales	12,260	12,689	12,931	12,781	12,906	13,292	13,419	13,697	15,315	16,698
Selective sales	4,281	4,461	4,558	4,901	8,832	8,917	9,323	9,751	11,405	14,979
Other taxes	6,630	7,231	7,362	7,991	6,900	7,240	6,975	6,117	7,116	6,028
Total taxes	\$ 34,764	\$ 36,523	\$ 37,171	\$ 38,261	\$ 41,597	\$ 41,957	\$ 43,492	\$ 44,451	\$ 49,364	\$ 53,416

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

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

Fiscal (Budget) Year	Real Estate	Personal Property	State Assessed	Total, Excluding Motor Vehicles	Tax Rate	Motor Vehicle (Note 1)	Total, Taxable Assessed Value	Estimated Total Market Value (Note 2)	Ratio of Assessed Value to Est. Market Value
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
2021	427,732,694	8,154,030	23,975,182	459,861,906	30.452	56,545,812	516,407,718	3,392,138,959	15.31
2022	468,723,852	9,542,807	25,613,362	503,880,021	30.348	54,903,252	558,783,273	3,705,559,200	15.08

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 ("year" Tax Levy Sheet)

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

Fiscal (Budget) Year	City of Salina			Saline County			USD 305 (2)				
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total City Millage	Other	Total
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
2021	23.847	6.803	30.650	40.606		40.606	45.130	10.729	55.859	12.623	139.738
2022	23.612	6.736	30.348	38.860		38.860	43.441	9.984	53.425	13.089	135.722

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.

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

Taxpayer	Type of Business	2013 (2012 Assessed Value)			2022 (2021 Assessed Value)		
		Assessed Valuation	% of Total Valuation	Rank	Assessed Valuation	% of Total Valuation	Rank
Evergy (Westar Energy (Western Resources)	Utility	\$ 9,256,860	2.04%	1	\$ 15,630,615	3.01%	1
SFC Global Supply Chain, Inc. (Schwan's)	Pizza Manufacturing	8,007,991	1.76%	2	6,540,230	1.26%	2
Kansas Gas Service	Utility	3,590,817	0.79%	5	4,844,333	0.93%	3
RAF Salina LLC	Retail Shopping Mall	4,950,001	1.09%	3	4,665,958	0.90%	4
S&B Motels	Motel			N/A	4,000,001	0.77%	5
Central Mall Realty Holding LLC	Regional Shopping Center			N/A	3,880,224	0.75%	6
Union Pacific Railroad Co.	Railroad			N/A	2,712,177	0.52%	7
Menard Inc.	Home Improvement	2,629,399	0.58%	8	2,339,471	0.45%	8
Individual	Residential			N/A	2,274,633	0.44%	9
Sams Real Estate Business Trust/Walmart	Discount Retail Stores			N/A	2,255,335	0.43%	10
Walmart Real Estate Business Trust	Discount Retail Stores	3,458,961	0.76%	7			
Great Plains Manufacturing	Manufacturing	2,404,923	0.53%	9			
Gateway Properties	Shopping Mall (Midstate)	3,534,018	0.78%	6			
Salina Regional Health Center	Hospital and Medical Offices	4,768,349	1.05%	4			
Dillon's	Grocery Chain	2,396,753	0.53%	10			
Combined Valuation of the Ten Largest Taxpayers		<u>\$ 44,998,072</u>			<u>\$ 49,142,977</u>		
City Valuation		\$ 453,989,887			\$ 519,483,033		
Percent of Total City Assessed Valuation			9.91%			9.46%	

Source: Saline County Clerk's Office or recent OS

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

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
2013	\$ 10,550,730	\$ 10,145,404	96.6%	\$ 354,845	\$ 10,500,249	99.5%
2014	10,868,225	10,776,688	99.4%	62,432	10,839,120	99.7%
2015	10,991,959	10,460,246	96.6%	372,726	10,832,972	98.6%
2016	11,209,245	10,984,630	98.3%	184,970	11,169,600	99.6%
2017	11,564,876	11,320,197	98.2%	203,904	11,524,101	99.6%
2018	11,248,278	10,938,457	97.5%	276,340	11,214,797	99.7%
2019	12,335,808	12,097,740	98.5%	189,587	12,287,327	99.6%
2020	13,506,590	13,203,183	98.4%	216,358	13,419,541	99.4%
2021	13,958,495	13,552,390	98.0%	283,194	13,835,584	99.1%
2022	13,788,584	13,529,396	98.9%	151,560	13,680,956	99.2%

(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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Direct Tax Rate										
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%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
County-wide Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.50%
Portion of County-wide tax allocated to City (July Percentage)	60.86%	60.23%	60.28%	60.28%	60.28%	59.85%	60.33%	60.17%	60.17%	60.95%

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

City of Salina, Kansas

Water Sales by Class of Customer

Last Ten Fiscal Years

Schedule 11

Rate Class	2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
	# 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	# Accts Billed	Water Sold
Residential	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	18,303	987,792	18,382	970,469
Commercial	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	1,626	349,956	1,645	339,209
Industrial	40	182,529	42	193,233	44	202,407	44	191,236	44	193,503	44	211,843	44	196,229	43	164,766	41	167,991	41	177,535
Government	99	46,484	97	45,346	97	41,928	99	45,136	99	41,552	98	35,932	97	41,911	94	28,200	72	22,810	70	22,537
Apartment	168	67,155	166	60,865	164	61,400	163	57,039	163	58,378	157	71,559	157	62,127	156	58,651	157	61,021	153	62,285
Schools	84	44,187	84	45,328	85	45,545	85	41,176	83	36,039	81	30,810	79	31,839	78	24,518	78	31,960	77	35,022
Industrial Special	1	20,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumed in production	12	18,665	12	19,264	12	17,338	9	9,580	8	9,652	7	6,966	7	6,974	7	4,109	6	3,012	3	1,843
Rural water	1	21,530	1	22,993	1	21,915	1	23,384	1	25,624	1	22,345	1	21,663	1	31,776	1	22,970	1	20,575
Hospitals	9	26,482	10	32,184	9	31,858	9	33,728	9	35,132	9	31,856	9	29,892	9	29,483	9	33,109	9	31,405
Religious/non profit	37	4,810	37	4,973	37	4,986	36	5,224	36	4,749	36	4,458	35	2,780	35	2,215	35	2,267	35	2,598
Engineering studies	8	6,822	8	5,095	8	4,807	7	4,573	7	4,772	7	4,471	7	3,835	6	2,553	6	2,213	6	2,043
Providing taxable service	2	3,495	1	3,561	1	3,167	1	3,921	1	3,347	1	2,331	1	2,676	1	1,909	1	2,585	1	2,340
Sale of component parts	6	5,972	6	6,850	5	3,900	4	3,129	4	2,917	4	2,190	4	1,542	4	1,310	4	1,533	3	972
Fire hydrant	3	1,922	2	1,474	-	-	3	1,727	3	1,790	3	2,829	3	1,180	3	2,106	3	2,146	3	3,530
Industrial consumed in production	3	4,417	3	3,588	3	2,388	3	1,930	3	1,962	3	2,107	3	2,219	3	1,946	3	1,560	2	1,013
Sales of farm equipment	1	107	1	48	1	53	1	54	1	104	1	56	1	124	1	109	1	154	1	70
	20,019	1,793,772	20,111	1,801,577	20,153	1,779,999	20,193	1,717,766	20,192	1,753,343	20,196	1,734,100	20,210	1,621,852	20,291	1,638,513	20,346	1,693,079	20,432	1,673,446
Water Rate Schedule:																				
Monthly meter charge (5/8")		\$ 4.88		\$ 5.03		\$ 5.20		\$ 5.36		\$ 5.52		\$ 5.74		\$ 5.94		\$ 6.15		\$ 6.27		\$ 6.46
Commodity change (per 000 gal.):																				
0-2000 gal.		\$ 4.04		\$ 4.24		\$ 4.45		\$ 4.48		\$ 4.77		\$ 4.96		\$ 5.13		\$ 5.31		\$ 5.42		\$ 5.58
2001-10,000 gal.																				
Over 10,000 gal.																				
Excess use charge		\$ 8.08		\$ 8.48		\$ 8.90		\$ 9.16		\$ 9.54		\$ 9.92		\$ 10.26		\$ 10.62		\$ 10.84		\$ 11.16
Wastewater Rate Schedule:																				
Monthly base charge		\$ 6.97		\$ 7.11		\$ 7.22		\$ 7.36		\$ 7.51		\$ 7.81		\$ 8.08		\$ 8.36		\$ 8.53		\$ 8.79
Unit Cost (per 000 gal):		\$ 4.79		\$ 4.94		\$ 5.01		\$ 5.19		\$ 5.29		\$ 5.51		\$ 5.70		\$ 5.90		\$ 6.02		\$ 6.20

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.

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

Fiscal (Budget) Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income	
	General Obligation		Capital Lease	Operating Lease	Temporary Notes	General Obligation		Water Revenue Bonds	Loans Payable	Temporary Notes		Per Capita	
	Bonds	Loans Payable				Bonds	Bonds						
2013	\$ 49,631,797	\$ -	\$ -	\$ -	\$ 3,800,000	\$ 8,519,799	\$ 15,226,532	\$ -	\$ -	\$ 77,178,128	3.7%	1,613.05	
2014	50,033,555	-	176,235	-	5,000,000	9,587,351	14,592,836	6,208,102	-	85,598,079	4.1%	1,788.25	
2015	50,840,632	-	479,366	-	5,995,000	8,539,773	13,949,139	5,753,620	-	85,557,530	4.1%	1,789.42	
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%	2,200.39	
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%	2,194.43	
2018	51,968,310	12,185,053	-	-	18,123,505	5,282,578	11,898,051	10,632,351	-	110,089,848	4.9%	2,342.64	
2019	54,607,702	12,640,000	-	-	11,170,000	4,102,298	10,330,000	46,354,852	-	139,204,852	6.0%	2,979.81	
2020	56,587,549	12,640,000	-	-	7,050,000	8,742,451	9,615,000	35,926,029	-	130,561,029	5.5%	2,804.75	
2021	59,582,649	12,640,000	-	-	3,647,188	7,672,351	8,865,000	43,966,366	-	136,373,554	5.5%	2,947.09	
2022	62,508,000	12,640,000	-	649,031	-	6,637,000	8,090,000	43,798,557	-	134,322,588	6.6%	2,889.84	

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

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

Fiscal (Budget) Year	General Bonded Debt Outstanding						Percentage of Actual Taxable	
	General Obligation Bonds	Capital Lease	Temporary Notes	Total	Less: Debt Service Fund	Net General Bonded Debt	Value of	Per Capita
2013	\$ 59,620,906	\$ 176,235	\$ 5,000,000	\$ 64,797,141	\$ 707,763	\$ 64,089,378	14.1%	\$ 1,339.49
2014	59,620,906	176,235	5,000,000	64,797,141	407,864	64,389,277	14.1%	1,345.17
2015	59,380,405	479,366	5,995,000	65,854,771	745,339	65,109,432	14.1%	1,361.75
2016	62,514,738	157,868	6,811,742	69,484,348	1,248,914	68,235,434	14.4%	1,441.51
2017	57,250,888	-	18,123,505	75,374,393	1,509,863	73,864,530	15.3%	1,571.79
2018	58,710,000	-	11,170,000	69,880,000	185,158	69,694,842	14.3%	1,483.06
2019	65,330,000	-	7,050,000	72,380,000	1,142,418	71,237,582	14.0%	1,524.91
2020	65,330,000	-	7,050,000	72,380,000	1,724,117	70,655,883	13.8%	1,517.85
2021	67,255,000	-	3,647,188	70,902,188	2,111,664	68,790,524	13.3%	1,486.59
2022	69,145,000	-	-	69,145,000	2,196,006	66,948,994	12.0%	1,440.35

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

City of Salina, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022
Schedule 14

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Salina</u>	<u>Amount Applicable to the City of Salina</u>
Direct:			
City of Salina	<u>\$ 75,560,845</u>	100.00%	<u>\$ 75,560,845</u>
Overlapping:			
Salina Airport Authority (A)	34,670,000	100.00%	34,670,000
Saline County	72,814,135	73.79%	53,729,550
USD 305	<u>93,575,000</u>	93.10%	<u>87,118,325</u>
Total Overlapping Debt	<u>201,059,135</u>		<u>175,517,875</u>
Total Direct and Overlapping Debt	<u>\$ 276,619,980</u>		<u>\$ 251,078,720</u>
Per Capita Direct and Overlapping Debt			<u>\$ 5,401.75</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.

(A) Includes \$74,900,000 of bonds issued by Saline County that have a pledge of both property taxes and a dedicated 0.50% retailers' sales tax of the county. However, based on historical collections, the County anticipates that such bonds will be repaid entirely from the sales tax.

Source: Saline County Clerk

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

Legal Debt Margin Calculation for 2022

Assessed Valuation	\$ 558,783,273
Debt Limit (30% of Assessed Value)	167,634,982
Debt applicable to limit:	
Total Bonded Debt	\$ 133,673,557
Less: GO Debt Attributable to Exempt Purposes	(6,637,000)
Less: Revenue Bonds	(8,090,000)
Less: Loans Payable	(56,438,557)
Less: Fund Balance designated for Debt Service	<u>(2,196,006)</u>
Total Debt Applicable to Limitation	<u>\$ 60,311,994</u>
Legal debt margin	<u>\$ 107,322,988</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 136,196,966	\$ 136,896,083	\$ 138,909,078	\$ 141,804,931	\$ 142,000,537	\$ 146,336,377	\$ 152,724,804	\$ 153,285,495	\$ 155,844,910	\$ 167,634,982
Total net debt applicable to limit	52,724,034	56,090,293	74,229,612	62,072,485	61,296,184	68,240,457	66,232,649	65,748,563	66,824,139	60,311,994
Legal debt margin	<u>\$ 83,472,932</u>	<u>\$ 80,805,790</u>	<u>\$ 64,679,466</u>	<u>\$ 79,732,446</u>	<u>\$ 80,704,353</u>	<u>\$ 78,095,920</u>	<u>\$ 86,492,155</u>	<u>\$ 87,536,932</u>	<u>\$ 89,020,771</u>	<u>\$ 107,322,988</u>
Total net debt applicable to the limit as a percentage of debt limit	39%	41%	53%	44%	43%	47%	43%	43%	43%	36%

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

Water/Sewer Revenue Bonds

Fiscal Year	Charges	Expenses	Revenue	Principal	Interest	Debt Service Coverage
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
2021	21,240,517	12,077,933	9,162,584	750,000	282,825	8.87
2022	21,839,834	15,885,026	5,954,808	775,000	265,950	5.72

Source: City of Salina Annual Comprehensive Financial Reports, 2013 – 2022

City of Salina Debt Services Schedules

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

Fiscal (Budget) 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
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%
2021	46,274	53,309	2,466,820,666	2.3%	24,962	7,031	44.3%	6,687,099	144.51	0.271%
2022	46,481	56,258	2,614,928,098	2.3%	29,476	6,725	59.3%	7,239,146	155.74	0.277%
Increase in per capital Sales Tax (10 years)										39.9%
Increase in per capita Personal Income										30.6%

Sources:

Population: Kansas Division of the Budget. (Population Data)

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

2013 -2022 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 2021-2022 school year is reported as 2021.

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

Employer	Type of Business	2013			2022		
		Employees	Rank	Percentage of Labor Force	Employees	Rank	Percentage of Labor Force
Salina Regional Health Center	Health Care	1,300	3	5.0%	1,875	1	6.2%
Unified School District No. 305	Public School System	1,659	2	6.3%	1,500	2	5.0%
Schwan's Global Supply Chain	Frozen Pizza Manufacturing	1,800	1	6.9%	1,200	3	4.0%
Great Plains Manufacturing	Agricultural & Landscaping Equipment	258	10	1.0%	1,200	4	4.0%
Exide Technologies/Strten Manufacturing	Automotive Battery Manufacturer	750	4	2.8%	700	5	2.3%
City of Salina	City Government	465	6	1.8%	425	6	1.4%
Salina Vortex	Manufacturing	-			385	7	1.3%
Saline County	County Government	-			325	8	1.1%
Walmart rev Group	Retail	421	7	1.6%	250	9	0.8%
REV Group	Manufacturing	-			175	10	0.6%
Signify - Blue Philips Lighting Company	Fluorescent Lamps	490	5	1.9%	-		
Dillion Stores	Retail	343	8	1.3%	-		
Solomon Corp	Electrical Equipment	324	9	1.2%	-		
Total		<u>7,810</u>		29.5%	<u>8,035</u>		27.3%

Sources: Salina Chamber of Commerce