



Annual Comprehensive Financial Report

For Fiscal Year Ending December 31, 2021

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



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, 2021**

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

CITY OF SALINA, KANSAS

Annual Comprehensive Financial Report
For the year ended December 31, 2021

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iv
Organizational Chart	v
List of Principal Officials	vi
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 15
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Total Governmental Fund Balance to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-Wide Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Basis)	
General Fund	22
Tourism and Convention Fund	23
Special Gas Fund	24
Sales Tax Capital Fund	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28 - 29
Statement of Fiduciary Net Position - Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31

CITY OF SALINA, KANSAS

Annual Comprehensive Financial Report
For the year ended December 31, 2021

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
FINANCIAL SECTION - CONTINUED	
Notes to the Basic Financial Statements	32 - 70
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	71
Other Postemployment Benefits - KPERS	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	72
KPERS Pension Plan	
Schedule of City's Proportionate Share of the Net Pension Liability	73
Schedule of City Contributions	73
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Funds	
Fund Descriptions	74 - 75
Combining Balance Sheet - Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	77
Combining Balance Sheet - Nonmajor Special Revenue Funds	78 - 79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	80 - 81
Combining Balance Sheet - Nonmajor Permanent Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds	83
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis):	
Bicentennial Center Fund	84
Business Improvement District Fund	85
Neighborhood Park Fund	86
Special Parks and Recreation Fund	87
Special Alcohol Fund	88
Sales Tax Economic Development Fund	89
Arts & Humanities Fund	90
Debt Service Fund	91
Solid Waste Disposal Fund	92
Water and Sewer Fund	93
Sanitation Fund	94
Golf Course Fund	95
Workers' Compensation Reserve Fund	96
Health Insurance Fund	97
Central Garage Fund	98

CITY OF SALINA, KANSAS

Annual Comprehensive Financial Report
For the year ended December 31, 2021

TABLE OF CONTENTS - CONTINUED

		<u>Page</u>
FINANCIAL SECTION - CONTINUED		
Internal Service Fund Descriptions		99
Combining Statement of Net Position - Internal Service Funds		100
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds		101
Combining Statement of Cash Flows - Internal Service Funds		102 - 103
	<u>Schedule</u>	
STATISTICAL SECTION		
Net Position by Component - Last Ten Fiscal Years	1	104
Changes in Net Position - Last Ten Fiscal Years	2	105
Fund Balances, Governmental Fund - Last Ten Fiscal Years	3	106
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	4	107
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	5	108
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	6	109
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	7	110
Principal Property Taxpayers	8	111
Property Tax Levies and Distributions	9	112
Direct Sales Rate by Taxing Entity	10	113
Water Sales by Class of Customer	11	114
Ratio of Outstanding Debt by Type	12	115
Ratio of Net General Bonded Debt Outstanding	13	116
Direct and Overlapping Governmental Activities Debt	14	117
Legal Debt Margin	15	118
Pledged Revenue Coverage	16	119
Demographic and Economic Statistics	17	120
Principal Employers	18	121

CITY OF SALINA, KANSAS

Annual Comprehensive Financial Report
For the year ended December 31, 2021

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	122
Notes to Schedule of Expenditures of Federal Awards	123
Schedule of Findings and Questioned Costs	124 - 125
Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	126 - 127
Independent Auditor's Report on Compliance for Each Major Federal Program and Internal Control Over Compliance Required by the Uniform Guidance	128 - 129

INTRODUCTORY SECTION



October 14, 2022

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, 2021, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of all various funds and account groups of the City. We believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Report Format

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

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

Accounting Systems and Internal Controls

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

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

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. The legal level of budgetary control is maintained at the Fund level, in accordance with State Statutes. However, management control is maintained at the department level. The City uses an encumbrance accounting system, in which estimated purchase amounts are recorded prior to the release of purchase orders to vendors. Open encumbrances are reported as reservations of fund balance at December 31, 2021 in the general fund and the special revenue funds. Various internal compliance procedures are implemented to ensure proper implementation of the budget as well as to maintain a degree of accountability for both revenues and expenditures.

Independent Audit

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

Profile of the Community

The Town of Salina was organized in 1858 under the Town and Village Act in the State of Kansas, and became a City of the First Class on July 9, 1920. The City has had a Commission-City Manager form of government since 1921. The Commission is comprised of five members elected at large. Each year the commission chooses one member to serve as Mayor. The City Manager is appointed by the Commission, and acts as its primary agent in accordance with state statute. Other city officers and employees are appointed by the City Manager. The population of the City reported by the 2010 decennial census was 47,707. The City anticipates results of the 2020 decennial census during 3rd quarter 2022.

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

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

Economic Outlook and Strength

The City benefits from its location at the junction of Interstate Highways 70 and 135. This convenient location has drawn numerous national and regional companies to open manufacturing or distribution centers in or adjacent to the community. Such companies include Pepsi-Cola, Stryten Manufacturing, Great Plains Manufacturing, 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 1.52 in 2021. 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 2021. 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 410 jobs to the Salina area. Both projects remained on track during 2021.

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. In 2021 Stiefel Theatre completed renovations and The Garage, an educational and historical exhibit about automobiles, neared completion. 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 2021, in addition to merit increases of up to 3.0%. In 2020, the City cost of living increase was 2.0%, with no merit increases.

Capital Improvement Planning

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

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

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

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

Financial Policies

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

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

Acknowledgments

The preparation of the 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 Gordon CPA auditing team. Finally, preparation of this report would not have been possible without the support of the City Commission.

Sincerely,

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

Michael D. Schrage
City Manager

City of Salina

CITIZENS

CITY COMMISSION

*Trent Davis, Mayor
Karl Ryan
Bill Longbine
Greg Lenkiewicz
Mike Hoppock*

City Manager
Michael Schrage

Risk
Management

Municipal
Court

Deputy City
Manager
Jacob Wood

Assistant City
Manager
Shawn Hennessee

Legal Services
Clark Mize & Linville Chartered*
Greg Bengtson

Development Services
Lauren Driscoll

Parks & Recreation
Jeff Hammond

Police
Brad Nelson

Fire
Tony Sneidar

Building Services
Neighborhood Services
Planning & Zoning
Community Relations

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

Administration
Patrol Division
Support Division
Investigative Division

Fire Administration
Fire Suppression
Fire Prevention
EMS

Arts & Humanities
Brad Anderson

Public Works
Jim Teutsch

Utilities
Martha Tasker

Finance/Administration
Debbie Pack

Smoky Hill Museum

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

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

City Clerk
Water Customer
Accounting
Finance

Continuous Process
Improvement
Scott Gardner

Human Resources
Natalie Fischer

Computer
Technology
Interim-Scott Gardner

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 Bengtson, 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, Continuous Process Improvement Director &
Interim Computer Technology Dir.

Jeff Hammond, Director of Parks & Recreation

Sean Morton, Interim Police Chief

Martha Tasker, Director of Utilities

Jim Teutsch, Director of Public Works

Tony Sneidar, Fire Chief

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of 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 Roeland Park, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2021, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Tourism and Convention, Special Gas and Sales Tax Capital funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Salina Field House Qualified Active Low-Income Community Business, Inc. (SFH QalicB), which is included within the financial statements as a major governmental fund. This activity represents 1.39% and .38%, respectively, of the total assets and total revenues of the governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for SFH QalicB, is based solely on the report of the other auditors. We also did not audit the financial statements of the Salina Airport Authority which statements reflect total assets and deferred outflows of resources of \$50,479,492 as of December 31, 2021 and total revenues of \$8,337,643 for the year then ended, and the Housing Authority of the City of Salina, which statements reflect total assets and deferred outflows of resources of \$7,653,178 as of June 30, 2021 and total revenues of \$3,011,270 for the year then ended, which are discretely presented component units in the accompanying financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Salina Airport Authority and the Housing Authority of the City of Salina, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Accounting and Audit Guide*. 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 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 economic decisions of users made on the basis of these financial statements.

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

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

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

Emphasis of Matter

As discussed in Note 3. to the financial statements, certain errors in amounts previously reported as of December 31, 2020, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2021, financial statements now presented, and adjustments have been made to fund balance to correct the error. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the City's proportionate share of the net pension liability, the schedule of City contributions, and the schedule of changes in the City's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountant
Lawrence, Kansas

October 14, 2022

CITY OF SALINA, KANSAS

Management Discussion and Analysis Year Ended December 31, 2021

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, 2021. 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 \$74.1 million from current operations with net position change of \$79.0 million and \$(4.9) million in governmental activities and business-type activities, respectively.
- ◆ At the close of 2021, the City's governmental funds reported combined ending fund balances of \$110.2 million, an increase of \$78.9 million from the prior year. The Capital Projects expenditures increased \$12.2 million from prior year. The General Fund fund balance increased \$5.9 million, and all Other Governmental Funds fund balances increased \$73.0 million over the prior year. The majority of this amount, \$66.7 million, comes from the Former Schilling AFB Environmental Fund.
- ◆ At the close of 2021, the City's enterprise funds reported a combined ending Net Position of \$93.5 million, a decrease of \$3.1 million compared to the prior year. The Water and Sewer Fund, the Sanitation Fund, Solid Waste Disposal and the Golf Fund all reported slight decreases to net position for the year.
- ◆ Revenues from governmental activities increased by \$67.6 million from the prior year and revenues from business type activities increased \$4.5 million from the prior year.
- ◆ Revenues from investments continue to be minimal due to low interest rates.

The Basic Financial Statements

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

Government-wide Financial Statements

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

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

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

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

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

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

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements

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

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

Other Information

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

The City as a Whole

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

Tax Base and Economy

The City of Salina relies on three major groups of revenues to support its operations. Each of these revenue streams has a different revenue base. In declining order of magnitude, they are charges for services, sales taxes, and property taxes. Sales taxes and property taxes apply primarily to governmental activities, while charges for services apply to both governmental (25%) and business-type (75%) activities.

Charges for services account for about 24% (\$38.6 million) of the City's revenue stream. Charges for service depend on both the rate that is set for the activity, as well as the volume of services provided. Significant services include water and wastewater fees, sanitation and landfill fees, licenses and permits, inspection fees and golf course fees. Charges for services increased in 2021, largely due to the COVID pandemic as most services were paused temporarily in 2020. This was offset by lower expenses.

Sales taxes are the next largest component of the revenue mix, providing 16% (\$26.7 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 is to sunset March 31, 2019. The tax was also modestly re-purposed, for Capital and Economic Development purposes only, as well as retaining a property tax stabilization component. In May 2017, Salina voters approved an increase in the special purpose .40% tax to a .75% tax (thus repealing the 2008 increase). This change became effective October 1, 2017, for twenty years.

Property taxes are the third major component of the revenue mix, accounting for 9% (\$15.5 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 1.0%. The total City mill levy decreased by 1.2%. The overlapping levy increased in 2021 by 0.8%.

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

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

Motor vehicle value increased 1.7%. Motor vehicle taxes are distributed based on a formula using prior year's tax effort (similar to the Countywide Sales Tax Distribution).

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

Comparative Property Values and Tax Levy Rates				
Fiscal (Budget) Year	2021	2020	Change	
Real Estate and Personal Property Assessed Valuation	\$ 459,861,906	\$ 456,362,518	\$ 3,499,388	
City Mill Levy (\$ per \$1,000)				
Operating (General Fund)	23.847	22.908	0.939	
Debt Service	6.803	6.812	(0.009)	
Total City Rate	30.452	30.650	(0.198)	
Total Overlapping Levy	139.738	140.308	(0.570)	
Percent Total Taxes Collected	98.0%	97.8%	0.002	
Ratio of Total Taxes (including delinquent collections) to taxes levied	99.1%	99.4%	(0.003)	
Motor Vehicle Valuation	\$ 56,545,812	\$ 54,589,132	1,956,680.000	

The unemployment rate in Salina decreased from 3.4% at the end of 2020 to 2.3% at the end of 2021, reflecting general economic conditions. This is still slightly below the statewide and significantly below the national unemployment rate. The total labor force was 24,962 in 2021.

In 2021, the top ten property taxpayers accounted for 9.99% 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 \$316.5 million as of December 31, 2021. This represents an increase in net assets of \$76 million over 2020. A comparative Condensed Statement of Net Position at December 31, 2021 and 2020:

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

Condensed Statement of Net Position
As of December 31
(in \$000)

	Governmental Activities		Business-Type Activities		Total Primary Government				
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	% of <u>Total</u>	<u>2020</u>	% of <u>Total</u>	<u>2021-2020</u> <u>change</u>
Cash and investments	120,526	\$ 42,246	\$ 44,760	\$ 38,876	\$ 165,286	32%	\$ 81,122	19%	\$ 84,164
Other current assets	17,262	16,910	2,235	2,082	19,497	4%	18,992	4%	505
Noncurrent (capital) assets	218,619	215,438	117,494	119,118	336,113	65%	334,556	77%	1,557
Total assets	<u>356,408</u>	<u>274,594</u>	<u>164,489</u>	<u>160,076</u>	<u>520,897</u>	<u>100%</u>	<u>434,670</u>	<u>100%</u>	<u>86,227</u>
Total deferred outflows of resources	<u>7,444</u>	<u>8,761</u>	<u>903</u>	<u>1,117</u>	<u>8,347</u>	<u>100%</u>	<u>9,878</u>	<u>100%</u>	<u>(1,531)</u>
Total assets and deferred outflows of resources	<u>363,852</u>	<u>283,355</u>	<u>165,392</u>	<u>161,192</u>	<u>529,244</u>		<u>444,547</u>		<u>84,697</u>
Current liabilities	17,292	17,230	5,539	3,964	22,831	12%	21,194	11%	1,637
Noncurrent liabilities	100,427	106,651	64,899	60,379	165,326	88%	167,030	89%	(1,704)
Total liabilities	<u>117,719</u>	<u>123,881</u>	<u>70,438</u>	<u>64,343</u>	<u>188,157</u>	<u>100%</u>	<u>188,224</u>	<u>100%</u>	<u>(67)</u>
Total deferred inflows of resources	<u>22,999</u>	<u>15,392</u>	<u>1,424</u>	<u>240</u>	<u>24,423</u>		<u>15,632</u>		<u>8,791</u>
Net position:									
Net investment in capital assets	143,768	143,559	56,004	63,742	199,772	63%	207,301	91%	(7,529)
Restricted for permanent funds	559	543	-	-	559	0%	543	0%	16
Restricted for public works	66,698	-	-	-	66,698	21%	-	0%	66,698
Restricted for debt service	2,112	1,724	1,132	1,175	3,244	1%	2,899	1%	345
Unrestricted	9,997	(1,744)	36,394	31,692	46,391	15%	29,948	8%	16,443
Total net position	<u>223,134</u>	<u>144,082</u>	<u>93,530</u>	<u>96,610</u>	<u>316,664</u>	<u>100%</u>	<u>240,692</u>	<u>100%</u>	<u>75,972</u>
Percent of total net position	70%	61%	30%	39%	100%		100%		
Cash and investments as a percentage of current liabilities	697%	245%	808%	981%	724%		383%		

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.

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

In 2021, the amount of net investment in capital assets decreased by \$7.5 million. Amount restricted for debt service increased by \$345,000. Amount restricted for public works increased by \$66.7 million. Unrestricted increased by \$16.4 million. Outside of these changes, 2021 resulted in a \$16,000 increase to the net position.

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

Statement of Activities

A Condensed Statement of Activities is shown below.

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

	Governmental Activities		Business-Type Activities		Total Primary Government				
	2021	2020	2021	2020	2021	%	2020	%	2021-2020 Change
Program Revenues:									
Charges for Services	9,629	8,400	29,001	26,513	38,630	24%	34,913	37%	3,717
Operating Grants and Contributions	4,711	4,714	-	-	4,711	3%	4,714	5%	(3)
Capital Grants and Contributions	66,150	-	-	-	66,150	-	-	-	-
General Revenues:									
Property Taxes	13,885	14,887	-	-	13,885	8%	14,887	16%	(1,002)
Sales Taxes	26,720	23,448	-	-	26,720	16%	23,448	25%	3,272
Other Taxes	8,759	6,117	-	-	8,759	5%	6,117	7%	2,642
Investment Revenue	158	286	-	4	158	0%	290	0%	(132)
Other Miscellaneous	2,405	8,328	2,416	447	4,821	3%	8,775	9%	(3,954)
Total Revenues:	132,417	66,180	31,417	26,964	163,834	60%	93,144	100%	70,690
Expenses:									
General Government	16,098	10,395	-	-	16,098	18%	10,395	14%	5,703
Public Safety	23,877	24,672	-	-	23,877	27%	24,672	33%	-795
Public Works	16,335	10,511	-	-	16,335	18%	10,511	14%	5,824
Public Health and Sanitation	2,315	1,323	-	-	2,315	3%	1,323	2%	992
Culture and Recreation	6,305	5,033	-	-	6,305	7%	5,033	7%	1,272
Planning and Development	2,289	2,004	-	-	2,289	3%	2,004	3%	285
Solid Waste Disposal	-	-	1,836	2,056	1,836	2%	2,056	3%	-220
Water and Sewer	-	-	13,310	13,386	13,310	15%	13,386	18%	-76
Sanitation	-	-	3,655	2,526	3,655	4%	2,526	3%	1,129
Golf Course	-	-	878	805	878	1%	805	1%	73
Interest on Long Term Debt	2,827	2,350	-	-	2,827	3%	2,350	3%	477
Total Expenses	70,046	56,288	19,678	18,773	89,725	100%	75,061	100%	14,664
Increase in net assets before transfers	62,371	9,892	11,738	8,191	74,109		18,083		56,026
Transfers and other extraordinary items	16,681	5,133	(16,681)	(5,133)	-		(0)		0
Change in Net Position	79,052	15,025	(4,943)	3,058	74,109		18,083		56,027
Net Position January 1	144,081	138,359	96,610	93,552	240,691		231,911		8,780
Prior Period Adjustment	-	(9,303)	1,862	0	1,862		-9303		1,862
Net Position January 1 restated	144,081	129,056	98,472	93,552	242,553		222,608		19,945
Net Position December 31	\$ 223,133	\$ 144,081	\$ 93,530	\$ 96,610	\$ 316,662		\$ 240,691		\$ 75,971

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

Governmental Activities. Charges for services attributable to governmental activities totaled \$9.6 million, operating grants for those purposes were \$4.7 million and capital grants totaled \$66.2 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. Capital grants increased 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 \$26.7 million of general revenues, with property taxes providing \$13.9 million. The net position increased by \$79 million as a result of governmental activities. This increase was primarily related to the capital contribution from the federal government and increases in sales and other taxes.

Total expenses for governmental activities for the year ending December 31, 2021, were \$70 million compared to \$59.3 million in 2020. Governmental activities represent 78% of the City's total expenses. The largest element of governmental activity expense was public safety, accounting for 34% 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 \$19.7 million, or 22% of the City's total expenses. The majority of this expense (\$13.3 million) is attributable to water and sewer operations, with the other activities costing a combined total of \$6.4 million. Net position decreased by \$4.9 million. This increase was primarily related to an overall increase in business-type activity expenses after the 2020 COVID pandemic.

Fund Financial Analysis

Governmental Funds

Fund Balances:

The table below shows the Governmental Fund balances for major funds as of December 31, 2021 and December 31, 2020.

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

<u>Fund</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
General	\$ 21,064	\$ 15,142	\$ 5,922
Tourism and Convention	603	327	276
Special Gas	2,362	2,866	(504)
Sales Tax Capital	9,402	5,209	4,193
Schilling Capital Improvement	-	1,494	(1,494)
Former Schilling AFB Environmental	66,698	-	66,698
Debt Service	2,112	1,724	388
Capital Projects	(922)	(4,028)	3,106
SFH QalicB	1,843	1,561	282
Other Governmental Funds	7,052	6,990	62
	<u>\$ 110,215</u>	<u>\$ 31,285</u>	<u>\$ 78,930</u>

Total governmental fund balances increased by \$78.9 million. The reasons for these changes are varied, including lower expenses during the 2020 COVID pandemic. The Former Schilling AFB Environmental Fund was created to account for funds from the U.S. Government for environmental remediation former air force base located in within City limits.

Revenues and Expenditures:

The following table shows a comparison of revenues and expenditures (including other sources and uses) for major funds for the years ending December 31, 2021 and 2020.

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

Consolidated Statement of Revenues and Expenditures for Major Governmental Funds
For the years ended December 31
Modified Accrual Basis
(in \$000's)

<u>Fund</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues (including Other Financing Sources)			
General	\$ 46,346	\$ 44,560	\$ 1,786
Tourism and Convention	1,764	1,192	572
Special Gas	1,598	2,209	(611)
Sales Tax Capital	9,639	8,871	768
Schilling Capital Improvement	462	7	455
Former Schilling AFB Environmental	67,959	-	67,959
Debt Service	12,855	7,740	5,115
Capital Projects	20,276	8,598	11,678
SFH QalicB	493	494	(1)
Other Governmental Funds	6,540	7,757	(1,217)
Total Revenues	167,932	81,428	86,504
Less Other Sources	(37,405)	(18,515)	(18,890)
Revenues, net of other sources	\$ 130,528	\$ 62,913	\$ 67,615
Expenditures (including Other Financing Uses)			
General	\$ 40,424	\$ 38,921	\$ 1,503
Tourism and Convention	1,487	1,316	171
Special Gas	2,102	1,534	568
Sales Tax Capital	5,447	6,067	(620)
Schilling Capital Improvement	1,956	462	1,494
Former Schilling AFB Environmental	1,261	-	1,261
Debt Service	12,467	7,155	5,312
Capital Projects	17,169	4,974	12,195
SFH QalicB	210	244	(34)
Other Governmental Funds	6,478	5,865	613
Total Expenditures	89,002	66,538	22,464
Less Other Uses	(6,399)	(4,271)	(2,128)
Expenditures, net of other uses	\$ 82,603	\$ 62,267	\$ 20,336

Total revenues, including other sources, increased \$86.5 million compared to 2020, with Former Schilling AFB Environmental Fund showing the largest increase between the two years, which was \$68 million.

Total expenditures increased \$22.5 million over 2020. The majority of that increase, \$12.2 million was in the Capital Projects Fund as a result of increased spending on projects, which has slowed due to the 2020 COVID pandemic.

Proprietary Funds

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

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

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

	Solid Waste Disposal			Water and Sewer		
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current Assets	\$ 9,164	\$ 8,075	\$ 1,089	\$ 36,210	\$ 30,396	\$ 5,814
Capital Assets	3,206	3,335	(129)	112,719	114,104	(1,385)
Deferred Outflows	115	137	(22)	569	706	(137)
Total Assets and deferred outflows	<u>\$ 12,485</u>	<u>\$ 11,547</u>	<u>\$ 938</u>	<u>\$ 149,498</u>	<u>\$ 145,206</u>	<u>\$ 4,292</u>
Current Liabilities	\$ 2,306	\$ 448	\$ 1,858	\$ 3,134	\$ 3,394	\$ (260)
Noncurrent Liabilities	4,360	4,929	(569)	59,760	54,285	5,475
Deferred Inflows	153	33	120	921	151	770
Total Liabilities	<u>\$ 6,819</u>	<u>\$ 5,410</u>	<u>\$ 1,409</u>	<u>\$ 63,815</u>	<u>\$ 57,830</u>	<u>\$ 5,985</u>
Net investment in capital assets	\$ 1,185	\$ 910	\$ 275	\$ 53,250	\$ 61,154	\$ (7,904)
Restricted	-	-	-	1,132	1,175	(43)
Unrestricted	4,482	5,227	(745)	31,301	25,046	6,255
Total Net Position	<u>\$ 5,667</u>	<u>\$ 6,137</u>	<u>\$ (470)</u>	<u>\$ 85,683</u>	<u>\$ 87,375</u>	<u>\$ (1,692)</u>
Current Assets as percentage of current liabilities	397%	1802%		1155%	896%	
	Sanitation			Golf Course		
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current Assets	\$ 1,508	\$ 2,395	\$ (887)	\$ 112	\$ 91	\$ 21
Capital Assets	1,135	1,003	132	433	675	(242)
Deferred Outflows	127	164	(37)	91	110	(19)
Total Assets and deferred outflows	<u>\$ 2,771</u>	<u>\$ 3,562</u>	<u>\$ (791)</u>	<u>\$ 636</u>	<u>\$ 876</u>	<u>\$ (240)</u>
Current Liabilities	\$ 82	\$ 97	\$ (15)	\$ 17	\$ 25	\$ (8)
Noncurrent Liabilities	562	833	(271)	216	330	(114)
Deferred Inflows	264	41	223	86	15	71
Total Liabilities	<u>\$ 909</u>	<u>\$ 971</u>	<u>\$ (62)</u>	<u>\$ 319</u>	<u>\$ 370</u>	<u>\$ (51)</u>
Net investment in capital assets	\$ 1,135	\$ 1,003	\$ 132	\$ 433	\$ 675	\$ (242)
Restricted	-	-	-	-	-	-
Unrestricted	727	1,588	(861)	(116)	(169)	53
Total Net Position	<u>\$ 1,862</u>	<u>\$ 2,591</u>	<u>\$ (729)</u>	<u>\$ 317</u>	<u>\$ 506</u>	<u>\$ (189)</u>
Current Assets as percentage of current liabilities	1839%	2469%		674%	364%	

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

Revenues, Expenses, and Changes in Net Position

All enterprise funds continue to show healthy net position.

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

	Solid Waste Disposal			Water and Sewer		
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operating Revenues	\$ 3,636	\$ 3,322	\$ 314	\$ 23,668	\$ 19,504	\$ 4,164
Operating Expenses	1,746	2,011	(265)	12,078	12,460	(382)
Operating Income	1,890	1,311	579	11,590	7,044	4,546
Non-operating revenues (expenses)	(90)	(45)	(45)	(1,232)	(922)	(310)
Income (Loss) before Transfers	1,800	1,266	534	10,359	6,122	4,237
Transfers in (out)	(2,271)	(2,729)	458	(13,913)	(2,006)	(11,907)
Change in Net Position	(471)	(1,463)	992	(3,554)	4,116	(7,670)
Net Position January 1	6,137	5,640	497	87,375	85,219	2,156
Restatement	-	1,960	(1,960)	1,862	(1,960)	3,822
Net Position, January 1, restated	6,137	7,600	(1,463)	89,237	83,259	5,978
Net Position December 31	\$ 5,666	\$ 6,137	\$ (471)	\$ 85,683	\$ 87,375	\$ (1,692)

	Sanitation			Golf Course		
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operating Revenues	\$ 3,423	\$ 3,194	\$ 229	\$ 689	\$ 939	\$ (250)
Operating Expenses	3,655	2,526	1,129	878	805	73
Operating Income	(232)	668	(900)	(189)	134	(323)
Non-operating revenues (expenses)	-	-	-	-	-	-
Income (Loss) before Transfers	(232)	668	(900)	(189)	134	(323)
Transfers in (out)	(497)	(497)	-	-	100	(100)
Change in Net Position	(729)	171	(900)	(189)	234	(423)
Net Position January 1	2,591	2,420	171	506	272	234
Restatement	-	-	-	-	-	-
Net Position January 1, restated	2,591	2,420	171	506	272	234
Net Position December 31	\$ 1,862	\$ 2,591	\$ (729)	\$ 317	\$ 506	\$ (189)

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

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, 2021. Formal budgetary amendments are limited to those circumstances in which the need is perceived to alter the total fund budget. Re-allocation among departments or line items are not typically recorded as budgetary amendments.

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

Capital Assets and Debt Administration

Capital Assets

The total amount invested in Capital Assets for the City as of December 31, 2021, was \$336,112,690, net of accumulated depreciation.

The following table illustrates the Capital Asset balance by various classes of assets as of December 31, 2021 and 2020:

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

	Governmental Activity		Business-Type Activity		Total	
	2021	2020	2021	2020	2021	2020
Equipment, Furniture and Fixtures	\$ 2,378	\$ 2,309	\$ 1,042	\$ 1,280	\$ 3,420	\$ 3,589
Vehicles	2,315	2,676	885	1,079	3,200	3,755
Buildings and Improvements	27,905	29,218	7,964	8,103	35,869	37,321
Land	24,224	24,224	2,386	2,386	26,610	26,610
Leased land under capital leases	423	423	-	-	423	-
Infrastructure	140,690	130,010	83,646	78,294	224,336	208,304
Leasehold Improvements	357	357	-	-	357	-
Construction in Progress	20,327	26,221	21,571	27,976	41,898	54,197
Total	<u>\$ 218,619</u>	<u>\$ 215,438</u>	<u>\$ 117,494</u>	<u>\$ 119,118</u>	<u>\$ 336,113</u>	<u>\$ 333,776</u>

Changes to capital assets may be summarized as follows:

**Changes to Capital Assets, 2021
(in \$000's)**

	Governmental Activity	Business-Type Activity	Total
Additions	24,371	11,074	35,444
Retirements	(14,616)	(8,806)	(23,421)
Depreciation	(6,574)	(3,892)	(10,466)
Net Additions	<u>\$ 3,181</u>	<u>\$ (1,624)</u>	<u>\$ 1,557</u>

CITY OF SALINA, KANSAS
Management Discussion and Analysis
Year Ended December 31, 2021

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

Debt Management

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

The outstanding general obligation bonds for governmental activities as of December 31, 2021, totaled \$62,624,018. In addition, there were temporary notes outstanding in the amount of \$3,713,786, and loans payable outstanding in the amount of \$12,226,942 related to SFH QalicB, a blended component unit of the City.

Business-type activities had \$9,525,145 in revenue bonds outstanding and \$7,998,491 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 \$43,966,366 and temporary notes outstanding totals \$1,611,714.

The City engaged in the following debt transactions during 2021:

- On April 29th, the City issued Series 2021-A, General Obligation Bonds in the amount of \$7,645,000. The proceeds were used to finance construction of a Police Facility, Basketball Court, Pheasant Ridge 3, Stone Lake 2 and 9 South.
- On September 9th, the City issued Series 2021-B General Obligation Refunding Bonds in the amount of \$6,220,000. The proceeds were used to refund outstanding bonds, Series 2013-B in the amount of \$2,310,000 and Series 2014-A in the amount of \$3,910,000.
- On April 29th, the City issued Series 2021-1, Temporary Notes in the amount of \$5,230,000, to finance construction costs for the final design of the Smoky Hill River project, the 9th Street Bridge project, sanitation trucks and HVAC replacement at Heritage Hall.

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

Requests for Information

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

CITY OF SALINA, KANSAS

STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			Component Units	
	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Salina Housing Authority	Salina Airport Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and investments	\$ 120,526,465	\$ 44,759,681	\$ 165,286,146	\$ 2,183,089	\$ 5,303,767
Receivables (net of allowance for uncollectibles)					
Accounts	2,234,136	1,827,625	4,061,761	31,885	1,545,489
Taxes	14,461,875	-	14,461,875	-	-
Interest	4,144	16	4,160	-	-
Inventory	304,079	407,146	711,225	40,154	-
Restricted cash and investments	258,041	-	258,041	-	-
Prepaid expenses	-	-	-	115,458	17,065
Total current assets	<u>137,788,740</u>	<u>46,994,468</u>	<u>184,783,208</u>	<u>2,370,586</u>	<u>6,866,321</u>
Noncurrent assets:					
Capital assets, nondepreciable					
Construction in progress	20,326,839	21,570,873	41,897,712	234,592	1,985,221
Land	24,646,334	2,386,334	27,032,668	1,557,554	9,920,765
Capital assets, depreciable	313,096,294	172,443,670	485,539,964	8,999,012	80,623,761
Less: Accumulated depreciation	<u>139,450,408</u>	<u>78,907,246</u>	<u>218,357,654</u>	<u>5,627,631</u>	<u>50,002,230</u>
Total noncurrent assets	<u>218,619,059</u>	<u>117,493,631</u>	<u>336,112,690</u>	<u>5,163,527</u>	<u>42,527,517</u>
Total assets	<u>356,407,799</u>	<u>164,488,099</u>	<u>520,895,898</u>	<u>7,534,113</u>	<u>49,393,838</u>
Deferred outflows of resources:					
KPERS OPEB deferred outflows of resources	63,151	30,586	93,737	300	803
OPEB deferred outflows of resources	303,660	49,293	352,953	-	-
Pension deferred outflows of resources	7,077,223	822,774	7,899,997	118,765	197,575
Deferred charge on bond issuance	-	-	-	-	887,276
Total deferred outflows of resources	<u>7,444,034</u>	<u>902,653</u>	<u>8,346,687</u>	<u>119,065</u>	<u>1,085,654</u>
Total assets and deferred outflows of resources	<u>\$ 363,851,833</u>	<u>\$ 165,390,752</u>	<u>\$ 529,242,585</u>	<u>\$ 7,653,178</u>	<u>\$ 50,479,492</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ 1,864,097	\$ 397,378	\$ 2,261,475	\$ 44,637	\$ 769,715
Retainage payable	737,931	-	737,931	-	-
Accrued liabilities	614,807	-	614,807	20,827	145,765
Accrued interest payable	477,718	535,809	1,013,527	-	193,171
Deposits payable	-	422,066	422,066	83,553	-
Unearned revenue	3,551,978	-	3,551,978	9,223	-
Current portion of compensated absences	1,252,185	290,568	1,542,753	1,937	53,228
Current portion of temporary notes payable	3,713,786	1,611,714	5,325,500	-	-
Current portion of loans payable	-	383,064	383,064	-	40,800
Current portion of revenue bonds payable	-	775,000	775,000	-	-
Current portion of general obligation bonds payable	<u>5,079,941</u>	<u>1,123,223</u>	<u>6,203,164</u>	-	<u>1,670,000</u>
Total current liabilities	<u>17,292,443</u>	<u>5,538,822</u>	<u>22,831,265</u>	<u>160,177</u>	<u>2,872,679</u>
Noncurrent liabilities:					
Accrued liabilities	168,990	-	168,990	78,909	-
Compensated absences	1,586,470	361,164	1,947,634	17,432	-
Security deposits returnable	-	-	-	-	91,771
OPEB obligation	3,502,471	569,713	4,072,184	-	-
KPERS OPEB obligation	340,238	164,791	505,029	7,868	13,911
Net pension liability	25,057,864	2,261,985	27,319,849	392,205	509,789
Loans payable	12,226,942	43,583,302	55,810,244	-	379,258
Revenue bonds payable	-	8,750,145	8,750,145	-	-
General obligation bonds payable	57,544,077	6,875,268	64,419,345	-	23,547,949
Landfill post-closure care liabilities	-	2,332,241	2,332,241	-	-
Total noncurrent liabilities	<u>100,427,052</u>	<u>64,898,609</u>	<u>165,325,661</u>	<u>496,414</u>	<u>24,542,678</u>
Total liabilities	<u>117,719,495</u>	<u>70,437,431</u>	<u>188,156,926</u>	<u>656,591</u>	<u>27,415,357</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	13,922,553	-	13,922,553	-	-
KPERS OPEB deferred inflows of resources	143,112	67,659	210,771	5,740	10,726
OPEB deferred inflows of resources	273,521	45,698	319,219	-	-
Pension deferred inflows of resources	8,659,808	1,310,457	9,970,265	16,827	218,778
Total deferred inflows of resources	<u>22,998,994</u>	<u>1,423,814</u>	<u>24,422,808</u>	<u>22,567</u>	<u>229,504</u>
Total liabilities and deferred inflows of resources	<u>\$ 140,718,489</u>	<u>\$ 71,861,245</u>	<u>\$ 212,579,734</u>	<u>\$ 679,158</u>	<u>\$ 27,644,861</u>
Net Position					
Net investment in capital assets	\$ 143,768,099	\$ 56,003,629	\$ 199,771,728	\$ 5,163,527	\$ 16,889,510
Restricted for:					
Permanent funds:					
Expendable	558,976	-	558,976	31,390	-
Public works	66,697,767	-	66,697,767	-	-
Debt service	2,111,664	1,131,606	3,243,270	-	-
Unrestricted	<u>9,996,838</u>	<u>36,394,272</u>	<u>46,391,110</u>	<u>1,779,103</u>	<u>5,945,121</u>
Total net position	<u>\$ 223,133,344</u>	<u>\$ 93,529,507</u>	<u>\$ 316,662,851</u>	<u>\$ 6,974,020</u>	<u>\$ 22,834,631</u>

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

CITY OF SALINA, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

					Net [Expenses] Revenue and Changes in Net Position				
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Salina Housing Authority	Salina Airport Authority
Governmental activities:									
General government	\$ 16,097,945	\$ 3,440,146	\$ 227,127	\$ -	\$ [12,430,672]	\$ -	\$ [12,430,672]	\$ -	\$ -
Public safety	23,877,346	4,526,565	1,198,087	-	[18,152,694]	-	[18,152,694]	-	-
Public works	16,335,127	414,928	1,368,101	66,150,000	51,597,902	-	51,597,902	-	-
Public health and sanitation	2,315,098	63,263	1,363,117	-	[888,718]	-	[888,718]	-	-
Culture and recreation	6,304,537	1,069,993	473,517	-	[4,761,027]	-	[4,761,027]	-	-
Planning and development	2,289,275	114,483	80,856	-	[2,093,936]	-	[2,093,936]	-	-
Interest on long-term debt	2,827,085	-	-	-	[2,827,085]	-	[2,827,085]	-	-
Total governmental activities	70,046,413	9,629,378	4,710,805	66,150,000	10,443,770	-	10,443,770	-	-
Business-type activities:									
Solid Waste Disposal	1,835,923	3,548,636	-	-	-	1,712,713	1,712,713	-	-
Water and Sewer	13,309,765	21,240,517	-	-	-	7,930,752	7,930,752	-	-
Sanitation	3,654,819	3,422,158	-	-	-	[232,661]	[232,661]	-	-
Golf Course	877,795	789,539	-	-	-	[88,256]	[88,256]	-	-
Total business-type activities	19,678,302	29,000,850	-	-	-	9,322,548	9,322,548	-	-
Total primary government	\$ 89,724,715	\$ 38,630,228	\$ 4,710,805	\$ 66,150,000	10,443,770	9,322,548	19,766,318	-	-
Component units:									
Salina Housing Authority	\$ 2,882,491	\$ 394,196	\$ 2,370,487	\$ 136,111	-	-	-	18,303	-
Salina Airport Authority	6,700,195	2,893,724	-	2,717,177	-	-	-	-	[1,089,294]
Total component units	\$ 9,582,686	\$ 3,287,920	\$ 2,370,487	\$ 2,853,288	-	-	-	18,303	[1,089,294]
General Revenues:									
Property taxes levied for									
General purposes					10,820,524	-	10,820,524	-	2,570,657
Debt service					3,064,701	-	3,064,701	-	-
Motor vehicle tax									
General purposes					1,643,038	-	1,643,038	-	-
Sales tax									
General purposes					15,314,664	-	15,314,664	-	-
Selective purposes					11,405,273	-	11,405,273	-	-
Other taxes									
General purposes					7,115,535	-	7,115,535	-	-
Investment revenues					158,169	-	158,169	8,980	1,311
Miscellaneous					2,405,412	2,415,696	4,821,108	101,496	154,774
Transfers, net					16,680,855	[16,680,855]	-	-	-
Subtotal general revenues					68,608,171	[14,265,159]	54,343,012	110,476	2,726,742
Change in net position					79,051,941	[4,942,611]	74,109,330	128,779	1,637,448
Net position - beginning					144,081,403	96,609,977	240,691,380	6,845,241	21,197,183
Prior period adjustment					-	1,862,141	1,862,141	-	-
Net position - beginning, restated					144,081,403	98,472,118	242,553,521	6,845,241	21,197,183
Net position - ending					\$ 223,133,344	\$ 93,529,507	\$ 316,662,851	\$ 6,974,020	\$ 22,834,631

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

CITY OF SALINA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	<u>General</u>	<u>Tourism and Convention</u>	<u>Special Gas</u>	<u>Sales Tax Capital</u>	<u>Schilling Capital Improvement</u>
ASSETS					
Cash and investments	\$ 19,206,886	\$ 854	\$ 2,434,711	\$ 9,589,335	\$ -
Restricted cash	-	-	-	-	-
Receivables (net)					
Accounts	1,629,294	602,631	-	-	-
Taxes	11,025,946	-	316,446	-	-
Interest	4,144	-	-	-	-
Inventory	167,703	-	-	-	-
Due from other funds	1,158	-	-	-	-
Total assets	<u>\$ 32,035,131</u>	<u>\$ 603,485</u>	<u>\$ 2,751,157</u>	<u>\$ 9,589,335</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 109,494	\$ -	\$ 31,748	\$ 141,907	\$ -
Retainage payable	-	-	357,472	45,000	-
Unearned revenue	-	-	-	-	-
Temporary notes payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>109,494</u>	<u>-</u>	<u>389,220</u>	<u>186,907</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	10,728,135	-	-	-	-
Unavailable revenue - other	133,970	-	-	-	-
Total deferred inflows of resources	<u>10,862,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Nonspendable	167,703	-	-	-	-
Restricted	-	603,485	2,140,934	-	-
Committed	-	-	-	8,379,831	-
Assigned	152,402	-	221,003	1,022,597	-
Unassigned	20,743,427	-	-	-	-
Total fund balances	<u>21,063,532</u>	<u>603,485</u>	<u>2,361,937</u>	<u>9,402,428</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,035,131</u>	<u>\$ 603,485</u>	<u>\$ 2,751,157</u>	<u>\$ 9,589,335</u>	<u>\$ -</u>

<u>Former Schilling AFB Environmental</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>SFH QalicB</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 66,742,220	\$ 2,052,630	\$ 4,295,503	\$ 3,834	\$ 10,798,509	\$ 115,124,482
-	-	-	258,041	-	258,041
-	-	-	1,605,407	2,211	3,839,543
-	3,119,483	-	-	-	14,461,875
-	-	-	-	-	4,144
-	-	-	-	-	167,703
-	-	10,000	-	-	11,158
<u>\$ 66,742,220</u>	<u>\$ 5,172,113</u>	<u>\$ 4,305,503</u>	<u>\$ 1,867,282</u>	<u>\$ 10,800,720</u>	<u>\$ 133,866,946</u>
\$ 44,453	\$ -	\$ 1,258,184	\$ -	\$ 195,690	\$ 1,781,476
-	-	321,636	13,823	-	737,931
-	-	-	-	3,551,978	3,551,978
-	-	3,647,188	-	-	3,647,188
-	-	-	10,000	1,158	11,158
<u>44,453</u>	<u>-</u>	<u>5,227,008</u>	<u>23,823</u>	<u>3,748,826</u>	<u>9,729,731</u>
-	3,060,449	-	-	-	13,788,584
-	-	-	-	-	133,970
-	<u>3,060,449</u>	-	-	-	<u>13,922,554</u>
-	-	-	-	-	167,703
66,697,767	2,111,664	-	-	471,333	72,025,183
-	-	-	1,843,459	6,373,218	16,596,508
-	-	-	-	343,350	1,739,352
-	-	[921,505]	-	[136,007]	19,685,915
<u>66,697,767</u>	<u>2,111,664</u>	<u>[921,505]</u>	<u>1,843,459</u>	<u>7,051,894</u>	<u>110,214,661</u>
<u>\$ 66,742,220</u>	<u>\$ 5,172,113</u>	<u>\$ 4,305,503</u>	<u>\$ 1,867,282</u>	<u>\$ 10,800,720</u>	<u>\$ 133,866,946</u>

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

CITY OF SALINA, KANSAS

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

December 31, 2021

Total Governmental Fund Balances	\$ 110,214,661
----------------------------------	----------------

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

The cost of capital assets is	357,901,233	
Accumulated depreciation is	<u>139,296,083</u>	218,605,150

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.	7,405,958
---	-----------

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.	[9,005,574]
--	-------------

Certain intrafund transactions have been eliminated between the City's primary funds and the QALICB blended component unit.	[1,672,004]
--	-------------

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.	4,508,611
--	-----------

The following liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported as liabilities in the funds.
These liabilities at year end consist of:

Compensated absences	2,808,600	
Net OPEB obligation	3,834,225	
Net pension liability	24,951,955	
Bonds payable	62,624,018	
Loans payable	12,226,942	
Accrued interest on the bonds	<u>477,718</u>	<u>[106,923,458]</u>

Net Position of Governmental Activities	\$ <u>223,133,344</u>
---	-----------------------

CITY OF SALINA, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	<u>General</u>	<u>Tourism and Convention</u>	<u>Special Gas</u>	<u>Sales Tax Capital</u>	<u>Schilling Capital Improvement</u>
REVENUES:					
Taxes					
Real estate taxes	\$ 10,521,583	\$ -	\$ -	\$ -	\$ -
Delinquent taxes	298,941	-	-	-	-
Motor vehicle taxes	1,268,419	-	-	-	-
General sales taxes	15,314,664	-	-	-	-
Selective sales taxes	-	-	-	9,639,452	-
Other taxes	5,351,559	1,763,976	-	-	-
Intergovernmental	1,144,657	-	1,357,801	-	-
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Charges for services	5,841,900	-	-	-	-
Investment revenue	78,253	-	-	-	-
Donations	-	-	-	-	-
Miscellaneous	719,637	-	80,373	-	462,374
Total revenues	<u>40,539,613</u>	<u>1,763,976</u>	<u>1,438,174</u>	<u>9,639,452</u>	<u>462,374</u>
EXPENDITURES:					
Current					
General government	5,629,698	-	-	-	-
Public safety	23,214,758	-	-	-	-
Public works	5,464,894	-	388,839	-	-
Public health and sanitation	746,880	-	-	-	-
Culture and recreation	3,732,377	-	-	-	-
Planning and development	55,174	833,830	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	675,363	-	1,713,301	2,753,166	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>39,519,144</u>	<u>833,830</u>	<u>2,102,140</u>	<u>2,753,166</u>	<u>-</u>
Excess [deficiency] of revenue and other sources over [under] expenditures and other [uses]	<u>1,020,469</u>	<u>930,146</u>	<u>[663,966]</u>	<u>6,886,286</u>	<u>462,374</u>
OTHER FINANCING SOURCES [USES]					
Issuance of bonds	-	-	-	-	-
Bond and temporary note premium	-	-	-	-	-
Transfers in	5,806,300	-	160,000	-	-
Transfers [out]	<u>[905,500]</u>	<u>[653,523]</u>	<u>-</u>	<u>[2,693,350]</u>	<u>[1,956,351]</u>
Total other financing sources [uses]	<u>4,900,800</u>	<u>[653,523]</u>	<u>160,000</u>	<u>[2,693,350]</u>	<u>[1,956,351]</u>
Net change in fund balance	5,921,269	276,623	[503,966]	4,192,936	[1,493,977]
Fund balance - Beginning of year	<u>15,142,263</u>	<u>326,862</u>	<u>2,865,903</u>	<u>5,209,492</u>	<u>1,493,977</u>
Fund balance - End of year	<u>\$ 21,063,532</u>	<u>\$ 603,485</u>	<u>\$ 2,361,937</u>	<u>\$ 9,402,428</u>	<u>\$ -</u>

Former Schilling AFB Environmental	Debt Service	Capital Projects	SFH QalicB	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,978,243	\$ -	\$ -	\$ -	\$ 13,499,826
-	86,458	-	-	-	385,399
-	374,619	-	-	-	1,643,038
-	-	-	-	-	15,314,664
-	-	-	-	1,765,821	11,405,273
-	-	-	-	-	7,115,535
65,900,000	-	250,000	-	2,239,721	70,892,179
-	1,405,148	-	-	-	1,405,148
-	-	-	-	10,300	10,300
-	-	-	492,917	375,649	6,710,466
65,998	-	-	45	13,873	158,169
-	-	-	-	89,647	89,647
-	-	-	-	635,492	1,897,876
<u>65,965,998</u>	<u>4,844,468</u>	<u>250,000</u>	<u>492,962</u>	<u>5,130,503</u>	<u>130,527,520</u>
-	-	-	-	-	5,629,698
-	-	-	-	-	23,214,758
-	-	-	-	312,121	6,165,854
-	-	-	-	1,549,128	2,296,008
-	-	-	-	1,584,686	5,317,063
-	-	-	-	1,189,341	2,078,345
-	-	-	-	1,880	1,880
1,261,025	-	16,875,459	10,085	1,650,384	24,938,783
-	10,549,900	-	-	-	10,549,900
-	1,917,407	293,791	200,044	-	2,411,242
<u>1,261,025</u>	<u>12,467,307</u>	<u>17,169,250</u>	<u>210,129</u>	<u>6,287,540</u>	<u>82,603,531</u>
<u>64,704,973</u>	<u>[7,622,839]</u>	<u>[16,919,250]</u>	<u>282,833</u>	<u>[1,157,037]</u>	<u>47,923,989</u>
-	6,167,545	7,645,000	-	-	13,812,545
-	-	592,398	-	-	592,398
1,992,794	1,842,841	11,788,154	-	1,409,532	22,999,621
-	-	-	-	[190,042]	[6,398,766]
<u>1,992,794</u>	<u>8,010,386</u>	<u>20,025,552</u>	<u>-</u>	<u>1,219,490</u>	<u>31,005,798</u>
66,697,767	387,547	3,106,302	282,833	62,453	78,929,787
-	1,724,117	[4,027,807]	1,560,626	6,989,441	31,284,874
<u>\$ 66,697,767</u>	<u>\$ 2,111,664</u>	<u>\$ [921,505]</u>	<u>\$ 1,843,459</u>	<u>\$ 7,051,894</u>	<u>\$ 110,214,661</u>

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

CITY OF SALINA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Total Net Change In Fund Balances - Governmental Funds \$ 78,929,787

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

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

Capital outlays	9,755,057	
Depreciation expense	<u>[5,916,846]</u>	3,838,211

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.

[415,843]

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.

959,307

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

[656,562]

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

477,418

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

[231,324]

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

[14,900,350]

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.

11,051,297

Changes In Net Position of Governmental Activities \$ 79,051,941

CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes				
Real estate taxes	\$ 10,521,583	\$ 10,737,173	\$ 10,737,173	\$ [215,590]
Delinquent taxes	298,941	160,000	160,000	138,941
Motor vehicle taxes	1,255,152	1,209,066	1,209,066	46,086
General sales tax	15,314,664	13,418,742	13,418,742	1,895,922
Other taxes	5,351,559	6,691,350	6,691,350	[1,339,791]
Intergovernmental	1,144,657	1,124,700	1,124,700	19,957
Charges for services	4,656,662	5,679,400	5,679,400	[1,022,738]
Investment revenue	89,874	306,000	306,000	[216,126]
Miscellaneous	689,766	482,500	482,500	207,266
Total revenues	<u>39,322,858</u>	<u>39,808,931</u>	<u>39,808,931</u>	<u>[486,073]</u>
Expenditures				
General government	4,892,999	6,209,388	6,209,388	1,316,389
Public safety	23,139,413	22,801,134	22,801,134	[338,279]
Public works	5,432,764	5,243,043	5,243,043	[189,721]
Public health and sanitation	746,880	-	-	[746,880]
Culture and recreation	3,733,772	6,450,666	6,450,666	2,716,894
Planning and development	[291,234]	2,059,517	2,059,517	2,350,751
Capital outlay	675,363	7,453,927	7,453,927	6,778,564
Total expenditures	<u>38,329,957</u>	<u>50,217,675</u>	<u>50,217,675</u>	<u>11,887,718</u>
Excess [deficiency] of revenues over [under] expenditures	<u>992,901</u>	<u>[10,408,744]</u>	<u>[10,408,744]</u>	<u>11,401,645</u>
Other financing sources [uses]				
Transfers in	5,806,300	4,366,500	4,366,500	1,439,800
Transfers [out]	[905,500]	[905,500]	[905,500]	-
Total other financing sources [uses]	<u>4,900,800</u>	<u>3,461,000</u>	<u>3,461,000</u>	<u>1,439,800</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>5,893,701</u>	<u>[6,947,744]</u>	<u>[6,947,744]</u>	<u>12,841,445</u>
Unreserved fund balance, January 1	<u>12,918,477</u>	<u>6,947,744</u>	<u>6,947,744</u>	<u>5,970,733</u>
Unreserved fund balance, December 31	18,812,178	\$ -	\$ -	\$ 18,812,178
Reconciliation to GAAP				
Interest receivable	4,144			
Accounts receivable	1,629,294			
Taxes receivable	11,025,946			
Inventory	167,703			
Deferred revenue	[10,728,135]			
Current year encumbrances	<u>152,402</u>			
GAAP Fund Balance, December 31	<u>\$ 21,063,532</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
TOURISM AND CONVENTION FUND
For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Other taxes	\$ 1,487,353	\$ 1,895,800	\$ 1,895,800	\$ [408,447]
Total revenues	<u>1,487,353</u>	<u>1,895,800</u>	<u>1,895,800</u>	<u>[408,447]</u>
Expenditures				
Planning and development	<u>833,830</u>	<u>1,047,033</u>	<u>1,047,033</u>	<u>213,203</u>
Total expenditures	<u>833,830</u>	<u>1,047,033</u>	<u>1,047,033</u>	<u>213,203</u>
Excess [deficiency] of revenues over [under] expenditures	<u>653,523</u>	<u>848,767</u>	<u>848,767</u>	<u>[195,244]</u>
Other financing sources [uses]				
Transfers [out]	<u>[653,523]</u>	<u>[848,767]</u>	<u>[848,767]</u>	<u>195,244</u>
Total other financing sources [uses]	<u>[653,523]</u>	<u>[848,767]</u>	<u>[848,767]</u>	<u>195,244</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved fund balance, January 1	<u>854</u>	<u>853</u>	<u>853</u>	<u>1</u>
Unreserved fund balance, December 31	854	<u>\$ 853</u>	<u>\$ 853</u>	<u>\$ 1</u>
Reconciliation to GAAP				
Accounts receivable	<u>602,631</u>			
GAAP Fund Balance, December 31	<u>\$ 603,485</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

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

For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 1,347,162	\$ 1,172,550	\$ 1,172,550	\$ 174,612
Miscellaneous	<u>80,373</u>	<u>-</u>	<u>-</u>	<u>80,373</u>
Total revenues	<u>1,427,535</u>	<u>1,172,550</u>	<u>1,172,550</u>	<u>254,985</u>
Expenditures				
Public works	388,839	486,950	486,950	98,111
Capital outlay	<u>1,302,212</u>	<u>1,006,243</u>	<u>1,006,243</u>	<u>[295,969]</u>
Total expenditures	<u>1,691,051</u>	<u>1,493,193</u>	<u>1,493,193</u>	<u>[197,858]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[263,516]</u>	<u>[320,643]</u>	<u>[320,643]</u>	<u>57,127</u>
Other financing sources [uses]				
Transfers in	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Total other financing sources [uses]	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[103,516]</u>	<u>[160,643]</u>	<u>[160,643]</u>	<u>57,127</u>
Unreserved fund balance, January 1	<u>1,928,004</u>	<u>1,693,383</u>	<u>1,693,383</u>	<u>234,621</u>
Unreserved fund balance, December 31	1,824,488	<u>\$ 1,532,740</u>	<u>\$ 1,532,740</u>	<u>\$ 291,748</u>
Reconciliation to GAAP				
Taxes receivable	316,446			
Current year encumbrances	<u>221,003</u>			
GAAP Fund Balance, December 31	<u>\$ 2,361,937</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SALES TAX CAPITAL FUND
For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues				
Taxes				
Selective sales taxes	\$ 9,639,452	\$ 8,500,559	\$ 8,500,559	\$ 1,138,893
Total revenues	<u>9,639,452</u>	<u>8,500,559</u>	<u>8,500,559</u>	<u>1,138,893</u>
Expenditures				
Capital outlay	<u>2,632,049</u>	<u>5,050,500</u>	<u>5,050,500</u>	<u>2,418,451</u>
Total expenditures	<u>2,632,049</u>	<u>5,050,500</u>	<u>5,050,500</u>	<u>2,418,451</u>
Excess [deficiency] of revenues over [under] expenditures	<u>7,007,403</u>	<u>3,450,059</u>	<u>3,450,059</u>	<u>3,557,344</u>
Other financing sources [uses]				
Transfers [out]	<u>[2,693,350]</u>	<u>[2,693,350]</u>	<u>[2,693,350]</u>	<u>-</u>
Total other financing sources [uses]	<u>[2,693,350]</u>	<u>[2,693,350]</u>	<u>[2,693,350]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>4,314,053</u>	<u>756,709</u>	<u>756,709</u>	<u>3,557,344</u>
Unreserved fund balance, January 1	<u>4,065,778</u>	<u>1,996,130</u>	<u>1,996,130</u>	<u>2,069,648</u>
Unreserved fund balance, December 31	<u>8,379,831</u>	<u>\$ 2,752,839</u>	<u>\$ 2,752,839</u>	<u>\$ 5,626,992</u>
Reconciliation to GAAP				
Current year encumbrances	<u>1,022,597</u>			
GAAP Fund Balance, December 31	<u>\$ 9,402,428</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Assets and deferred outflows of resources:						
Current assets:						
Cash and investments	\$ 8,924,536	\$ 34,471,779	\$ 1,271,617	\$ 91,749	\$ 44,759,681	\$ 5,401,983
Receivables (net of allowance for uncollectibles)						
Accounts	239,542	1,351,300	236,783	-	1,827,625	-
Interest	16	-	-	-	16	-
Inventory and prepaid supplies	-	386,967	-	20,179	407,146	136,375
Total current assets	<u>9,164,094</u>	<u>36,210,046</u>	<u>1,508,400</u>	<u>111,928</u>	<u>46,994,468</u>	<u>5,538,358</u>
Capital assets:						
Nondepreciable capital assets:						
Construction in progress	265	21,570,608	-	-	21,570,873	-
Land	682,000	1,689,334	-	15,000	2,386,334	-
Depreciable capital assets:						
Capital assets	13,304,495	154,979,628	2,848,648	1,310,899	172,443,670	168,234
Less: accumulated depreciation	<u>10,780,426</u>	<u>65,520,383</u>	<u>1,713,607</u>	<u>892,830</u>	<u>78,907,246</u>	<u>154,325</u>
Total capital assets	<u>3,206,334</u>	<u>112,719,187</u>	<u>1,135,041</u>	<u>433,069</u>	<u>117,493,631</u>	<u>13,909</u>
Total assets	<u>12,370,428</u>	<u>148,929,233</u>	<u>2,643,441</u>	<u>544,997</u>	<u>164,488,099</u>	<u>5,552,267</u>
Deferred outflows of resources:						
KPERS OPEB deferred outflows of resources	3,103	19,872	5,718	1,893	30,586	1,575
OPEB deferred outflows of resources	5,678	32,076	9,564	1,975	49,293	-
Pension deferred outflows of resources	<u>106,247</u>	<u>517,300</u>	<u>111,828</u>	<u>87,399</u>	<u>822,774</u>	<u>36,501</u>
Total deferred outflows of resources	<u>115,028</u>	<u>569,248</u>	<u>127,110</u>	<u>91,267</u>	<u>902,653</u>	<u>38,076</u>
Total assets and deferred outflows of resources	<u>\$ 12,485,456</u>	<u>\$ 149,498,481</u>	<u>\$ 2,770,551</u>	<u>\$ 636,264</u>	<u>\$ 165,390,752</u>	<u>\$ 5,590,343</u>
Liabilities and deferred inflows of resources:						
Current liabilities						
Accounts payable	\$ 226,826	\$ 163,363	\$ 6,764	\$ 425	\$ 397,378	\$ 82,621
Interest payable	35,008	500,801	-	-	535,809	-
Meter deposits payable	-	422,066	-	-	422,066	-
Temporary notes payable	1,611,714	-	-	-	1,611,714	-
Current portion of compensated absences payable	21,557	177,561	75,275	16,175	290,568	13,400
Current portion of accrued claims payable	-	-	-	-	-	614,807
Current portion of loans payable	-	383,064	-	-	383,064	-
Current portion of general obligation bonds payable	411,176	712,047	-	-	1,123,223	-
Current portion of revenue bonds payable	-	775,000	-	-	775,000	-
Total current liabilities	<u>2,306,281</u>	<u>3,133,902</u>	<u>82,039</u>	<u>16,600</u>	<u>5,538,822</u>	<u>710,828</u>
Noncurrent liabilities:						
Compensated absences payable	26,794	220,702	93,563	20,105	361,164	16,655
Accrued claims payable	-	-	-	-	-	168,990
OPEB obligation	66,512	370,077	110,339	22,785	569,713	-
KPERS OPEB obligation	16,716	107,066	30,807	10,202	164,791	8,484
Net pension liability	307,465	1,463,705	327,703	163,112	2,261,985	105,909
Payable from restricted assets						
Loans payable	-	43,583,302	-	-	43,583,302	-
General obligation bonds payable	1,610,134	5,265,134	-	-	6,875,268	-
Revenue bonds payable	-	8,750,145	-	-	8,750,145	-
Landfill post-closure care liabilities	<u>2,332,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,332,241</u>	<u>-</u>
Total noncurrent liabilities	<u>4,359,862</u>	<u>59,760,131</u>	<u>562,412</u>	<u>216,204</u>	<u>64,898,609</u>	<u>300,038</u>
Total liabilities	<u>6,666,143</u>	<u>62,894,033</u>	<u>644,451</u>	<u>232,804</u>	<u>70,437,431</u>	<u>1,010,866</u>
Deferred inflows of resources						
KPERS OPEB deferred inflows of resources	7,028	43,454	12,966	4,211	67,659	3,541
OPEB deferred inflows of resources	5,084	30,240	8,541	1,833	45,698	-
Pension deferred inflows of resources	<u>140,535</u>	<u>847,264</u>	<u>242,548</u>	<u>80,110</u>	<u>1,310,457</u>	<u>67,325</u>
Total deferred inflows of resources	<u>152,647</u>	<u>920,958</u>	<u>264,055</u>	<u>86,154</u>	<u>1,423,814</u>	<u>70,866</u>
Total liabilities and deferred inflows of resources	<u>\$ 6,818,790</u>	<u>\$ 63,814,991</u>	<u>\$ 908,506</u>	<u>\$ 318,958</u>	<u>\$ 71,861,245</u>	<u>\$ 1,081,732</u>
Net position						
Net investment in capital assets	\$ 1,185,024	\$ 53,250,495	\$ 1,135,041	\$ 433,069	\$ 56,003,629	\$ 13,909
Restricted						
Restricted for bond retirement	-	1,131,606	-	-	1,131,606	-
Unrestricted	<u>4,481,642</u>	<u>31,301,389</u>	<u>727,004</u>	<u>[115,763]</u>	<u>36,394,272</u>	<u>4,494,702</u>
Total net position	<u>\$ 5,666,666</u>	<u>\$ 85,683,490</u>	<u>\$ 1,862,045</u>	<u>\$ 317,306</u>	<u>\$ 93,529,507</u>	<u>\$ 4,508,611</u>

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

CITY OF SALINA, KANSAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Operating revenues						
Charges for services	\$ 3,548,636	\$ 21,240,517	\$ 3,422,158	\$ 789,539	\$ 29,000,850	\$ 8,223,682
Miscellaneous	87,560	2,427,749	830	[100,443]	2,415,696	28,852
Total operating revenues	<u>3,636,196</u>	<u>23,668,266</u>	<u>3,422,988</u>	<u>689,096</u>	<u>31,416,546</u>	<u>8,252,534</u>
Operating expenses						
General government	-	-	-	-	-	7,372,865
Public works	1,617,278	8,510,657	3,502,147	-	13,630,082	-
Recreation	-	-	-	834,562	834,562	-
Depreciation	129,016	3,567,276	152,672	43,233	3,892,197	362
Total operating expenses	<u>1,746,294</u>	<u>12,077,933</u>	<u>3,654,819</u>	<u>877,795</u>	<u>18,356,841</u>	<u>7,373,227</u>
Operating income [loss]	<u>1,889,902</u>	<u>11,590,333</u>	<u>[231,831]</u>	<u>[188,699]</u>	<u>13,059,705</u>	<u>879,307</u>
Nonoperating revenues [expenses]						
Interest expense	[89,629]	[1,313,168]	-	-	[1,402,797]	-
Accretion of bond premium	-	81,336	-	-	81,336	-
Total nonoperating revenues [expenses]	<u>[89,629]</u>	<u>[1,231,832]</u>	<u>-</u>	<u>-</u>	<u>[1,321,461]</u>	<u>-</u>
Income [loss] before transfers	<u>1,800,273</u>	<u>10,358,501</u>	<u>[231,831]</u>	<u>[188,699]</u>	<u>11,738,244</u>	<u>879,307</u>
Transfers from [to] other funds						
Transfers in	-	153,599	-	-	153,599	80,000
Transfers [out]	[2,270,914]	[14,066,190]	[497,350]	-	[16,834,454]	-
Total transfers	<u>[2,270,914]</u>	<u>[13,912,591]</u>	<u>[497,350]</u>	<u>-</u>	<u>[16,680,855]</u>	<u>80,000</u>
Change in net position	<u>[470,641]</u>	<u>[3,554,090]</u>	<u>[729,181]</u>	<u>[188,699]</u>	<u>[4,942,611]</u>	<u>959,307</u>
Net position, January 1	6,137,307	87,375,439	2,591,226	506,005	96,609,977	3,549,304
Prior period adjustment	-	1,862,141	-	-	1,862,141	-
Net position, January 1, restated	<u>6,137,307</u>	<u>89,237,580</u>	<u>2,591,226</u>	<u>506,005</u>	<u>98,472,118</u>	<u>3,549,304</u>
Net position, December 31	<u>\$ 5,666,666</u>	<u>\$ 85,683,490</u>	<u>\$ 1,862,045</u>	<u>\$ 317,306</u>	<u>\$ 93,529,507</u>	<u>\$ 4,508,611</u>

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

CITY OF SALINA, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2021

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Cash flows from operating activities						
Cash received from customers and users	\$ 3,507,381	\$ 21,272,184	\$ 3,405,318	\$ 789,539	\$ 28,974,422	\$ 7,955,984
Cash paid to suppliers of goods or services	[777,661]	[5,395,358]	[2,544,053]	[376,910]	[9,093,982]	[7,103,848]
Cash paid to employees	[612,504]	[3,738,887]	[983,943]	[483,664]	[5,818,998]	[276,664]
Other operating receipts	87,560	2,427,749	830	[100,443]	2,415,696	28,852
Net cash provided by [used in] operating activities	<u>2,204,776</u>	<u>14,565,688</u>	<u>[121,848]</u>	<u>[171,478]</u>	<u>16,477,138</u>	<u>604,324</u>
Cash flows from capital and related financing activities						
[Purchase and construction] sale of capital assets	[265]	[239,196]	[284,228]	198,957	[324,732]	-
Proceeds from bonds	320,000	-	-	-	320,000	-
Proceeds from temporary notes	1,611,714	-	-	-	1,611,714	-
Proceeds from loans	-	10,176,440	-	-	10,176,440	-
Principal payments - loans	-	[2,136,102]	-	-	[2,136,102]	-
Principal payments - general obligation bonds	[724,078]	[705,422]	-	-	[1,429,500]	-
Principal payments - revenue bonds	-	[816,015]	-	-	[816,015]	-
Interest paid	[93,368]	[1,220,668]	-	-	[1,314,036]	-
Net cash provided by [used in] capital and related financing activities	<u>1,114,003</u>	<u>5,059,037</u>	<u>[284,228]</u>	<u>198,957</u>	<u>6,087,769</u>	<u>-</u>
Cash flows from noncapital financing activities						
Transfers in	-	153,599	-	-	153,599	80,000
Transfers [out]	[2,270,914]	[14,066,190]	[497,350]	-	[16,834,454]	-
Net cash provided by [used in] noncapital financing activities	<u>[2,270,914]</u>	<u>[13,912,591]</u>	<u>[497,350]</u>	<u>-</u>	<u>[16,680,855]</u>	<u>80,000</u>
Net increase [decrease] in cash and cash equivalents	1,047,865	5,712,134	[903,426]	27,479	5,884,052	684,324
Cash and cash equivalents, January 1	<u>7,876,671</u>	<u>28,759,645</u>	<u>2,175,043</u>	<u>64,270</u>	<u>38,875,629</u>	<u>4,717,659</u>
Cash and cash equivalents, December 31	<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>

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

CITY OF SALINA, KANSAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (Continued)
 For the Year Ended December 31, 2021

	Business-Type Activities: Enterprise Funds				Total Enterprise Funds	Internal Service Funds
	Solid Waste Disposal	Water and Sewer	Sanitation	Golf Course		
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities						
Operating income [loss]	\$ 1,889,902	\$ 11,590,333	\$ [231,831]	\$ [188,699]	\$ 13,059,705	\$ 879,307
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities						
Depreciation expense	129,016	3,567,276	152,672	43,233	3,892,197	362
[Increase] decrease in accounts receivable	[41,255]	[105,140]	[16,840]	-	[163,235]	-
[Increase] decrease in inventory	-	3,762	-	7,039	10,801	[35,156]
[Increase] decrease in deferred outflows	22,338	136,312	36,926	18,369	213,945	11,901
Increase [decrease] in accounts payable	207,302	[346,294]	[18,685]	[7,098]	[164,775]	36,871
Increase [decrease] in retainage payable	-	[211,528]	-	-	[211,528]	-
Increase [decrease] in accrued compensated absences	5,193	40,119	13,093	[984]	57,421	[246]
Increase [decrease] in claims payable	-	-	-	-	-	[267,698]
Increase [decrease] in net pension liability	[161,557]	[1,034,740]	[297,731]	[98,593]	[1,592,621]	[81,998]
Increase [decrease] in net KPERS OPEB obligation	[6,764]	[9,256]	3,862	[17,818]	[29,976]	[239]
Increase [decrease] in net OPEB obligation	8,945	27,619	13,611	2,024	52,199	-
Increase [decrease] in meter deposits payable	-	136,807	-	-	136,807	-
Increase [decrease] in deferred inflows	119,768	770,418	223,075	71,049	1,184,310	61,220
Net cash provided by [used in] operating activities	<u>\$ 2,204,776</u>	<u>\$ 14,565,688</u>	<u>\$ [121,848]</u>	<u>\$ [171,478]</u>	<u>\$ 16,477,138</u>	<u>\$ 604,324</u>

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

CITY OF SALINA, KANSAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Custodial <u>Fund</u>
ASSETS	
Cash and investments	\$ <u>1</u>
Total assets	<u>1</u>
LIABILITIES AND NET POSITION	
Liabilities	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>\$ 1</u>

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

CITY OF SALINA, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Custodial Fund
ADDITIONS	
Miscellaneous	\$ 25,711
Total additions	<u>25,711</u>
DEDUCTIONS	
Contractual services	<u>26,461</u>
Total deductions	<u>26,461</u>
Change in net position	[750]
Net position, January 1	<u>751</u>
Net position, December 31	<u><u>\$ 1</u></u>

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Discretely Presented Component Units

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

Housing Authority of the City of Salina - The purpose of the Housing Authority of the City of Salina (Housing Authority) is to administer Public Housing Programs authorized by the United States Housing Act of 1937. The Mayor of the City of Salina appoints the governing board. The City Commission may remove commissioners of the Housing Authority. The City must issue revenue bonds for the Housing Authority. The financial liability of the Housing Authority is essentially supported by the operating and debt service subsidies received under contract from the Federal government. The Housing Authority has a June 30 fiscal year end. Information in the accompanying financial statements covers the fiscal year ended June 30, 2021.

Blended Component Unit

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

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

Salina Airport Authority
3237 Arnold Ave.
Salina, KS

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

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

Joint Ventures

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Joint Ventures (Continued)

	(Kansas Regulatory Basis)
	Building Authority (Audited)
Total unencumbered cash, December 31, 2021	\$ 2,021,068
Total change in unencumbered cash, year ended December 31, 2021	92,869
Total cash receipts, year ended December 31, 2021	1,644,624
Total cash receipts from City of Salina	510,668

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

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

B. Government-wide and fund financial statements

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

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

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

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

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

Former Schilling AFB Environmental 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.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

The City reports the following major proprietary funds:

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

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

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

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

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

1. Pooled cash and investments

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

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

2. Receivables and Payables

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

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivables and Payables (Continued)

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

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.

3. Inventories and Prepaid Items

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

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

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

5. Compensated Absences

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

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

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

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

6. Temporary Notes

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

7. Long-term Obligations

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

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Fund Balances

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

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

	Major Governmental Funds								Other	Total
	General	Tourism and Convention	Special Gas	Sales Tax Capital	Former Schilling AFB Environmental	Debt Service	Capital Projects	SFH QalicB	Governmental Funds	Governmental Funds
Fund Balances:										
Nonspendable for:										
Inventory	\$ 167,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,703
Restricted for:										
Public works	-	-	2,140,934	-	-	-	-	-	-	2,140,934
Public health and sanitation	-	-	-	-	-	-	-	-	234	234
Culture and recreation	-	-	-	-	-	-	-	-	245,319	245,319
Planning and development	-	603,485	-	-	-	-	-	-	224,980	828,465
Capital improvements	-	-	-	-	66,697,767	-	-	-	-	66,697,767
Debt payments	-	-	-	-	-	2,111,664	-	-	800	2,112,464
Committed for:										
Public safety	-	-	-	-	-	-	-	-	677,239	677,239
Culture and recreation	-	-	-	-	-	-	-	-	782,574	782,574
Planning and development	-	-	-	-	-	-	-	1,843,459	728,371	2,571,830
Cemetery	-	-	-	-	-	-	-	-	553,053	553,053
Capital improvements	-	-	-	8,379,831	-	-	-	-	3,631,981	12,011,812
Assigned for:										
General government	152,402	-	-	-	-	-	-	-	-	152,402
Public safety	-	-	-	-	-	-	-	-	105,726	105,726
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	237,624	237,624
Capital improvements	-	-	221,003	1,022,597	-	-	-	-	-	1,243,600
Unassigned:	20,743,427	-	-	-	-	-	[921,505]	-	[136,007]	19,685,915
Total Fund Balances	<u>\$21,063,532</u>	<u>\$603,485</u>	<u>\$2,361,937</u>	<u>\$9,402,428</u>	<u>\$66,697,767</u>	<u>\$2,111,664</u>	<u>\$ [921,505]</u>	<u>\$1,843,459</u>	<u>\$ 7,051,894</u>	<u>\$110,214,661</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports changes in the pension and OPEB plan liability proportion and assumptions, net difference between projected and actual earnings on pension plan and OPEB plan investments and differences between pension and OPEB plan liability expected and actual experience are reported as deferred outflows of resources in the government activities.

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

10. Use of Estimates

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

11. Net Position

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

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The statutes allow the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2021 budget was not amended during the year.

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

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

A legal operating budget is not required for capital projects funds, Former Schilling AFB Environmental fund, SFH QalicB fund, non-major debt service funds, trust funds, permanent funds, and the following special revenue funds: Community Development Revolving, Downtown TIF District #1, South 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.

B. Legal Debt Margin

The City is subject to the municipal finance law of the state of Kansas which limits the bonded debt (exclusive of revenue bonds and special assessment bonds) the city may have outstanding to 30 percent of the assessed value of all tangible taxable property within the city, as certified to the county clerk on the proceeding August 25. As of December 31, 2021, the statutory limit for the City was \$155,844,910, providing a debt margin of \$89,020,771.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2021

Note 3. RESTATEMENT OF EQUITY

During the year ended December 31, 2021, management discovered certain errors that occurred in the prior year. The effects of these items caused a restatement to net position as follows:

	Water and <u>Sewer</u>
Net Position	
December 31, 2020	\$87,375,439
Prior Period Adjustment	<u>1,862,141</u>
Net Position	
December 31, 2020, Restated	<u><u>\$89,237,580</u></u>

Note 4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

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

As of December 31, 2021, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 318,091</u>	S&P AAf/S1+
Total fair value	<u><u>\$ 318,091</u></u>	

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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

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

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

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

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

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

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. As of December 31, 2021 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 4E). As of December 31, 2021, the balance of the Interest Reserve and Operating Reserve was \$131,391 and \$126,650, respectively.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

	General	Tourism and Convention	Special Gas	Debt Service	SFH QalicB	Other Governmental	Subtotal
Primary Government Receivables:							
Accounts	\$ 7,464,058	\$ 602,631	\$ -	\$ -	\$ 1,605,407	\$ 3,244	\$ 9,675,340
Taxes	11,025,946	-	316,446	3,119,483	-	-	14,461,875
Interest	4,144	-	-	-	-	-	4,144
Gross receivables	18,494,148	602,631	316,446	3,119,483	1,605,407	3,244	24,141,359
Less: allowance for uncollectibles	[5,834,764]	-	-	-	-	[1,033]	[5,835,797]
Total	<u>\$12,659,384</u>	<u>\$ 602,631</u>	<u>\$316,446</u>	<u>\$3,119,483</u>	<u>\$1,605,407</u>	<u>\$ 2,211</u>	<u>\$18,305,562</u>
				Solid Waste Disposal	Water and Sewer	Sanitation	Total
Primary Government Receivables:							
Accounts				\$ 239,542	\$2,243,162	\$ 382,326	\$12,540,370
Taxes				-	-	-	14,461,875
Interest				16	-	-	4,160
Gross receivables				239,558	2,243,162	382,326	27,006,405
Less: allowance for uncollectibles				-	[891,862]	[145,543]	[6,873,202]
Total				<u>\$ 239,558</u>	<u>\$1,351,300</u>	<u>\$ 236,783</u>	<u>\$20,133,203</u>
Component Units							
Salina Airport Authority							\$ 94,058
Accounts							1,452,931
Grants							[1,500]
Less: allowance for uncollectibles							
Total Salina Airport Authority							<u>1,545,489</u>
Salina Housing Authority							
Accounts							45,755
Less: allowance for uncollectibles							[13,870]
Total Salina Housing Authority							<u>31,885</u>
Total							<u>\$ 1,577,374</u>

C. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2021, is as follows:

Fund Types	Due From	Due To
General Fund	\$ 11,158	\$ -
Other Governmental Funds	-	11,158
	<u>\$ 11,158</u>	<u>\$ 11,158</u>

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Adjustments	Adj. Bal. 12/31/2020	Additions	Retirements	Balance 12/31/2021
City governmental activities:						
Governmental activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 26,221,157	\$ -	\$ 26,221,157	\$ 8,718,691	\$ 14,613,009	\$ 20,326,839
Land	24,223,535	-	24,223,535	-	-	24,223,535
Leased land under capital lease	422,799	-	422,799	-	-	422,799
Capital assets, being depreciated						
Infrastructure	226,276,624	-	226,276,624	15,030,407	-	241,307,031
Buildings and improvements	53,158,946	-	53,158,946	-	-	53,158,946
Vehicles	10,169,524	-	10,169,524	218,001	-	10,387,525
Equipment, furniture and fixtures	7,484,442	-	7,484,442	403,574	2,607	7,885,409
Leasehold improvements	357,383	-	357,383	-	-	357,383
Total capital assets	348,314,410	-	348,314,410	24,370,673	14,615,616	358,069,467
Less accumulated depreciation for:						
Infrastructure	96,266,536	-	96,266,536	4,350,078	-	100,616,614
Buildings and improvements	23,940,647	-	23,940,647	1,313,174	-	25,253,821
Vehicles	7,494,122	-	7,494,122	578,773	-	8,072,895
Equipment, furniture and fixtures	5,174,971	-	5,174,971	334,714	2,607	5,507,078
Total accumulated depreciation	132,876,276	-	132,876,276	6,576,739	2,607	139,450,408
Governmental activities capital assets, net	\$ 215,438,134	\$ -	\$ 215,438,134	\$ 17,793,934	\$ 14,613,009	\$ 218,619,059
Business-type activities:						
Capital assets, not being depreciated						
Construction in progress	\$ 27,975,939	\$ -	\$ 27,975,939	\$ 2,400,534	\$ 8,805,600	\$ 21,570,873
Land	2,386,334	-	2,386,334	-	-	2,386,334
Capital assets, being depreciated						
Infrastructure	131,643,670	-	131,643,670	8,388,201	-	140,031,871
Buildings and improvements	22,579,936	-	22,579,936	284,228	-	22,864,164
Vehicles	3,781,267	-	3,781,267	-	-	3,781,267
Equipment, furniture and fixtures	5,765,524	-	5,765,523	845	-	5,766,368
Total capital assets	194,132,670	-	194,132,669	11,073,808	8,805,600	196,400,877
Less accumulated depreciation for:						
Infrastructure	53,350,542	-	53,350,542	3,035,435	-	56,385,977
Buildings and improvements	14,476,597	-	14,476,597	423,824	-	14,900,421
Vehicles	2,701,833	-	2,701,833	194,366	-	2,896,199
Equipment, furniture and fixtures	4,486,078	-	4,486,078	238,572	-	4,724,650
Total accumulated depreciation	75,015,050	-	75,015,050	3,892,197	-	78,907,247
Business-type activities capital assets, net	\$ 119,117,620	\$ -	\$ 119,117,619	\$ 7,181,611	\$ 8,805,600	\$ 117,493,630

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 59,708
Public safety	660,307
Public works	4,450,051
Public health	30,651
Culture and recreation	1,042,548
Planning and development	333,474
Total depreciation	<u>\$ 6,576,739</u>

Business-type Activities:	
Solid Waste Disposal	\$ 129,016
Water and Sewer	3,567,276
Sanitation	152,672
Golf Course Division	43,233
Total depreciation	<u>\$ 3,892,197</u>

E. Long-Term Debt

Following is a summary of changes in long-term debt for fiscal year 2021:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 56,587,549	\$ 13,545,000	\$ 10,549,900	\$ 59,582,649	\$ 4,826,778
General obligation bond premium	2,743,432	793,345	495,408	3,041,369	253,163
Loans payable	12,640,000	-	-	12,640,000	-
Loans payable discount	[427,021]	-	[13,963]	[413,058]	-
OPEB liability	3,097,540	498,956	94,025	3,502,471	-
KPERS OPEB liability	402,677	53,298	115,737	340,238	-
Net pension liability	34,571,390	-	9,513,526	25,057,864	-
Accrued compensation	2,697,006	1,407,234	1,265,585	2,838,655	1,252,185
Temporary notes	7,050,000	3,647,188	7,050,000	3,647,188	3,647,188
Temporary note premium	-	66,598	-	66,598	66,598
Total	<u>\$ 119,362,573</u>	<u>\$ 20,011,619</u>	<u>\$ 29,070,218</u>	<u>\$ 110,303,974</u>	<u>\$ 10,045,912</u>
Business-type activities:					
General obligation bonds	\$ 8,742,451	\$ 320,000	\$ 1,390,100	\$ 7,672,351	\$ 1,123,223
General obligation bond premium	365,539	-	39,399	326,140	39,399
Loans payable	35,926,027	10,176,440	2,136,101	43,966,366	383,064
Revenue bonds	9,615,000	-	750,000	8,865,000	775,000
Revenue bond premium	726,160	-	66,015	660,145	-
OPEB liability	517,514	80,995	28,796	569,713	-
KPERS OPEB liability	194,767	25,815	55,791	164,791	-
Net pension liability	3,854,606	-	1,592,621	2,261,985	-
Accrued compensation	594,311	347,989	290,568	651,732	290,568
Temporary notes	-	1,582,812	-	1,582,812	1,582,812
Temporary note premium	-	28,902	-	28,902	28,902
Total	<u>\$ 60,536,375</u>	<u>\$ 12,562,953</u>	<u>\$ 6,349,391</u>	<u>\$ 66,749,937</u>	<u>\$ 4,222,968</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

The following is a detailed listing of the City's general obligation bonds outstanding as of December 31, 2021:

General Obligation Bonds - Primary Government						
Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original Issue	Governmental Activites Outstanding	Business-type Activites Outstanding
Internal Improvements, 2013A	2/15/2013	10/1/2028	2.60% to 3.65%	\$1,360,000	\$ 725,000	\$ -
Improvement and Refunding, 2015A	7/29/2015	10/1/2035	3.00% to 3.50%	6,825,000	4,795,000	-
Internal Improvements, 2016A	7/26/2016	10/1/2036	2.00% to 3.00%	6,570,000	5,220,000	2,097,351
Refunding, 2016B	7/26/2016	10/1/2031	2.00% to 5.00%	13,750,000	8,092,649	-
Internal Improvements, 2017A	7/27/2017	10/1/2037	3.00% to 3.38%	9,310,000	7,940,000	-
Internal Improvements, 2018A	11/27/2018	10/1/2033	3.15% to 4.00%	2,090,000	1,750,000	-
Internal Improvements, 2019A	4/24/2019	10/1/2039	3.00% to 4.00%	11,090,000	10,440,000	-
Internal Improvements, 2020A	4/29/2020	10/1/2035	2.00% to 3.00%	5,210,000	3,110,000	1,605,000
Internal Improvements, 2020B	11/19/2020	10/1/2036	2.00% to 3.00%	8,450,000	3,965,000	3,650,000
Internal Improvements, 2021A	4/29/2021	10/1/2041	1.63% to 4.50%	7,645,000	7,645,000	-
Refunding, 2021B	9/8/2021	10/1/2034	1.15% to 2.00%	6,220,000	5,900,000	320,000
					<u>\$ 59,582,649</u>	<u>\$ 7,672,351</u>

The following is a detailed listing of the City's revenue bonds outstanding as of December 31, 2021:

Revenue Bonds - Primary Government					
Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original Issue	Business-type Activites Outstanding
Revenue & Refunding, 2019	9/11/2019	10/1/2031	3.00%	\$10,330,000	<u>\$ 8,865,000</u>

The following is a detailed listing of the City's temporary notes outstanding as of December 31, 2021:

Temporary Notes - Primary Government						
Purpose, Series	Issue Date	Final Maturity	Interest Rates	Original Issue	Governmental Activites Outstanding	Business-type Activites Outstanding
Internal Improvements, 2021-1	4/29/2021	5/1/2022	2.00%	\$5,230,000	<u>\$ 3,647,188</u>	<u>\$ 1,582,812</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

The following is a detailed listing of the City's loans payable as of December 31, 2021:

Loans Payable - Primary Government						Governmental	Business-type
Purpose	Issue Date	Final Maturity	Interest Rates	Original Issue	Activites Outstanding	Activites Outstanding	
Kansas Public Water Supply 2629	8/1/2014	8/1/2034	2.12%	\$8,562,911	\$ -	\$ 5,669,144	
Kansas Public Water Supply 2917	8/15/2018	2/1/2040	2.33%	32,000,000	-	29,736,642	
Kansas Public Water Supply 2957	7/2/2018	2/1/2040	2.33%	4,250,000	-	3,726,201	
Kansas Public Water Supply 2997	7/7/2020	8/1/2041	1.43%	4,250,000	-	2,172,136	
Kansas Water Pollution Control 2049	2/22/2021	9/1/2042	1.30%	31,500,000	-	1,499,577	
Kansas Water Pollution Control 2050	12/11/2018	3/1/2035	2.54%	2,250,000	-	1,162,666	
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	-	
					<u>\$ 12,640,000</u>	<u>\$43,966,366</u>	

The following is a detailed listing of the long-term debt outstanding of the City's component unit, the Salina Airport Authority, as of December 31, 2021:

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	\$ 430,000	
Taxable Refunding, 2017A	7/12/2017	9/1/2030	1.61% to 3.35%	10,255,000	9,935,000	
Refunding, 2017B	7/12/2017	9/1/2031	2.00% to 3.00%	4,835,000	4,735,000	
Refunding, 2019A	10/10/2019	9/1/2029	2.10% to 3.10%	675,000	555,000	
Taxable Refunding, 2019B	10/10/2019	9/1/2023	2.80% to 3.00%	3,455,000	1,615,000	
Refunding, 2021A	8/17/2021	9/1/2031	0.25% to 2.00%	2,345,000	2,345,000	
Less: Unamortized bond premium					18,163	
Plus: Unamortized bond discount					[60,214]	
					<u>\$ 19,572,949</u>	

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
					<u>\$ 5,645,000</u>

Lease Purchase Agreement - Component Units						Governmental
Purpose	Issue Date	Final Maturity	Interest Rates	Original Issue	Activites Outstanding	
Building 824 Improvements	8/12/2020	9/1/2030	3.30%	\$ 460,000	\$ 420,058	

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

Annual debt service requirements to maturity for general obligation bonds:

Year Ending December 31,	General Obligation Bonds - Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 4,826,777	\$ 253,163	\$ 5,079,940	\$ 1,123,222	\$ 39,399	\$ 1,162,621
2023	4,941,734	253,163	5,194,897	973,267	39,399	1,012,666
2024	4,870,140	253,163	5,123,303	869,860	39,399	909,259
2025	4,576,004	253,163	4,829,167	873,996	39,399	913,395
2026	4,312,044	253,163	4,565,207	437,956	15,322	453,278
2027 - 2031	17,622,963	1,021,062	18,644,025	2,117,037	76,610	2,193,647
2032 - 2036	14,012,987	552,510	14,565,497	1,277,013	76,610	1,353,623
2037 - 2041	4,420,000	201,985	4,621,985	-	4,680,500	4,680,500
Total	<u>\$59,582,649</u>	<u>\$ 3,041,372</u>	<u>\$62,624,021</u>	<u>\$7,672,351</u>	<u>\$5,006,638</u>	<u>\$12,678,989</u>

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
2022	\$ 775,000	\$ 66,015	\$ 841,015
2023	795,000	66,015	861,015
2024	820,000	66,015	886,015
2025	845,000	66,015	911,015
2026	870,000	66,015	936,015
2027 - 2031	4,760,000	330,073	5,090,073
Total	<u>\$ 8,865,000</u>	<u>\$ 660,148</u>	<u>\$ 9,525,148</u>

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

Year Ending December 31,	Temporary Notes - Primary Government				
	Governmental Activities			Business-type Activities	
	Principal	Interest	Total	Interest	Total
2022	<u>\$ 3,647,188</u>	<u>\$ 73,349</u>	<u>\$ 3,720,537</u>	<u>\$1,582,812</u>	<u>\$ 31,832</u>
				<u>\$ 1,614,644</u>	

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

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

Year Ending December 31,	Total
2022	\$ -
2023	-
2024	-
2025	-
2026	616,140
Therafter	12,023,860
Total	<u>\$ 12,640,000</u>

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, 2021:

General Obligation Bonds - Component Units			
Year Ending	Governmental Activites		
December 31,	Principal	Interest	Total
2022	\$ 1,670,000	\$ 541,056	\$ 2,211,056
2023	1,710,000	498,754	2,208,754
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 - 2031	9,960,000	983,284	10,943,284
2032 - 2036	<u>840,000</u>	<u>49,780</u>	<u>889,780</u>
Total	<u>\$ 19,615,000</u>	<u>\$ 3,302,167</u>	<u>\$ 22,917,167</u>

Temporary Notes - Component Units			
Year Ending	Governmental Activites		
December 31,	Principal	Interest	Total
2022	\$ -	\$ 22,975	\$ 22,975
	<u>5,645,000</u>	<u>26,033</u>	<u>5,671,033</u>
	<u>\$ 5,645,000</u>	<u>\$ 49,008</u>	<u>\$ 5,694,008</u>

Lease Purchase Agreement - Component Units			
Year Ending	Governmental Activites		
December 31,	Principal	Interest	Total
2022	\$ 40,800	\$ 13,528	\$ 54,328
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 - 2030	<u>202,025</u>	<u>15,287</u>	<u>217,311</u>
	<u>\$ 420,058</u>	<u>\$ 68,893</u>	<u>\$ 488,950</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:

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

Loans Payable - Primary Government		
Business-type Activities		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 383,064	\$ 118,166	\$ 501,230
391,228	110,002	501,230
399,566	101,664	501,230
408,082	93,148	501,230
416,779	84,451	501,230
<u>3,670,424</u>	<u>339,422</u>	<u>4,009,846</u>
<u>\$5,669,143</u>	<u>\$ 846,853</u>	<u>\$ 6,515,996</u>

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

Dakotas and CNMC Notes. Dakotas Note A – On July 27, 2016, a \$6,016,500 promissory note with a maturity date of December 10, 2050, was provided to SFH QalicB by Dakotas XXII, LLC. Interest accrues on the unpaid principal balance at an interest rate of 1.582625% with annual interest-only payments due, partially in arrears and partially in advance, on the tenth day of each December through December 10, 2025. On July 27, 2023, payment of all accrued and unpaid interest through July 27, 2023, is due. Commencing on December 10, 2016, and continuing through the maturity date, annual payments of principal and interest in an amount equal to \$293,276 are due. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest thereon is due and payable in full. The loan may not be prepaid prior to July 27, 2023 and is secured by the Loan and Security Agreement. As of December 31, 2021, 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, 2021, 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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

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, 2021, 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, 2050. 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, 2021, the note balance was \$1,326,000.

As of December 31, 2021, the principal balance of these four loans, net of \$413,058 of unamortized debt issuance costs, was \$12,226,942.

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

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

For the year ended December 31, 2021, SFH QalicB earned \$492,917 of rental income under the terms of the Net Lease. As of December 31, 2021, rental income of \$102,281 remained receivable from the City.

The following is a schedule, by year, of total minimum lease payments by the City to SFH QalicB under the direct financing lease as of December 31, 2021:

<u>Premises Leases between QalicB and City</u>	
<u>Year Ending</u>	<u>Lease Payment</u>
<u>December 31,</u>	
2022	\$ 130,000
2023	162,500
2024	227,500
2025	227,500
2026	650,000
2027 - 2031	3,250,000
2032 - 2036	3,250,000
2037 - 2041	3,250,000
2042 - 2046	2,925,000
Total	<u>\$ 14,072,500</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

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

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

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

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

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

On December 1, 2018, the City of Salina issued \$18,250,000 in Senior Special Obligation Revenue Bonds (Series 2018-A) and \$4,320,000 in Subordinate Special Obligation Revenue Bonds (Series 2018-B). As of December 31, 2021, the outstanding balances for the 2018-A and 2018-B were \$17,975,000 and \$4,320,000, respectively.

F. Operating Leases

On December 20, 2012, the City and Saline County jointly entered into a non-cancelable lease to finance a \$2,750,000 heating, ventilation and air conditioning (HVAC) upgrade at the Saline County-City Building Authority. The City's share of the lease agreement is 40% and will pay the lessor \$1,100,000, plus interest, through monthly payments of \$7,827 over a term of 180 months. The total cost for this lease was \$93,926 for the year ended December 31, 2021. The future minimum lease payments for the lease are as follows:

HVAC Operating Lease			
Year Ending			
December 31,	Principal	Interest	Total
2022	\$ 77,682	\$ 16,244	\$ 93,926
2023	80,391	13,536	93,927
2024	83,194	10,733	93,927
2025	86,095	7,832	93,927
2026	89,096	4,829	93,925
2027	92,202	1,722	93,924
Total	<u>\$508,660</u>	<u>\$54,896</u>	<u>\$563,556</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

G. Interfund Transfers

A reconciliation of interfund transfers follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	\$ 5,806,300	\$ 905,500
Tourism and Convention	-	653,523
Special Gas	160,000	-
Sales Tax Capital	-	2,693,350
Schilling Capital Improvement		1,956,351
Former Schilling AFB Environ.	1,992,794	-
Debt Service	1,842,841	-
Capital Projects	11,788,154	-
Other governmental funds	1,409,532	190,042
Solid Waste Disposal	-	2,270,914
Water and Sewer	153,599	14,066,190
Sanitation	-	497,350
Central Garage	<u>80,000</u>	<u>-</u>
Total transfers	<u>\$ 23,233,220</u>	<u>\$ 23,233,220</u>

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

Note 5. OTHER INFORMATION

A. Defined Benefit Pension Plan

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

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

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

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

KPERS issues a stand-alone Annual Comprehensive Financial Report, which is available on the KPERS website at www.kpers.org.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

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

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

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

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

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, 2021.

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 8.87% for KPERS and 22.80% for KP&F for the year ended December 31, 2021. Member contribution rates as a percentage of eligible compensation for the fiscal year 2021 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:

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2021

Note 5. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

- 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, 2021, 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, 2021.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021, the City's proportion for the Local employees group was 0.701%, which was a decrease of .066% from its proportion measured at June 30, 2020. At June 30, 2021, the City's proportion for the Police and Firemen group was 1.982%, which was a decrease of .056% from its proportion measured at June 30, 2020.

Net Pension Liability. At December 31, 2021 and 2020, the City and its component units reported a liability of \$28,147,530 and \$39,553,871, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
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	7.25%

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. 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 7.25%, 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 (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Local	\$ 15,194,065	\$ 9,237,058	\$ 4,241,355
Police & Firemen	<u>28,382,810</u>	<u>18,910,472</u>	<u>10,986,860</u>
Total	<u>\$ 43,576,875</u>	<u>\$ 28,147,530</u>	<u>\$ 15,228,215</u>

Pension Expense. For the year ended December 31, 2021, the City recognized Local pension expense of \$585,240 and Police and Firemen pension expense of \$2,404,879, 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 \$50,292, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources. As of December 31, 2021, the City and its component units reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

<u>Local</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 331,937	\$ 76,143
Net differences between projected and actual earnings on investments	-	2,986,146
Changes in assumptions	1,655,396	-
Changes in proportion	86,602	1,065,862
Total	<u>\$ 2,073,935</u>	<u>\$ 4,128,151</u>
<u>Police & Firemen</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 1,492,178	\$ -
Net differences between projected and actual earnings on investments	-	4,961,187
Changes in assumptions	2,405,439	-
Changes in proportion	6,299	880,927
Total	<u>\$ 3,903,916</u>	<u>\$ 5,842,114</u>
<u>Local</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 6,549	\$ 5,042
Net differences between projected and actual earnings on investments	45,761	-
Changes in assumptions	23,624	-
Changes in proportion	-	11,785
Total	<u>\$ 75,934</u>	<u>\$ 16,827</u>
<u>Local</u>	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 20,123	\$ 4,616
Net differences between projected and actual earnings on investments	-	181,025
Changes in assumptions	100,353	-
Changes in proportion	34,068	33,137
Total	<u>\$ 154,544</u>	<u>\$ 218,778</u>

\$1,922,146 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, 2022. 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	Police & Firemen Deferred	Total
	[Inflows] Outflows Amount	[Inflows] Outflows Amount	
2022	\$ [370,233]	\$ [151,613]	\$ [521,846]
2023	[378,369]	[216,057]	[594,426]
2024	[443,777]	[417,715]	[861,492]
2025	[888,204]	[1,238,756]	[2,126,960]
2026	26,367	85,941	112,308
Total	<u>\$ [2,054,216]</u>	<u>\$ [1,938,200]</u>	<u>\$ [3,992,416]</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

\$42,831 and \$43,030 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, 2022. 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	Airport Authority	Total
	Deferred	Deferred	
	[Inflows] Outflows Amount	[Inflows] Outflows Amount	
2022	\$ 10,375	\$ [1,081]	\$ 9,294
2023	15,669	[8,824]	6,845
2024	16,180	[18,175]	[1,995]
2025	16,263	[40,318]	[24,055]
2026	620	4,164	4,784
Total	<u>\$ 59,107</u>	<u>\$ [64,234]</u>	<u>\$ [5,127]</u>

B. Deferred Compensation Plan

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

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

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

D. Risk Management

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

The City has established a limited risk management program for workers' compensation. The program covers all City employees. Premiums are paid into the Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$250,000 (\$350,000 for claims involving employees classified as policemen or firemen). Incurred claims, including incurred but not reported claims, have been accrued based primarily upon subsequent payments. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors. The liability for claims and judgments is reported in the Workers' Compensation Reserve Fund because it is expected to be liquidated with expendable available financial resources. Of the liability, \$197,807 is considered to be due within one year.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

D. Risk Management (Continued)

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

	<u>2021</u>	<u>2020</u>
Unpaid claims, January 1	\$ 446,495	\$ 311,572
Incurring claims (including IBNRs)	989,033	917,229
Claim payments	<u>[1,068,732]</u>	<u>[782,306]</u>
Unpaid claims, December 31	<u>\$ 366,796</u>	<u>\$ 446,495</u>

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

	<u>2021</u>	<u>2020</u>
Unpaid claims, January 1	\$ 605,000	\$ 489,418
Incurring claims (including IBNRs)	4,560,880	3,056,323
Claim payments	<u>[4,748,880]</u>	<u>[2,940,741]</u>
Unpaid claims, December 31	<u>\$ 417,000</u>	<u>\$ 605,000</u>

E. Contingent Liabilities

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City as of December 31, 2021.

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

F. Municipal Solid Waste Landfill

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense of the Solid Waste Fund in each period based on landfill capacity used as of each balance sheet date. The \$2,332,241 reported as landfill closure and postclosure care liability as of December 31, 2021, represents the cumulative amount reported to date based on the use of 28.82% of the estimated capacity of the landfill.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

F. Municipal Solid Waste Landfill (Continued)

The City's solid waste fund will recognize the remaining estimated cost of closure and postclosure care of \$8,091,339 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 2021. Actual cost may be higher due to inflation, changes, in technology or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances of financial responsibility for closure and post-closure care. The City has elected to utilize the Local Government Financial test promulgated by the U.S. Environmental Protection Agency (at 40 CFR 258.74(f)) and the Kansas Department of Health and Environment to provide these assurances. Any future closure or post-closure care costs will be provided through the normal budgeting and rate setting process, including the issuance of general obligation bonds, if necessary.

G. Environmental Matters

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

Since 2010, the City has been involved with civil litigation concerning environmental contamination in certain areas in the vicinity of the Salina Regional Airport and the Salina Airport Industrial Center. The contamination was caused by military activity that occurred between 1942 and 1966 when the site was operated as the Schilling Air Force Base. The City, the Salina Airport Authority, Unified School District No. 305 and Kansas State University (the "Salina Public Entities") sued the United States seeking federal funds to clean up the contamination. A remedial investigation and feasibility study (RI/FS) were completed in 2019 to determine the extent and severity of the contamination and to determine the best method of remediation. Based on the RI/FS, the Kansas Department of Health and Environment (KDHE) issued a Corrective Action Decision (CAD) on July 29, 2019. The Salina Public Entities and the U.S. Department of Justice (DOJ) reached a settlement of the litigation ultimately documented in the form of a Consent Decree filed in U.S. District Court on November 23, 2020. Pursuant to the Consent Decree, the Salina Public Entities assumed responsibility for the Response Action in the CAD in exchange for a \$69.5 million lump sum payment by the United States to the Salina Public Entities. The settlement payment was received by the City during the year ended December 31, 2021.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

H. Capital Projects

Capital projects often extend over two or more fiscal years. The following is a schedule, which compares the project authorization including allowable interest revenue to total project expenditures from project inception to December 31, 2021.

<u>Project</u>	<u>Authorization</u>	<u>Expenditures</u>
Markley-Magnolia VV Sewer	\$ 5,150,000	\$ 1,466,985
River Trail 2	956,072	11,312
Downtown Streetscape	12,787,597	11,669,107
Smoky Hill River Renewal	12,165,000	3,595,670
S Well Field & WTP Phase 1	27,000,000	17,947,528
Rehab Pump St 28,29/Repl 28 Face Main	550,000	-
Northbound 9th Street Bridge	103,768	619,026
N. 9th Street Bridge	2,000,000	12,005
Smoky Hill Greenway Trail	435,637	62,362
Chorine Building 2 Roof Replacement	35,000	-
2019 Water Main Replacement	4,000,000	2,391,998
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
LED Lighting replacement - Parks	18,223	-
WWTP Owners Rep	896,790	194,101
WWTP Improvement PH I	879,193	1,961,994
Public Safety Communication System	2,361,323	2,313,468
2021 Pavement Sealing	250,000	322,332
TPEC Improvements (Floor/HVAC)	170,426	126,961
2021 Mill and Inlay	1,000,000	835,200
2021 Major Concrete	400,000	-
5th Street Parking Lot	467,963	638
Bill Burke Drainage	136,849	63,246
Landfill Scale House Repairs	45,000	265
Cedar Ridge Addition #2	647,793	657
Pool Tennis Court Remodel	864,000	3,401
2021 Water Main Replacement	2,000,000	-
Campbell Plaza	159,632	184,399
Magnolia Road Sidewalk	25,000	-
Landfill Fence Project	30,000	265
TPEC Improvements (Spectra)	100,000	-

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

I. Other Postemployment Healthcare Benefits

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

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. In 2021, the City did not contribute to the plan.

As of December 31, 2021, the following employees were covered by the benefit terms:

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

The total OPEB liability of \$3,615,054 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2019.

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

Valuation date	December 31, 2019
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	2.75%
Salary increases	3.50%
Discount rate	2.12%
Healthcare cost trend rates	Medical: 5.90% for 2021, decreasing 0.50% per year to an ultimate rate of 3.7% for 2074 Dental: 5.00% to 2022, then decreasing to an ultimate rate of 3.70% in 2074
Retiree's share of benefit related costs	100% of the premium

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

Mortality rates were based on the RP 2014 Mortality Tables, with age set forwards as well as other adjustments based on different membership groups.

Changes in the total OPEB liability are as follows:

Balance 1/1/2021	\$ 3,615,054
Service cost	244,531
Interest	104,082
Benefit paid	[122,821]
Economic/demographic gains/losses	-
Changes in assumptions	<u>231,338</u>
Balance 12/31/2021	<u>\$ 4,072,184</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

I. Other Postemployment Healthcare Benefits (Continued)

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

	1% decrease (1.12%)	Discount rate (2.12%)	1% increase (3.12%)
Total OPEB Liability	\$ 4,473,621	\$ 4,072,184	\$ 3,705,558

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	\$ 3,523,416	\$ 4,072,184	\$ 4,735,426

For the year ended December 31, 2021, the City recognized OPEB expense of \$349,611.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2021, 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	\$ 352,953	\$ [122,309]
Differences between expected and actual experience	-	[196,910]
Total	\$ 352,953	\$ [319,219]

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

Year ended	Deferred [Inflows]
June 30,	Outflows Amount
2022	\$ 998
2023	998
2024	998
2025	998
2026	[1,810]
2027+	31,552
Total	\$ 33,734

J. Other Postemployment Benefits (KPERS)

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

J. Other Postemployment Benefits (KPERs) (Continued)

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

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 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, 2021, the valuation date, the following employees were covered by the benefit terms:

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

Total OPEB Liability. The City and its component units reported a total KPERs OPEB liability of \$526,808 as of December 31, 2021, was measured as of June 30, 2021, and was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021, using the following actuarial assumptions:

Valuation date	December 31, 2020
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.00%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	2.16%

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

J. Other Postemployment Benefits (KPERs) (Continued)

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2019. The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study for the period of January 1, 2016 through December 31, 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2020, KPERs pension valuation.

The changes in the total OPEB liability are as follows:

	Total KPERs OPEB Liability			
	City	Housing Authority	Airport Authority	Total
Balance 1/1/2021	\$ 597,444	\$ 7,658	\$ 13,924	\$ 619,026
Service cost	64,709	1,670	3,797	70,176
Interest	14,404	326	392	15,122
Effect of economic/demographic gains or losses	[151,608]	[2,076]	[4,212]	[157,896]
Changes in assumptions	984	290	10	1,284
Benefit payments	[20,904]	-	-	[20,904]
Balance 12/31/2021	<u>\$ 505,029</u>	<u>\$ 7,868</u>	<u>\$ 13,911</u>	<u>\$ 526,808</u>

Sensitivity of the total KPERs OPEB liability to changes in the discount rate. The following presented the total KPERs OPEB liability of the City, as well as what the City's total KPERs OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% decrease (1.16%)	Discount rate (2.16%)	1% increase (3.16%)
Total OPEB Liability - City	\$ 524,146	\$ 505,029	\$ 485,076
Total OPEB Liability - Housing Authority	\$ 7,888	\$ 7,868	\$ 7,773
Total OPEB Liability - Airport Authority	\$ 14,040	\$ 13,911	\$ 13,649

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

	Healthcare cost		
	1% decrease	Trend rates	1% increase
Total OPEB Liability - City	\$ 505,029	\$ 505,029	\$ 505,029
Total OPEB Liability - Housing Authority	\$ 7,868	\$ 7,868	\$ 7,868
Total OPEB Liability - Airport Authority	\$ 13,911	\$ 13,911	\$ 13,911

For the year ended June 30, 2021, the City recognized OPEB expense of \$66,761.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

J. Other Postemployment Benefits (KPERs) (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2021, 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	\$ 57,771	\$ [202,414]	\$ -	\$ [5,573]	\$ -	\$ [10,603]
Changes of assumptions	35,963	[8,357]	300	[167]	803	[123]
Total	<u>\$ 93,734</u>	<u>\$ [210,771]</u>	<u>\$ 300</u>	<u>\$ [5,740]</u>	<u>\$ 803</u>	<u>\$ [10,726]</u>

\$0 reported as deferred outflows of resources related to OPEB resulting from City and Airport Authority contributions subsequent to the measurement date, respectively, will be recognized as a reduction of the OPEB liability in the year ended December 31, 2022. 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	City	Housing Authority	Airport Authority
June 30,			
2022	\$ [12,352]	\$ [718]	\$ [1,343]
2023	[12,352]	[718]	[1,343]
2024	[12,352]	[718]	[1,343]
2025	[12,352]	[718]	[1,343]
2026	[12,047]	[718]	[1,335]
Thereafter	[55,582]	[1,850]	[3,216]
Total	<u>\$[117,037]</u>	<u>\$ [5,440]</u>	<u>\$ [9,923]</u>

K. 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.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

K. Tax Abatements (Continued)

Ad Valorem Property Tax Abatements					
<u>Company</u>	<u>Abatement</u>		<u>%</u>	<u>2021 Tax Abated</u>	
	<u>Start</u>	<u>End</u>			
Salina Vortex Corp (facility improvements)	2015	2024	37.5%	\$	3,539
Great Plains Mfg (facility improvements)	2014	2023	50%		2,800
Veris Technologies (facility addition/improvements)	2015	2024	50%		479
Twin Oaks (facility addition/improvements)	2015	2024	50%		651
				\$	<u>7,469</u>

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

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

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

TIF Project Plans					
<u>District</u>	<u>Purpose</u>	<u>Base Year</u>	<u>Expires</u>	<u>2021 Reimbursements</u>	
				<u>Sales Tax</u>	<u>Property Tax</u>
Downtown	Promote, stimulate and develop the general and economic welfare of a major commercial entertainment and tourism area	2016	2036	\$ -	\$ 306,683
Total				<u>\$ -</u>	<u>\$ 306,683</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.

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

K. Tax Abatements (Continued)

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

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

Community Improvement District (CID)					2021 Eligible Reimbursement Amount
<u>Name</u>	<u>Rate</u>	<u>Start</u>	<u>Expires</u>	<u>Purpose</u>	<u>Amount</u>
South 9th Street	2.00%	3/1/2016	12/31/2037	Assist with improvements to hotel and conference center	\$246,989
Alley	1.00%	10/1/2019	9/30/2041	Assist with building of family entertainment facility in downtown	22,166
Downtown	1.00%	7/1/2019	6/30/2041	Assist with Revitalization of Downtown Corridor	349,418
Downtown Hotel	1.00%	10/1/2019	9/30/2041	Assist with building of downtown hotel	73,722
North 9th Street	2.00%	7/1/2021	6/30/2043	Assist with improvements to hotel and conference center	<u>12,156</u>
Total					<u>\$704,451</u>

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

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Note 5. OTHER INFORMATION (Continued)

K. Tax Abatements (Continued)

Neighborhood Revitalization Act (NRA)			
<u>Property/Business Name</u>	<u>Address</u>	<u>Type</u>	<u>2021 Rebate Paid</u>
Serio Guzman	241 N. Front Street	Res	\$ 366
William & Mary Warhurst	714 Park Street	Res	380
Jessica A. Ziegler	221 N. 2nd Street	Res	263
Ryan Murphy	207 N. Penn	Res	416
	157 N. Seventh, 203 W. Ash, 205 W. Ash, 207 W. Ash & 209 W. Ash	Com	2,088
Ravey Investments LLC			
Lamont Outland	1206 N. 7th Street	Res	526
Michelle Bunch	634 N. 8th Street	Res	565
Jermaine and Tykea Polk	226 N. 2nd Street	Res	633
Mary Marshall	937 N. 3rd Street	Res	495
Angela Fishburn	1219 N. 8th Street	Res	501
GMW Rentals LLC	809 W. Ash	Res	696
Donnie & Ramona Marrs	2035 E. Iron #300R	Res	6,471
	2035 E. Iron		
	#213C/105R/302R/202R/205R/006R/301RA/301RB/001R/002R/003R/004R/005R	Res	25,581
TJTM, Inc.			
Troy Valcil	853 Navaho	Res	695
Timothy & Linda Rickman	719 E. Ash	Res	680
Yvette Gelin	1115 N. 8th Street	Res	531
Charles H Carroll Jr Trust	156-158 S. Santa Fe	Com	2,393
Latisha Pierce	705 N. 2nd Street	Res	533
Tanya Shiehazadeh	703 N. 2nd Street	Res	566
Robert & Brenda Burns	1205 N. 4th Street	Res	1,024
Property Partners LLC	116 & 118 N. Santa Fe (2nd Floor Loft Apartments)	Com	1,834
Phill Hemmer	2035 E. Iron Avenue, Unit #203R	Res	8,124
AP Property Holdings, LLC	201 E. Iron Avenue	Com	22,492
Gregory Davis	156-158 N. 11th Street	Res	1,270
Micheal Money	2035 E. Iron Avenue, Unit #206R	Res	787
Tranesh Byrd	701 N. 2nd Street	Res	533
Mark Martin Living Trust	2035 E. Iron #104R	Com	2,445
Kevin & Rebecca Poland	601 Johnstown	Res	327
Jana Endsley	1321 N. 3rd Street	Res	984
Kanasha Samilton	214 W. Grand Avenue	Res	1,248
Maria E Padilla	810 N. 5th Street	Res	1,243
JK Webb Properties LLC	120 S. Santa Fe Avenue	Com	8,416
Alan and Nancy Franzen	1413 Arapahoe	Res	954
Brandon Sears	900 N. 12th Street	Res	346
Santa Fe Properties, LLC	131 N. Santa Fe Avenue/128 S. Santa Fe Avenue	Com	10,172
Rusty A Leister Living Trust	600 N. Santa Fe Avenue	Com	10,438
John & Kristin Gunn	2035 E. Iron #200BR	Res	5,747
Christopher Helm	608 N. 11th Street	Res	312
Christopher Helm	752 N. Broadway	Com	11,944
Laurie Donmyer	255 N. Columbia	Res	1,552
Eva Wright	1200 N. 8th	Res	1,122
Foley Equipment Co.	2225 N. Ohio St	Com	74,096
Mark Ritter	2035 E. Iron #108R	Res	7,167
Angelica Farris	846 Choctaw Ave	Res	1,190
Christopher Vogel	2035 E. Iron #209R	Res	3,786
Christopher Helm	619 N. 5th Street	Com	3,294
HPSA, LLC.	501 Bhakta Court	Com	24,911
Jordan Bressel	2035 E. Iron #106R	Res	993
Mary C. Roth	2035 E. Iron #208R	Res	5,480
Ceecee Investments LLC	200 S. Santa Fe Avenue	Com	1,404
Greg Huston & Terry A Swearingen	1025 W Crawford Street	Com	8,805
Total			<u>\$ 268,814</u>

CITY OF SALINA, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 5. OTHER INFORMATION (Continued)

L. Subsequent Events

On April 4, 2022, the City issued Series 2022-A general obligation internal improvement bonds in the amounts of \$7,840,000. Proceeds from the bonds will be used to provide long-term financing for a portion of the costs of certain public improvements within the City and to retire a portion of the City's outstanding general obligation temporary notes. The City will make the first payment on the bonds on October 1, 2023 the last payment on October 1, 2037. The interest rate on the bonds ranges from 2.50% to 4.00%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALINA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POSTEMPLOYMENT BENEFITS

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

Total OPEB liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 244,531	\$ 231,391	\$ 249,957	\$ 226,762
Interest	104,082	150,552	125,877	128,578
Benefit paid	[122,821]	[159,018]	[157,465]	[265,000]
Economic/demographic gains/losses	-	[255,426]	-	-
Changes in assumptions	<u>231,338</u>	<u>128,228</u>	<u>[186,344]</u>	<u>90,918</u>
Net change in total OPEB liability	457,130	95,727	32,025	181,258
Total OPEB liability - beginning	<u>3,615,054</u>	<u>3,519,327</u>	<u>3,487,302</u>	<u>3,306,044</u>
Total OPEB liability - ending	<u>\$ 4,072,184</u>	<u>\$ 3,615,054</u>	<u>\$ 3,519,327</u>	<u>\$ 3,487,302</u>
 Covered payroll	 <u>\$25,163,639</u>	 <u>\$25,163,639</u>	 <u>\$25,232,129</u>	 <u>\$24,740,225</u>
 Total OPEB liability as a percentage of covered-employee payroll	 16.18%	 14.37%	 13.95%	 14.10%
 Actuarially determined contribution	 <u>\$ 122,821</u>	 <u>\$ 159,018</u>	 <u>\$ 157,465</u>	 <u>\$ 265,000</u>
 Actual contribution	 <u>\$ 122,821</u>	 <u>\$ 159,018</u>	 <u>\$ 157,465</u>	 <u>\$ 265,000</u>
 Contributions as a percentage of covered payroll	 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

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

OTHER POSTEMPLOYMENT BENEFITS - KPERS

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

Total OPEB liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 64,709	\$ 57,185	\$ 52,863	\$ 52,380
Interest	14,404	19,037	22,667	17,061
Effect of economic/demographic gains or losses	[151,608]	17,086	[95,243]	75,173
Effect of assumptions changes or inputs	984	37,368	7,614	[6,574]
Benefit payments	<u>[20,904]</u>	<u>[39,627]</u>	<u>[28,432]</u>	<u>[30,368]</u>
Net change in total OPEB liability	[92,415]	91,049	[40,531]	107,672
Total OPEB liability - beginning	<u>597,444</u>	<u>506,395</u>	<u>546,926</u>	<u>439,254</u>
Total OPEB liability - ending	<u>\$ 505,029</u>	<u>\$ 597,444</u>	<u>\$ 506,395</u>	<u>\$ 546,926</u>
 Covered payroll	 <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	 4.05%	 4.17%	 3.62%	 4.01%
 Actuarially determined contribution	 <u>\$ 135,087</u>	 <u>\$ 144,746</u>	 <u>\$ 135,087</u>	 <u>\$ 109,466</u>
 Actual contribution	 <u>\$ 135,087</u>	 <u>\$ 144,746</u>	 <u>\$ 135,087</u>	 <u>\$ 109,466</u>
 Contributions as a percentage of covered payroll	 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

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

KPERS PENSION PLAN

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City's proportion of the net pension liability							
Local	0.764%	0.761%	0.811%	0.790%	0.796%	0.766%	0.701%
Police & Fire	2.258%	2.180%	2.191%	2.081%	2.074%	2.038%	1.982%
City's proportionate share of the net pension liability							
Local	\$ 10,027,679	\$ 11,770,699	\$ 11,753,246	\$ 11,014,328	\$ 11,123,112	\$ 13,290,226	\$ 8,409,377
Police & Fire	\$ 16,395,794	\$ 20,251,512	\$ 20,546,882	\$ 20,019,473	\$ 20,993,820	\$ 25,135,770	\$ 18,910,472
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
Police & Fire	\$ 10,161,866	\$ 10,730,033	\$ 10,593,419	\$ 10,441,055	\$ 10,859,219	\$ 11,285,465	\$ 10,970,505
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%
Police & Fire	161.35%	188.74%	193.96%	191.74%	193.33%	222.73%	172.38%
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%
Police & Fire	74.60%	69.30%	70.99%	71.53%	71.22%	66.81%	76.09%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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
Police & Fire	\$ 2,527,995	\$ 2,361,273	\$ 1,986,933	\$ 2,181,617	\$ 2,497,473	\$ 2,405,832	\$ 2,563,084
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
Police & Fire	2,527,995	2,361,273	1,986,933	2,181,617	2,497,473	2,405,832	2,563,084
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
Police & Fire	\$ 10,730,033	\$ 10,593,419	\$ 10,441,055	\$ 10,859,219	\$ 11,285,465	\$ 10,970,505	\$ 11,241,597
Contributions as a percentage of covered employee payroll							
Local	9.48%	9.18%	8.46%	8.39%	8.89%	8.61%	8.87%
Police & Fire	23.56%	22.29%	19.03%	20.09%	22.13%	21.93%	22.80%

*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 SECTION

CITY OF SALINA, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

North 9th CID fund - To account for incremental sales tax revenues received and disbursed to the developers as part of the Community Improvement District formed in 2021.

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

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

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

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

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

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

CITY OF SALINA, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR PERMANENT FUNDS

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

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

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

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

CITY OF SALINA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2021

	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Permanent <u>Funds</u>	Nonmajor Debt Service <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS				
Cash and investments	\$ 10,236,853	\$ 560,856	\$ 800	\$ 10,798,509
Receivables				
Accounts	<u>2,211</u>	<u>-</u>	<u>-</u>	<u>2,211</u>
Total assets	<u>\$ 10,239,064</u>	<u>\$ 560,856</u>	<u>\$ 800</u>	<u>\$ 10,800,720</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 193,810	\$ 1,880	\$ -	\$ 195,690
Unearned revenue	3,551,978	-	-	3,551,978
Due to other funds	<u>1,158</u>	<u>-</u>	<u>-</u>	<u>1,158</u>
Total liabilities	<u>3,746,946</u>	<u>1,880</u>	<u>-</u>	<u>3,748,826</u>
Fund balances:				
Restricted	470,533	-	800	471,333
Committed	5,814,242	558,976	-	6,373,218
Assigned	343,350	-	-	343,350
Unassigned	<u>[136,007]</u>	<u>-</u>	<u>-</u>	<u>[136,007]</u>
Total fund balances	<u>6,492,118</u>	<u>558,976</u>	<u>800</u>	<u>7,051,894</u>
Total liabilities and fund balances	<u>\$ 10,239,064</u>	<u>\$ 560,856</u>	<u>\$ 800</u>	<u>\$ 10,800,720</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Permanent <u>Funds</u>	Nonmajor Debt Service <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES				
Taxes	\$ 1,765,821	\$ -	\$ -	\$ 1,765,821
Intergovernmental	2,239,721	-	-	2,239,721
Charges for services	358,102	17,547	-	375,649
Licenses and permits	10,300	-	-	10,300
Investment revenue	13,319	554	-	13,873
Donations	89,647	-	-	89,647
Miscellaneous	635,492	-	-	635,492
Total revenues	5,112,402	18,101	-	5,130,503
EXPENDITURES				
Current				
Culture and recreation	1,584,686	-	-	1,584,686
Public safety	312,121	-	-	312,121
Public health and sanitation	1,549,128	-	-	1,549,128
Planning and development	1,189,341	-	-	1,189,341
Miscellaneous	-	1,880	-	1,880
Debt service				
Interest and other charges	-	-	-	-
Capital outlay	1,650,384	-	-	1,650,384
Total expenditures	6,285,660	1,880	-	6,287,540
Excess [deficiency] of revenues over [under] expenditures	[1,173,258]	16,221	-	[1,157,037]
Other financing sources [uses]				
Transfers in	1,409,532	-	-	1,409,532
Transfers [out]	[190,042]	-	-	[190,042]
Total other financing sources [uses]	1,219,490	-	-	1,219,490
Net change in fund balance	46,232	16,221	-	62,453
Fund balance - Beginning of year	6,445,886	542,755	800	6,989,441
Fund balance - End of year	\$ 6,492,118	\$ 558,976	\$ 800	\$ 7,051,894

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2021

	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 investments	\$ 652,457	\$ -	\$ 44,121	\$ 549,701	\$ 234	\$ 186,307	\$ 101,846	\$ 1,096,634	\$ 50,822
Receivables									
Accounts	-	2,205	-	-	-	-	-	-	-
Total assets	<u>\$ 652,457</u>	<u>\$ 2,205</u>	<u>\$ 44,121</u>	<u>\$ 549,701</u>	<u>\$ 234</u>	<u>\$ 186,307</u>	<u>\$ 101,846</u>	<u>\$ 1,096,634</u>	<u>\$ 50,822</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 94	\$ 535	\$ -	\$ 66,758	\$ -	\$ -	\$ 4,491	\$ -	\$ 49,104
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	1,092	-	-	-	-	-	-	-
Total liabilities	<u>94</u>	<u>1,627</u>	<u>-</u>	<u>66,758</u>	<u>-</u>	<u>-</u>	<u>4,491</u>	<u>-</u>	<u>49,104</u>
Fund balance:									
Restricted	-	578	-	245,319	234	186,307	-	-	-
Committed	652,363	-	44,121	-	-	-	97,355	1,096,634	1,718
Assigned	-	-	-	237,624	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balance [deficit]	<u>652,363</u>	<u>578</u>	<u>44,121</u>	<u>482,943</u>	<u>234</u>	<u>186,307</u>	<u>97,355</u>	<u>1,096,634</u>	<u>1,718</u>
Total liabilities and fund balances	<u>\$ 652,457</u>	<u>\$ 2,205</u>	<u>\$ 44,121</u>	<u>\$ 549,701</u>	<u>\$ 234</u>	<u>\$ 186,307</u>	<u>\$ 101,846</u>	<u>\$ 1,096,634</u>	<u>\$ 50,822</u>

<u>Downtown CID</u>	<u>Alley CID</u>	<u>Downtown Hotel CID</u>	<u>North 9th CID</u>	<u>STAR Bonds Subprojects</u>	<u>State Grants</u>	<u>911 Communications</u>	<u>Kenwood Cove Capital</u>	<u>Special Law Enforcement</u>	<u>Police Grants</u>
\$ 196,987	\$ 2,131	\$ 71,358	\$ 12,156	\$ 2,000,000	\$ 217,883	\$ 475,880	\$ 65,371	\$ 82	\$ 3,479
-	-	-	-	-	-	-	-	-	-
<u>\$ 196,987</u>	<u>\$ 2,131</u>	<u>\$ 71,358</u>	<u>\$ 12,156</u>	<u>\$ 2,000,000</u>	<u>\$ 217,883</u>	<u>\$ 475,880</u>	<u>\$ 65,371</u>	<u>\$ 82</u>	<u>\$ 3,479</u>
\$ 16,613	\$ 2,128	\$ 10,706	\$ 12,156	\$ -	\$ -	\$ 20,697	\$ 7,403	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
<u>16,613</u>	<u>2,128</u>	<u>10,706</u>	<u>12,156</u>	<u>-</u>	<u>-</u>	<u>20,697</u>	<u>7,403</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
180,374	3	60,652	-	2,000,000	217,883	349,457	57,968	82	3,479
-	-	-	-	-	-	105,726	-	-	-
<u>180,374</u>	<u>3</u>	<u>60,652</u>	<u>-</u>	<u>2,000,000</u>	<u>217,883</u>	<u>455,183</u>	<u>57,968</u>	<u>82</u>	<u>3,479</u>
<u>\$ 196,987</u>	<u>\$ 2,131</u>	<u>\$ 71,358</u>	<u>\$ 12,156</u>	<u>\$ 2,000,000</u>	<u>\$ 217,883</u>	<u>\$ 475,880</u>	<u>\$ 65,371</u>	<u>\$ 82</u>	<u>\$ 3,479</u>

CITY OF SALINA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended December 31, 2021

	Federal <u>Grants</u>	DARE <u>Donations</u>	War Memorial <u>Maintenance</u>	Arts & <u>Humanities</u>	Federal CARE <u>Grant</u>	Police Department Federal <u>Forfeiture Funds</u>	Homeowners' <u>Assistance</u>	Private <u>Grants</u>	Animal Shelter <u>Donations</u>
ASSETS									
Cash and investments	\$ 3,416,037	\$ 31,887	\$ 30,873	\$ 151,402	\$ 26,141	\$ 99	\$ 20,595	\$ 11,954	\$ 550,866
Receivables									
Accounts	-	-	-	6	-	-	-	-	-
Total assets	<u>\$ 3,416,037</u>	<u>\$ 31,887</u>	<u>\$ 30,873</u>	<u>\$ 151,408</u>	<u>\$ 26,141</u>	<u>\$ 99</u>	<u>\$ 20,595</u>	<u>\$ 11,954</u>	<u>\$ 550,866</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577
Unearned revenue	3,551,978	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>3,551,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577</u>
Fund balance:									
Restricted	-	-	-	-	26,141	-	-	11,954	-
Committed	-	31,887	30,873	151,408	-	99	20,595	-	550,289
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	<u>[135,941]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance [deficit]	<u>[135,941]</u>	<u>31,887</u>	<u>30,873</u>	<u>151,408</u>	<u>26,141</u>	<u>99</u>	<u>20,595</u>	<u>11,954</u>	<u>550,289</u>
Total liabilities and fund balances	<u>\$ 3,416,037</u>	<u>\$ 31,887</u>	<u>\$ 30,873</u>	<u>\$ 151,408</u>	<u>\$ 26,141</u>	<u>\$ 99</u>	<u>\$ 20,595</u>	<u>\$ 11,954</u>	<u>\$ 550,866</u>

<u>Special Assessments Escrow</u>	<u>Court Bond and Restitution</u>	<u>Police Investigation Account</u>	<u>Citizenship</u>	<u>DTF Local</u>	<u>DTF Reserve</u>	<u>Beechcraft Remediation Settlement</u>	<u>Bail Bond Escrow</u>	<u>Totals</u>
\$ 116,682	\$ 26,840	\$ 3,385	\$ 44,081	\$ 29,704	\$ 47,723	\$ -	\$ 1,135	\$ 10,236,853
-	-	-	-	-	-	-	-	2,211
<u>\$ 116,682</u>	<u>\$ 26,840</u>	<u>\$ 3,385</u>	<u>\$ 44,081</u>	<u>\$ 29,704</u>	<u>\$ 47,723</u>	<u>\$ -</u>	<u>\$ 1,135</u>	<u>\$ 10,239,064</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,548	\$ -	\$ -	\$ -	\$ 193,810
-	-	-	-	-	-	-	-	3,551,978
-	-	-	-	-	-	66	-	1,158
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,548</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>3,746,946</u>
-	-	-	-	-	-	-	-	470,533
116,682	26,840	3,385	44,081	27,156	47,723	-	1,135	5,814,242
-	-	-	-	-	-	-	-	343,350
-	-	-	-	-	-	[66]	-	[136,007]
<u>116,682</u>	<u>26,840</u>	<u>3,385</u>	<u>44,081</u>	<u>27,156</u>	<u>47,723</u>	<u>[66]</u>	<u>1,135</u>	<u>6,492,118</u>
<u>\$ 116,682</u>	<u>\$ 26,840</u>	<u>\$ 3,385</u>	<u>\$ 44,081</u>	<u>\$ 29,704</u>	<u>\$ 47,723</u>	<u>\$ -</u>	<u>\$ 1,135</u>	<u>\$ 10,239,064</u>

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2021

	Bicentennial <u>Center</u>	Business Improvement <u>District</u>	Neighborhood <u>Park</u>	Special Parks & <u>Recreation</u>	Special <u>Alcohol</u>	Community Development <u>Revolving</u>	Sales Tax Economic <u>Development</u>	Downtown TIF <u>District #1</u>	South <u>9th CID</u>
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,195	\$ 701,203	\$ 239,914
Intergovernmental	-	-	-	227,127	227,127	-	-	-	-
Charges for services	-	94,726	-	-	-	-	-	-	-
Licenses and permits	-	-	10,300	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	1,224	21
Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	366,192	-	-	-	-	-	-	-	12,116
Total Revenues	<u>366,192</u>	<u>94,726</u>	<u>10,300</u>	<u>227,127</u>	<u>227,127</u>	<u>-</u>	<u>391,195</u>	<u>702,427</u>	<u>252,051</u>
Expenditures									
Current									
Culture and recreation	727,152	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public health and sanitation	-	-	-	-	227,127	-	-	-	-
Planning and development	-	108,452	-	-	-	-	-	315,326	252,030
Capital outlay	-	-	-	222,567	-	-	1,009,526	-	-
Total Expenditures	<u>727,152</u>	<u>108,452</u>	<u>-</u>	<u>222,567</u>	<u>227,127</u>	<u>-</u>	<u>1,009,526</u>	<u>315,326</u>	<u>252,030</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[360,960]</u>	<u>[13,726]</u>	<u>10,300</u>	<u>4,560</u>	<u>-</u>	<u>-</u>	<u>[618,331]</u>	<u>387,101</u>	<u>21</u>
Other financing sources [uses]									
Transfers in	695,682	-	-	-	-	-	-	-	-
Transfers [out]	-	-	-	-	-	-	-	-	-
Total other financing sources [uses]	<u>695,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	334,722	[13,726]	10,300	4,560	-	-	[618,331]	387,101	21
Fund balance, beginning of year	<u>317,641</u>	<u>14,304</u>	<u>33,821</u>	<u>478,383</u>	<u>234</u>	<u>186,307</u>	<u>715,686</u>	<u>709,533</u>	<u>1,697</u>
Fund balance, end of year	<u>\$ 652,363</u>	<u>\$ 578</u>	<u>\$ 44,121</u>	<u>\$ 482,943</u>	<u>\$ 234</u>	<u>\$ 186,307</u>	<u>\$ 97,355</u>	<u>\$ 1,096,634</u>	<u>\$ 1,718</u>

<u>Downtown CID</u>	<u>Alley CID</u>	<u>Downtown Hotel CID</u>	<u>North 9th CID</u>	<u>STAR Bonds Subprojects</u>	<u>State Grants</u>	<u>911 Communications</u>	<u>Kenwood Cove Capital</u>	<u>Special Law Enforcement</u>	<u>Police Grants</u>
\$ 332,345	\$ 21,324	\$ 67,436	\$ 12,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	246,390	403,087	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
291	2	47	-	-	-	459	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	174,608	-	-	-	-	-
<u>332,636</u>	<u>21,326</u>	<u>67,483</u>	<u>12,404</u>	<u>174,608</u>	<u>246,390</u>	<u>403,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	290,355	-	-	-
-	-	-	-	-	-	-	-	-	-
438,826	25,065	25,550	12,404	-	-	-	-	-	-
-	-	-	-	174,608	35,000	-	202,772	-	-
<u>438,826</u>	<u>25,065</u>	<u>25,550</u>	<u>12,404</u>	<u>174,608</u>	<u>35,000</u>	<u>290,355</u>	<u>202,772</u>	<u>-</u>	<u>-</u>
<u>[106,190]</u>	<u>[3,739]</u>	<u>41,933</u>	<u>-</u>	<u>-</u>	<u>211,390</u>	<u>113,191</u>	<u>[202,772]</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	68,350	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	<u>68,350</u>	-	-
<u>[106,190]</u>	<u>[3,739]</u>	<u>41,933</u>	<u>-</u>	<u>-</u>	<u>211,390</u>	<u>113,191</u>	<u>[134,422]</u>	<u>-</u>	<u>-</u>
<u>286,564</u>	<u>3,742</u>	<u>18,719</u>	<u>-</u>	<u>2,000,000</u>	<u>6,493</u>	<u>341,992</u>	<u>192,390</u>	<u>82</u>	<u>3,479</u>
\$ 180,374	\$ 3	\$ 60,652	\$ -	\$ 2,000,000	\$ 217,883	\$ 455,183	\$ 57,968	\$ 82	\$ 3,479

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended December 31, 2021

	Federal Grants	DARE Donations	War Memorial Maintenance	Arts & Humanities	Federal CARE Grant	Police Department Federal Forfeiture Funds	Homeowners' Assistance	Private Grants
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,135,990	-	-	-	-	-	-	-
Charges for services	-	-	-	263,376	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Investment revenue	-	-	30	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	30,369	-	-	-	-	1,554	10,000
Total Revenues	<u>1,135,990</u>	<u>30,369</u>	<u>30</u>	<u>263,376</u>	<u>-</u>	<u>-</u>	<u>1,554</u>	<u>10,000</u>
Expenditures								
Current								
Culture and recreation	-	-	-	857,534	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public health and sanitation	1,223,502	-	-	-	-	-	-	-
Planning and development	-	11,688	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,223,502</u>	<u>11,688</u>	<u>-</u>	<u>857,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[87,512]</u>	<u>18,681</u>	<u>30</u>	<u>[594,158]</u>	<u>-</u>	<u>-</u>	<u>1,554</u>	<u>10,000</u>
Other financing sources [uses]								
Transfers in	-	-	-	645,500	-	-	-	-
Transfers [out]	-	-	-	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	[87,512]	18,681	30	51,342	-	-	1,554	10,000
Fund balance, beginning of year	<u>[48,429]</u>	<u>13,206</u>	<u>30,843</u>	<u>100,066</u>	<u>26,141</u>	<u>99</u>	<u>19,041</u>	<u>1,954</u>
Fund balance, end of year	<u>\$ [135,941]</u>	<u>\$ 31,887</u>	<u>\$ 30,873</u>	<u>\$ 151,408</u>	<u>\$ 26,141</u>	<u>\$ 99</u>	<u>\$ 20,595</u>	<u>\$ 11,954</u>

<u>Animal Shelter Donations</u>	<u>Special Assessments Escrow</u>	<u>Court Bond and Restitution</u>	<u>Police Investigation Account</u>	<u>Citizenship</u>	<u>DTF Local</u>	<u>DTF Reserve</u>	<u>Beechcraft Remediation Settlement</u>	<u>Bail Bond Escrow</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,765,821
-	-	-	-	-	-	-	-	-	2,239,721
-	-	-	-	-	-	-	-	-	358,102
-	-	-	-	-	-	-	-	-	10,300
-	-	-	-	11,235	-	-	10	-	13,319
89,647	-	-	-	-	-	-	-	-	89,647
-	-	-	1	-	34,592	6,060	-	-	635,492
89,647	-	-	1	11,235	34,592	6,060	10	-	5,112,402
-	-	-	-	-	-	-	-	-	1,584,686
-	-	4,554	-	-	17,212	-	-	-	312,121
98,499	-	-	-	-	-	-	-	-	1,549,128
-	-	-	-	-	-	-	-	-	1,189,341
-	-	-	-	5,911	-	-	-	-	1,650,384
98,499	-	4,554	-	5,911	17,212	-	-	-	6,285,660
[8,852]	-	[4,554]	1	5,324	17,380	6,060	10	-	[1,173,258]
-	-	-	-	-	-	-	-	-	1,409,532
-	-	-	-	-	-	-	[190,042]	-	[190,042]
-	-	-	-	-	-	-	[190,042]	-	1,219,490
[8,852]	-	[4,554]	1	5,324	17,380	6,060	[190,032]	-	46,232
559,141	116,682	31,394	3,384	38,757	9,776	41,663	189,966	1,135	6,445,886
\$ 550,289	\$ 116,682	\$ 26,840	\$ 3,385	\$ 44,081	\$ 27,156	\$ 47,723	\$ [66]	\$ 1,135	\$ 6,492,118

CITY OF SALINA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR PERMANENT FUNDS
 December 31, 2021

ASSETS	Cemetery Endowment	Mausoleum Endowment	Tricentennial Commission	Total
Cash and investments	\$ 552,860	\$ 2,073	\$ 5,923	\$ 560,856
Total assets	<u>\$ 552,860</u>	<u>\$ 2,073</u>	<u>\$ 5,923</u>	<u>\$ 560,856</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,880	\$ -	\$ -	\$ 1,880
Total liabilities	<u>1,880</u>	<u>-</u>	<u>-</u>	<u>1,880</u>
Fund balances				
Committed	<u>550,980</u>	<u>2,073</u>	<u>5,923</u>	<u>558,976</u>
Total liabilities and fund balances	<u>\$ 552,860</u>	<u>\$ 2,073</u>	<u>\$ 5,923</u>	<u>\$ 560,856</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
For the Year Ended December 31, 2021

	Cemetery Endowment	Mausoleum Endowment	Tricentennial Commission	Total
Revenues				
Charges for services	\$ 17,547	\$ -	\$ -	\$ 17,547
Investment revenue	546	2	6	554
Total revenues	<u>18,093</u>	<u>2</u>	<u>6</u>	<u>18,101</u>
Expenditures				
Miscellaneous	1,880	-	-	1,880
Total expenditures	<u>1,880</u>	<u>-</u>	<u>-</u>	<u>1,880</u>
Net change in fund balance	16,213	2	6	16,221
Fund balances - beginning of year	<u>534,767</u>	<u>2,071</u>	<u>5,917</u>	<u>542,755</u>
Fund balances - end of year	<u>\$ 550,980</u>	<u>\$ 2,073</u>	<u>\$ 5,923</u>	<u>\$ 558,976</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
BICENTENNIAL CENTER FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Miscellaneous	\$ 366,192	\$ 828,674	\$ 828,674	\$ [462,482]
Total revenues	<u>366,192</u>	<u>828,674</u>	<u>828,674</u>	<u>[462,482]</u>
Expenditures				
Culture and recreation	<u>727,152</u>	<u>740,000</u>	<u>740,000</u>	<u>12,848</u>
Total expenditures	<u>727,152</u>	<u>740,000</u>	<u>740,000</u>	<u>12,848</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[360,960]</u>	<u>88,674</u>	<u>88,674</u>	<u>[449,634]</u>
Other financing sources [uses]				
Transfers in	<u>695,682</u>	<u>-</u>	<u>828,674</u>	<u>[132,992]</u>
Total other financing sources [uses]	<u>695,682</u>	<u>-</u>	<u>828,674</u>	<u>[132,992]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>334,722</u>	<u>88,674</u>	<u>917,348</u>	<u>[582,626]</u>
Unreserved fund balance, January 1	<u>317,641</u>	<u>-</u>	<u>137,177</u>	<u>180,464</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 652,363</u>	<u>\$ 88,674</u>	<u>\$ 1,054,525</u>	<u>\$ [402,162]</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
BUSINESS IMPROVEMENT DISTRICT FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 95,808	\$ 90,500	\$ 90,500	\$ 5,308
Total revenues	<u>95,808</u>	<u>90,500</u>	<u>90,500</u>	<u>5,308</u>
Expenditures				
Planning and development	<u>108,452</u>	<u>90,500</u>	<u>90,500</u>	<u>[17,952]</u>
Total expenditures	<u>108,452</u>	<u>90,500</u>	<u>90,500</u>	<u>[17,952]</u>
Excess [deficiency] of revenues over [under] expenditures	[12,644]	-	-	[12,644]
Unreserved fund balance, January 1	<u>11,017</u>	<u>4,461</u>	<u>4,461</u>	<u>6,556</u>
Unreserved fund balance, December 31	[1,627]	<u>\$ 4,461</u>	<u>\$ 4,461</u>	<u>\$ [6,088]</u>
Reconciliation to GAAP				
Accounts receivable	<u>2,205</u>			
GAAP Fund Balance, December 31	<u>\$ 578</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
NEIGHBORHOOD PARK FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Licenses and permits	\$ 10,300	\$ 3,000	\$ 4,500	\$ 5,800
Total revenues	<u>10,300</u>	<u>3,000</u>	<u>4,500</u>	<u>5,800</u>
Expenditures				
Capital outlay	-	10,000	10,000	10,000
Total expenditures	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Excess [deficiency] of revenues over [under] expenditures	10,300	[7,000]	[5,500]	15,800
Unreserved fund balance, January 1	<u>33,821</u>	<u>21,751</u>	<u>21,751</u>	<u>12,070</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 44,121</u>	<u>\$ 14,751</u>	<u>\$ 16,251</u>	<u>\$ 27,870</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL PARKS AND RECREATION FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 227,127	\$ 227,300	\$ 227,300	\$ [173]
Total revenues	<u>227,127</u>	<u>227,300</u>	<u>227,300</u>	<u>[173]</u>
Expenditures				
Capital outlay	<u>447,581</u>	<u>251,000</u>	<u>251,000</u>	<u>[196,581]</u>
Total expenditures	<u>447,581</u>	<u>251,000</u>	<u>251,000</u>	<u>[196,581]</u>
Excess [deficiency] of revenues over [under] expenditures	[220,454]	[23,700]	[23,700]	[196,754]
Unreserved fund balance, January 1	465,773	<u>352,706</u>	<u>352,706</u>	<u>113,067</u>
Unreserved fund balance, December 31	245,319	<u>\$ 329,006</u>	<u>\$ 329,006</u>	<u>\$ [83,687]</u>
Reconciliation to GAAP				
Current year encumbrances	<u>237,624</u>			
GAAP Fund Balance, December 31	<u>\$ 482,943</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SPECIAL ALCOHOL FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Intergovernmental	\$ 227,127	\$ 235,000	\$ 235,000	\$ [7,873]
Total revenues	<u>227,127</u>	<u>235,000</u>	<u>235,000</u>	<u>[7,873]</u>
Expenditures				
Public health and sanitation	<u>227,127</u>	<u>235,000</u>	<u>235,000</u>	<u>7,873</u>
Total expenditures	<u>227,127</u>	<u>235,000</u>	<u>235,000</u>	<u>7,873</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	-
Unreserved fund balance, January 1	<u>234</u>	<u>234</u>	<u>234</u>	<u>-</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
SALES TAX ECONOMIC DEVELOPMENT FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Taxes	\$ 391,195	\$ 338,228	\$ 344,976	\$ 46,219
Miscellaneous	-	2,000	-	-
Total revenues	<u>391,195</u>	<u>340,228</u>	<u>344,976</u>	<u>46,219</u>
Expenditures				
Capital outlay	<u>1,009,526</u>	<u>375,000</u>	<u>370,000</u>	<u>[639,526]</u>
Total expenditures	<u>1,009,526</u>	<u>375,000</u>	<u>370,000</u>	<u>[639,526]</u>
Excess [deficiency] of revenues over [under] expenditures	[618,331]	[34,772]	[25,024]	[593,307]
Unreserved fund balance, January 1	<u>715,686</u>	<u>673,791</u>	<u>673,791</u>	<u>41,895</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 97,355</u>	<u>\$ 639,019</u>	<u>\$ 648,767</u>	<u>\$ [551,412]</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
ARTS & HUMANITIES FUND
For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Charges for services	\$ 263,376	\$ 324,600	\$ 324,600	\$ [61,224]
Miscellaneous	<u>-</u>	<u>78,000</u>	<u>78,000</u>	<u>[78,000]</u>
Total revenues	<u>263,376</u>	<u>402,600</u>	<u>402,600</u>	<u>[139,224]</u>
Expenditures				
Culture and recreation	<u>857,534</u>	<u>906,099</u>	<u>906,099</u>	<u>48,565</u>
Total expenditures	<u>857,534</u>	<u>906,099</u>	<u>906,099</u>	<u>48,565</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[594,158]</u>	<u>[503,499]</u>	<u>[503,499]</u>	<u>[90,659]</u>
Other financing sources [uses]				
Transfers in	<u>645,500</u>	<u>645,500</u>	<u>645,500</u>	<u>-</u>
Total other financing sources [uses]	<u>645,500</u>	<u>645,500</u>	<u>645,500</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	51,342	142,001	142,001	[90,659]
Unreserved fund balance, January 1	<u>100,066</u>	<u>29,300</u>	<u>29,300</u>	<u>70,766</u>
Unreserved fund balance/GAAP fund balance December 31	<u>\$ 151,408</u>	<u>\$ 171,301</u>	<u>\$ 171,301</u>	<u>\$ [19,893]</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

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

For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Taxes				
Real estate taxes	\$ 2,978,243	\$ 3,342,920	\$ 3,342,920	\$ [364,677]
Delinquent taxes	86,458	40,000	40,000	46,458
Motor vehicle taxes	374,103	359,534	359,534	14,569
Special assessments	1,405,148	1,328,500	1,328,500	76,648
Miscellaneous	-	1,744,792	1,744,792	[1,744,792]
Total revenues	<u>4,843,952</u>	<u>6,815,746</u>	<u>6,815,746</u>	<u>[1,971,794]</u>
Expenditures				
Debt Service				
Principal retirement	10,549,900	2,935,000	2,935,000	[7,614,900]
Interest and other charges	1,917,407	1,750,000	1,750,000	[167,407]
Special assessments	-	1,336,700	1,336,700	1,336,700
Miscellaneous	-	2,420,000	2,420,000	2,420,000
Total expenditures	<u>12,467,307</u>	<u>8,441,700</u>	<u>8,441,700</u>	<u>[4,025,607]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[7,623,355]</u>	<u>[1,625,954]</u>	<u>[1,625,954]</u>	<u>[5,997,401]</u>
Other financing sources [uses]				
Transfers in	1,842,841	1,625,000	1,625,000	217,841
Bond proceeds	<u>6,167,545</u>	-	-	<u>6,167,545</u>
Total other financing sources [uses]	<u>8,010,386</u>	<u>1,625,000</u>	<u>1,625,000</u>	<u>6,385,386</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	387,031	[954]	[954]	387,985
Unreserved fund balance, January 1	<u>1,665,599</u>	<u>4,127,073</u>	<u>4,127,073</u>	<u>[2,461,474]</u>
Unreserved fund balance, December 31	2,052,630	<u>\$ 4,126,119</u>	<u>\$ 4,126,119</u>	<u>\$ [2,073,489]</u>
Reconciliation to GAAP				
Taxes receivable	3,119,483			
Deferred revenue	<u>[3,060,449]</u>			
GAAP Fund Balance, December 31	<u>\$ 2,111,664</u>			

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)
SOLID WASTE DISPOSAL FUND
For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Charges for services	\$ 3,507,381	\$ 3,066,100	\$ 3,066,100	\$ 441,281
Miscellaneous	<u>63,483</u>	<u>7,300</u>	<u>7,300</u>	<u>56,183</u>
Total revenues	<u>3,570,864</u>	<u>3,073,400</u>	<u>3,073,400</u>	<u>497,464</u>
Expenditures				
Public works	<u>1,967,405</u>	<u>2,409,123</u>	<u>2,409,123</u>	<u>441,718</u>
Total expenditures	<u>1,967,405</u>	<u>2,409,123</u>	<u>2,409,123</u>	<u>441,718</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,603,459</u>	<u>664,277</u>	<u>664,277</u>	<u>939,182</u>
Other financing sources [uses]				
Transfers [out]	<u>[659,200]</u>	<u>[615,675]</u>	<u>[615,675]</u>	<u>[43,525]</u>
Total other financing sources [uses]	<u>[659,200]</u>	<u>[615,675]</u>	<u>[615,675]</u>	<u>[43,525]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	944,259	48,602	48,602	895,657
Unreserved fund balance, January 1	<u>4,591,225</u>	<u>4,435,512</u>	<u>4,435,512</u>	<u>155,713</u>
Unreserved fund balance, December 31	<u>\$ 5,535,484</u>	<u>\$ 4,484,114</u>	<u>\$ 4,484,114</u>	<u>\$ 1,051,370</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

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

For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	Final Budget Positive [Negative]
Revenues				
Charges for services	\$ 20,071,807	\$ 19,785,400	\$ 19,785,400	\$ 286,407
Investment revenue	-	179,300	179,300	[179,300]
Miscellaneous	4,470	4,000	4,000	470
Total revenues	<u>20,076,277</u>	<u>19,968,700</u>	<u>19,968,700</u>	<u>107,577</u>
Expenditures				
Public works	<u>8,381,112</u>	<u>14,641,296</u>	<u>14,641,296</u>	<u>6,260,184</u>
Total expenditures	<u>8,381,112</u>	<u>14,641,296</u>	<u>14,641,296</u>	<u>6,260,184</u>
Excess [deficiency] of revenues over [under] expenditures	<u>11,695,165</u>	<u>5,327,404</u>	<u>5,327,404</u>	<u>6,367,761</u>
Other financing sources [uses]				
Transfers in	153,599	[144,400]	[144,400]	297,999
Transfers [out]	<u>[8,201,769]</u>	<u>[5,964,717]</u>	<u>[5,964,717]</u>	<u>[2,237,052]</u>
Total other financing sources [uses]	<u>[8,048,170]</u>	<u>[6,109,117]</u>	<u>[6,109,117]</u>	<u>[1,939,053]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	3,646,995	[781,713]	[781,713]	4,428,708
Unreserved fund balances, January 1	<u>16,682,846</u>	<u>13,673,636</u>	<u>13,673,636</u>	<u>3,009,210</u>
Unreserved fund balances, December 31	<u>\$ 20,329,841</u>	<u>\$ 12,891,923</u>	<u>\$ 12,891,923</u>	<u>\$ 7,437,918</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

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

For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 3,407,884	\$ 3,228,400	\$ 3,228,400	\$ 179,484
Miscellaneous	830	-	-	830
Total revenues	<u>3,408,714</u>	<u>3,228,400</u>	<u>3,228,400</u>	<u>180,314</u>
Expenditures				
Public works	<u>4,091,836</u>	<u>4,171,267</u>	<u>4,171,267</u>	<u>79,431</u>
Total expenditures	<u>4,091,836</u>	<u>4,171,267</u>	<u>4,171,267</u>	<u>79,431</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[683,122]</u>	<u>[942,867]</u>	<u>[942,867]</u>	<u>259,745</u>
Other financing sources [uses]				
Transfers [out]	<u>[497,350]</u>	<u>[417,350]</u>	<u>[417,350]</u>	<u>[80,000]</u>
Total other financing sources [uses]	<u>[497,350]</u>	<u>[417,350]</u>	<u>[417,350]</u>	<u>[80,000]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[1,180,472]</u>	<u>[1,360,217]</u>	<u>[1,360,217]</u>	<u>179,745</u>
Unreserved fund balance, January 1	<u>2,149,592</u>	<u>-</u>	<u>1,050,423</u>	<u>1,099,169</u>
Unreserved fund balances, December 31	<u>\$ 969,120</u>	<u>\$ [1,360,217]</u>	<u>\$ [309,794]</u>	<u>\$ 1,278,914</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

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

For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 789,538	\$ 870,100	\$ 870,100	\$ [80,562]
Investment revenue	-	400	400	[400]
Miscellaneous	<u>98,514</u>	<u>-</u>	<u>-</u>	<u>98,514</u>
Total revenues	<u>888,052</u>	<u>870,500</u>	<u>870,500</u>	<u>17,552</u>
Expenditures				
Recreation	<u>863,437</u>	<u>858,770</u>	<u>858,770</u>	<u>[4,667]</u>
Total expenditures	<u>863,437</u>	<u>858,770</u>	<u>858,770</u>	<u>[4,667]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>24,615</u>	<u>11,730</u>	<u>11,730</u>	<u>12,885</u>
Other financing sources [uses]				
Transfers in	<u>100,000</u>	<u>[5,800]</u>	<u>-</u>	<u>100,000</u>
Total other financing sources [uses]	<u>100,000</u>	<u>[5,800]</u>	<u>-</u>	<u>100,000</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>124,615</u>	<u>5,930</u>	<u>11,730</u>	<u>112,885</u>
Unreserved fund balance, January 1	<u>48,087</u>	<u>33,488</u>	<u>33,488</u>	<u>14,599</u>
Unreserved fund balances, December 31	<u>\$ 172,702</u>	<u>\$ 39,418</u>	<u>\$ 45,218</u>	<u>\$ 127,484</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
WORKERS' COMPENSATION RESERVE FUND
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Miscellaneous	<u>1,279</u>	<u>-</u>	<u>-</u>	<u>1,279</u>
Total revenues	<u>251,279</u>	<u>250,000</u>	<u>250,000</u>	<u>1,279</u>
Expenditures				
General government	<u>322,088</u>	<u>430,418</u>	<u>430,418</u>	<u>108,330</u>
Total expenditures	<u>322,088</u>	<u>430,418</u>	<u>430,418</u>	<u>108,330</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[70,809]</u>	<u>[180,418]</u>	<u>[180,418]</u>	<u>109,609</u>
Unreserved fund balance, January 1	<u>1,142,019</u>	<u>958,952</u>	<u>958,952</u>	<u>183,067</u>
Unreserved fund balances, December 31	<u>\$ 1,071,210</u>	<u>\$ 778,534</u>	<u>\$ 778,534</u>	<u>\$ 292,676</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
HEALTH INSURANCE FUND
For the Year Ended December 31, 2021

		<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 6,428,331	\$ 7,268,999	\$ 7,268,999	\$ [840,668]
Miscellaneous	<u>24,298</u>	<u>49,500</u>	<u>49,500</u>	<u>[25,202]</u>
Total revenues	<u>6,452,629</u>	<u>7,318,499</u>	<u>7,318,499</u>	<u>[865,870]</u>
Expenditures				
General government	<u>5,815,054</u>	<u>7,151,300</u>	<u>7,151,300</u>	<u>1,336,246</u>
Total expenditures	<u>5,815,054</u>	<u>7,151,300</u>	<u>7,151,300</u>	<u>1,336,246</u>
Excess [deficiency] of revenues over [under] expenditures	637,575	167,199	167,199	470,376
Unreserved fund balance, January 1	<u>3,216,150</u>	<u>2,922,027</u>	<u>2,922,027</u>	<u>294,123</u>
Unreserved fund balances, December 31	<u>\$ 3,853,725</u>	<u>\$ 3,089,226</u>	<u>\$ 3,089,226</u>	<u>\$ 764,499</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

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

CENTRAL GARAGE FUND

For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues				
Charges for services	\$ 1,545,351	\$ 1,434,400	\$ 1,434,400	\$ 110,951
Miscellaneous	<u>3,276</u>	<u>-</u>	<u>-</u>	<u>3,276</u>
Total revenues	<u>1,548,627</u>	<u>1,434,400</u>	<u>1,434,400</u>	<u>114,227</u>
Expenditures				
General government	<u>1,547,939</u>	<u>1,500,286</u>	<u>1,500,286</u>	<u>[47,653]</u>
Total expenditures	<u>1,547,939</u>	<u>1,500,286</u>	<u>1,500,286</u>	<u>[47,653]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>688</u>	<u>[65,886]</u>	<u>[65,886]</u>	<u>66,574</u>
Other financing sources [uses]				
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Total other financing sources [uses]	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>80,688</u>	<u>14,114</u>	<u>14,114</u>	<u>66,574</u>
Unreserved fund balance, January 1	<u>313,738</u>	<u>189,656</u>	<u>189,656</u>	<u>124,082</u>
Unreserved fund balance, December 31	<u>\$ 394,426</u>	<u>\$ 203,770</u>	<u>\$ 203,770</u>	<u>\$ 190,656</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

INTERNAL SERVICE FUNDS

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

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

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

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

CITY OF SALINA, KANSAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 1,071,210	\$ 3,853,726	\$ 477,047	\$ 5,401,983
Inventory and prepaid supplies	-	-	136,375	136,375
Total current assets	<u>1,071,210</u>	<u>3,853,726</u>	<u>613,422</u>	<u>5,538,358</u>
Capital assets:				
Capital assets	-	-	168,234	168,234
Less: accumulated depreciation	-	-	154,325	154,325
Total capital assets	<u>-</u>	<u>-</u>	<u>13,909</u>	<u>13,909</u>
Total assets	<u>1,071,210</u>	<u>3,853,726</u>	<u>627,331</u>	<u>5,552,267</u>
Deferred outflows of resources:				
KPERS OPEB deferred outflows of resources	-	-	1,575	1,575
Pension deferred outflows of resources	-	-	36,501	36,501
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>38,076</u>	<u>38,076</u>
Total assets and deferred outflows of resources	<u>\$ 1,071,210</u>	<u>\$ 3,853,726</u>	<u>\$ 665,407</u>	<u>\$ 5,590,343</u>
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$ -	\$ -	\$ 82,621	\$ 82,621
Current portion of compensated absences payable	-	-	13,400	13,400
Current portion of accrued claims payable	197,807	417,000	-	614,807
Total current liabilities (payable from current assets)	<u>197,807</u>	<u>417,000</u>	<u>96,021</u>	<u>710,828</u>
Noncurrent liabilities:				
Compensated absences payable	-	-	16,655	16,655
Accrued claims payable	168,990	-	-	168,990
Net KPERS OPEB obligation	-	-	8,484	8,484
Net pension liability	-	-	105,909	105,909
Total noncurrent liabilities	<u>168,990</u>	<u>-</u>	<u>131,048</u>	<u>300,038</u>
Total liabilities	<u>366,797</u>	<u>417,000</u>	<u>227,069</u>	<u>1,010,866</u>
Deferred inflows of resources				
KPERS OPEB deferred inflows of resources	-	-	3,541	3,541
Pension deferred inflows of resources	-	-	67,325	67,325
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>70,866</u>	<u>70,866</u>
Total liabilities and deferred inflows of resources	<u>\$ 366,797</u>	<u>\$ 417,000</u>	<u>\$ 297,935</u>	<u>\$ 1,081,732</u>
Net Position				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 13,909	\$ 13,909
Unrestricted	704,413	3,436,726	353,563	4,494,702
Total net position	<u>\$ 704,413</u>	<u>\$ 3,436,726</u>	<u>\$ 367,472</u>	<u>\$ 4,508,611</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
For the Year Ended December 31, 2021

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
Operating revenues				
Charges for services	\$ 250,000	\$ 6,428,331	\$ 1,545,351	\$ 8,223,682
Miscellaneous	1,279	24,298	3,275	28,852
Total operating revenues	<u>251,279</u>	<u>6,452,629</u>	<u>1,548,626</u>	<u>8,252,534</u>
Operating expenses				
General government	242,390	5,627,054	1,503,421	7,372,865
Depreciation	-	-	362	362
Total operating expenses	<u>242,390</u>	<u>5,627,054</u>	<u>1,503,783</u>	<u>7,373,227</u>
Income [loss] before transfers	<u>8,889</u>	<u>825,575</u>	<u>44,843</u>	<u>879,307</u>
Transfers from [to] other funds				
Transfers in	-	-	80,000	80,000
Total transfers	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Change in net position	8,889	825,575	124,843	959,307
Net position, January 1	<u>695,524</u>	<u>2,611,151</u>	<u>242,629</u>	<u>3,549,304</u>
Net position, December 31	<u>\$ 704,413</u>	<u>\$ 3,436,726</u>	<u>\$ 367,472</u>	<u>\$ 4,508,611</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2021

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
Cash flows from operating activities				
Cash received from customers and users	\$ 170,302	\$ 6,240,331	\$ 1,545,351	\$ 7,955,984
Cash paid to suppliers of goods or services	[242,390]	[5,627,154]	[1,234,304]	[7,103,848]
Cash paid to employees	-	-	[276,664]	[276,664]
Other operating receipts	1,279	24,298	3,275	28,852
Net cash provided by [used in] operating activities	<u>[70,809]</u>	<u>637,475</u>	<u>37,658</u>	<u>604,324</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	80,000	80,000
Net cash provided by [used in] noncapital financing activities	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Net increase [decrease] in cash and cash equivalents	[70,809]	637,475	117,658	684,324
Cash and cash equivalents, January 1	<u>1,142,019</u>	<u>3,216,251</u>	<u>359,389</u>	<u>4,717,659</u>
Cash and cash equivalents, December 31	<u>\$ 1,071,210</u>	<u>\$ 3,853,726</u>	<u>\$ 477,047</u>	<u>\$ 5,401,983</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)
For the Year Ended December 31, 2021

	Workers' Compensation Reserve	Health Insurance	Central Garage	Total Internal Service Funds
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 8,889	\$ 825,575	\$ 44,843	\$ 879,307
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Depreciation expense	-	-	362	362
[Increase] decrease in inventory	-	-	[35,156]	[35,156]
[Increase] decrease in deferred outflows	-	-	11,901	11,901
Increase [decrease] in accounts payable	-	[100]	36,971	36,871
Increase [decrease] in accrued compensated absences	-	-	[246]	[246]
Increase [decrease] in net pension liability	-	-	[81,998]	[81,998]
Increase [decrease] in KPERS OPEB liability	-	-	[239]	[239]
Increase [decrease] in claims payable	[79,698]	[188,000]	-	[267,698]
Increase [decrease] in deferred inflows	-	-	61,220	61,220
Net cash provided by [used in] operating activities	<u>\$ [70,809]</u>	<u>\$ 637,475</u>	<u>\$ 37,658</u>	<u>\$ 604,324</u>

See independent auditor's report on the financial statements.

STATISTICAL SECTION

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

	Fiscal Year																			
	2012 Amount	%	2013 Amount	%	2014 Amount	%	2015 Amount	%	2016 Amount	%	2017 Amount	%	2018 Amount	%	2019 Amount	%	2020 Amount	%	2021 Amount	%
Governmental activities																				
Net investment in capital																				
assets	\$ 112,929	94%	\$ 116,585	90%	\$ 115,589	90%	\$ 130,401	122%	\$ 124,635	108%	\$ 129,921	105%	\$ 144,846	109%	\$ 151,527	110%	\$ 143,559	100%	\$ 143,768	64%
Restricted	1,082	1%	1,210	1%	876	1%	1,224	1%	1,738	1%	2,012	2%	2,366	2%	1,670	1%	2,267	2%	69,368	31%
Unrestricted	5,511	5%	11,628	9%	11,413	9%	(24,922)	-23%	(10,505)	-9%	(8,232)	-7%	(13,759)	-10%	(14,839)	-11%	(1,744)	-1%	9,997	4%
Total governmental activities																				
net position	<u>\$ 119,522</u>	100%	<u>\$ 129,423</u>	100%	<u>\$ 127,878</u>	100%	<u>\$ 106,703</u>	100%	<u>\$ 115,868</u>	100%	<u>\$ 123,701</u>	100%	<u>\$ 133,453</u>	100%	<u>\$ 138,358</u>	100%	<u>\$ 144,081</u>	100%	<u>\$ 223,133</u>	100%
Business-type activities																				
Net investment in capital																				
assets	\$ 50,857	69%	\$ 57,103	75%	\$ 61,721	75%	\$ 68,107	80%	\$ 62,427	71%	\$ 63,316	71%	\$ 62,368	69%	\$ 63,301	68%	\$ 63,742	66%	\$ 56,004	60%
Restricted	1,553	2%	1,553	2%	1,512	2%	1,512	2%	1,512	2%	1,512	2%	1,512	2%	1,368	1%	1,175	1%	1,132	1%
Unrestricted	21,450	29%	17,794	23%	19,545	24%	15,610	18%	23,621	27%	24,255	27%	26,503	29%	28,883	31%	31,692	33%	36,394	39%
Total business-type activities																				
net position	<u>\$ 73,860</u>	100%	<u>\$ 76,450</u>	100%	<u>\$ 82,778</u>	100%	<u>\$ 85,229</u>	100%	<u>\$ 87,560</u>	100%	<u>\$ 89,083</u>	100%	<u>\$ 90,383</u>	100%	<u>\$ 93,552</u>	100%	<u>\$ 96,610</u>	100%	<u>\$ 93,530</u>	100%
Primary government																				
Net investment in capital																				
assets	\$ 163,786	85%	\$ 173,688	84%	\$ 177,311	84%	\$ 198,508	103%	\$ 187,062	92%	\$ 193,237	91%	\$ 207,213	93%	\$ 214,828	93%	\$ 207,301	86%	\$ 199,772	63%
Restricted	2,635	1%	2,763	1%	2,388	1%	2,736	1%	3,250	2%	3,524	2%	3,878	2%	3,038	1%	3,442	1%	70,500	22%
Unrestricted	26,961	14%	29,422	14%	30,959	15%	(9,312)	-5%	13,116	6%	16,023	8%	12,744	6%	14,044	6%	29,948	12%	46,391	15%
Total primary government net																				
position	<u>\$ 193,382</u>	100%	<u>\$ 205,873</u>	100%	<u>\$ 210,658</u>	100%	<u>\$ 191,932</u>	100%	<u>\$ 203,428</u>	100%	<u>\$ 212,784</u>	100%	<u>\$ 223,835</u>	100%	<u>\$ 231,910</u>	100%	<u>\$ 240,691</u>	100%	<u>\$ 316,663</u>	100%

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021

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

	2012	2013	2014	Fiscal Year		2017	2018	2019	2020	2021
				2015	2016					
Expenses										
Governmental activities:										
General government	\$ 11,278	\$ 10,978	\$ 12,175	\$ 10,743	\$ 9,188	\$ 9,780	\$ 12,013	\$ 10,866	\$ 10,395	\$ 16,098
Public safety	19,066	19,649	20,208	21,084	22,232	23,120	23,892	25,358	24,672	23,877
Public works	10,957	11,064	11,401	9,049	9,773	10,345	10,458	10,529	10,511	16,335
Public health and sanitation	1,383	1,369	347	995	1,095	1,126	1,256	1,156	1,323	2,315
Culture and recreation	5,338	4,809	5,156	6,517	6,612	6,880	7,040	6,879	5,034	6,305
Planning and development	3,362	3,399	3,236	1,915	2,047	1,835	2,369	2,522	2,004	2,289
Interest on long term debt	1,914	1,953	1,817	1,774	2,971	1,725	2,117	2,169	2,350	2,827
Total governmental activities expenses	<u>53,298</u>	<u>53,221</u>	<u>54,340</u>	<u>52,077</u>	<u>53,918</u>	<u>54,811</u>	<u>59,145</u>	<u>59,479</u>	<u>56,288</u>	<u>70,046</u>
Business-type activities:										
Solid waste disposal	2,067	3,532	1,867	1,766	2,335	2,365	2,382	2,871	2,056	1,836
Water and sewer	14,897	15,418	14,938	11,712	14,807	15,650	15,190	14,551	13,386	13,310
Sanitation	2,441	2,237	2,399	1,909	2,043	2,178	2,419	2,313	2,526	3,655
Golf course	723	768	837	821	792	852	926	888	805	878
Total business-type activities expenses	<u>20,128</u>	<u>21,955</u>	<u>20,041</u>	<u>16,208</u>	<u>19,977</u>	<u>21,045</u>	<u>20,917</u>	<u>20,623</u>	<u>18,773</u>	<u>19,678</u>
Total primary government expenses	<u>\$ 73,426</u>	<u>\$ 75,176</u>	<u>\$ 74,381</u>	<u>\$ 68,285</u>	<u>\$ 73,895</u>	<u>\$ 75,856</u>	<u>\$ 80,062</u>	<u>\$ 80,102</u>	<u>\$ 75,061</u>	<u>\$ 89,725</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 6,328	\$ 5,548	\$ 5,662	\$ 3,151	\$ 3,134	\$ 3,470	\$ 3,569	\$ 3,401	\$ 3,339	\$ 3,440
Public safety	4,290	4,656	4,222	4,600	4,891	4,601	4,815	4,357	4,325	4,527
Public works	306	277	255	193	238	348	285	309	294	415
Public health and sanitation	46	34	46	46	44	50	47	46	49	63
Culture and recreation	1,728	1,466	1,533	1,501	1,638	1,541	1,545	1,514	279	1,070
Planning and development	158	161	167	73	140	91	150	104	113	114
Operating grants and contributions	4,495	4,200	4,015	3,394	4,332	4,541	4,299	4,540	4,714	4,711
Capital grants and contributions	-	-	-	-	733	-	-	-	-	66,150
Total governmental activities program revenues	<u>17,351</u>	<u>16,342</u>	<u>15,900</u>	<u>12,958</u>	<u>15,150</u>	<u>14,642</u>	<u>14,710</u>	<u>14,271</u>	<u>13,115</u>	<u>80,490</u>
Business-type activities:										
Charges for services										
Solid waste disposal	3,137	3,138	3,024	2,519	2,795	3,165	3,097	3,082	3,290	3,549
Water and sewer	19,099	17,938	18,742	19,059	19,322	19,855	20,202	20,510	19,449	21,241
Sanitation	2,462	2,514	2,553	2,529	2,751	2,885	3,006	3,325	3,194	3,422
Golf course	783	719	811	820	789	798	756	810	581	790
Capital grants and contributions	274	-	115	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>25,755</u>	<u>24,309</u>	<u>25,245</u>	<u>24,927</u>	<u>25,657</u>	<u>26,703</u>	<u>27,061</u>	<u>27,727</u>	<u>26,513</u>	<u>29,001</u>
Total primary government program revenues	<u>\$ 43,106</u>	<u>\$ 40,651</u>	<u>\$ 41,145</u>	<u>\$ 37,885</u>	<u>\$ 40,807</u>	<u>\$ 41,345</u>	<u>\$ 41,771</u>	<u>\$ 41,998</u>	<u>\$ 39,628</u>	<u>\$ 109,491</u>
Net (Expense) Revenue										
Governmental activities	\$ (35,947)	\$ (36,879)	\$ (38,440)	\$ (39,119)	\$ (38,768)	\$ (40,169)	\$ (39,800)	\$ (45,208)	\$ (43,173)	\$ 10,444
Business-type activities	5,627	2,354	5,204	8,719	5,680	5,658	6,143	7,103	7,740	9,323
Total primary government net expense	<u>\$ (30,320)</u>	<u>\$ (34,525)</u>	<u>\$ (33,236)</u>	<u>\$ (30,400)</u>	<u>\$ (33,088)</u>	<u>\$ (34,511)</u>	<u>\$ (33,657)</u>	<u>\$ (38,105)</u>	<u>\$ (35,433)</u>	<u>\$ 19,766</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, general purpose	\$ 8,272	\$ 8,031	\$ 8,315	\$ 8,242	\$ 8,196	\$ 9,101	\$ 8,623	\$ 9,708	\$ 10,308	\$ 10,821
Property taxes, debt service	2,439	2,362	2,578	2,766	3,022	2,487	2,457	2,664	3,058	3,065
Motor vehicle taxes	1,153	1,200	1,250	1,312	1,370	1,372	1,428	1,403	1,520	1,643
Sales tax, general purpose	12,165	12,260	12,689	12,931	12,781	12,906	13,292	13,419	13,697	15,315
Selective sales tax	4,210	4,281	4,461	4,558	4,901	8,832	8,917	9,323	9,751	11,405
Other taxes	6,486	6,630	7,231	7,363	7,991	6,900	7,241	6,975	6,117	7,116
Investment revenues	66	67	98	86	148	92	183	670	286	158
Miscellaneous	660	9,918	1,160	2,371	5,842	2,003	1,062	1,168	8,328	2,405
Transfers, net	30	999	787	3,819	3,600	4,309	4,831	4,781	5,133	16,681
Total governmental activities	<u>35,481</u>	<u>45,748</u>	<u>38,569</u>	<u>43,448</u>	<u>47,851</u>	<u>48,002</u>	<u>48,034</u>	<u>50,111</u>	<u>58,199</u>	<u>68,608</u>
Business-type activities:										
Investment revenues	79	49	51	56	78	129	233	-	4	-
Miscellaneous	434	279	97	-	-	103	153	846	446	2,416
Reimbursements	-	-	180	132	79	-	-	-	-	-
Transfers, net	(30)	(950)	-	(3,781)	(3,581)	(4,367)	(4,831)	(4,781)	(5,133)	(16,681)
Total business-type activities	<u>483</u>	<u>(622)</u>	<u>328</u>	<u>(3,593)</u>	<u>(3,424)</u>	<u>(4,135)</u>	<u>(4,445)</u>	<u>(3,935)</u>	<u>(4,682)</u>	<u>(14,265)</u>
Total primary government	<u>\$ 35,964</u>	<u>\$ 45,126</u>	<u>\$ 38,897</u>	<u>\$ 39,855</u>	<u>\$ 44,427</u>	<u>\$ 43,867</u>	<u>\$ 43,589</u>	<u>\$ 46,176</u>	<u>\$ 53,517</u>	<u>\$ 54,343</u>
Change in Net Position										
Governmental activities	\$ (466)	\$ 8,869	\$ 129	\$ 4,329	\$ 9,083	\$ 7,833	8,233	4,902	15,026	79,052
Business-type activities	6,110	1,732	5,532	5,126	2,256	1,523	1,698	3,169	3,058	(4,943)
Total primary government	<u>\$ 5,644</u>	<u>\$ 10,601</u>	<u>\$ 5,661</u>	<u>\$ 9,455</u>	<u>\$ 11,339</u>	<u>\$ 9,356</u>	<u>\$ 9,931</u>	<u>\$ 8,071</u>	<u>\$ 18,084</u>	<u>\$ 74,109</u>

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (Note 1)</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 116	\$ 81	\$ 107	\$ 111	\$ 131	\$ 153	\$ 152	\$ 212	\$ 184	\$ 168
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	540	331	239	199	136	214	340	274	244	152
Unreserved/unassigned	<u>3,172</u>	<u>3,138</u>	<u>3,908</u>	<u>4,530</u>	<u>4,765</u>	<u>6,516</u>	<u>6,251</u>	<u>8,821</u>	<u>14,714</u>	<u>20,743</u>
Total general fund	<u>\$ 3,828</u>	<u>\$ 3,550</u>	<u>\$ 4,254</u>	<u>\$ 4,840</u>	<u>\$ 5,032</u>	<u>\$ 6,883</u>	<u>\$ 6,743</u>	<u>\$ 9,307</u>	<u>\$ 15,142</u>	<u>\$ 21,064</u>
Restatement										
Restated fund balance										
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,319	3,446	2,910	2,793	3,142	4,191	4,648	5,224	4,980	72,025
Committed	(516)	7,486	9,886	8,695	14,284	10,072	7,325	8,086	13,225	16,597
Assigned	4,087	3,146	1,280	619	1,043	641	1,227	963	1,965	1,587
Unreserved/unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,537)</u>	<u>(6,823)</u>	<u>(28)</u>	<u>(852)</u>	<u>(7,804)</u>	<u>(4,028)</u>	<u>(1,058)</u>
Total all other governmental funds	<u>\$ 6,890</u>	<u>\$ 14,078</u>	<u>\$ 14,076</u>	<u>\$ 1,570</u>	<u>\$ 11,646</u>	<u>\$ 14,876</u>	<u>\$ 12,348</u>	<u>\$ 6,469</u>	<u>\$ 16,143</u>	<u>\$ 89,151</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.

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

	2012	2013	2014	Fiscal Year 2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes (see Schedule 5)	\$ 34,724	\$ 34,764	\$ 36,523	\$ 37,171	\$ 38,261	\$ 41,597	\$ 41,958	\$ 43,492	\$ 44,452	\$ 49,364
Intergovernmental	4,487	4,192	4,008	3,385	4,325	4,536	4,297	4,573	5,317	70,892
Special assessments	2,315	1,706	1,810	1,679	1,669	1,539	1,546	1,596	1,511	1,405
Licenses and permits	8	9	7	10	7	6	3	4	5	10
Charges for services	8,484	8,536	8,276	6,416	6,953	6,880	7,338	6,804	5,557	6,710
Investment revenue	47	40	59	47	142	79	157	670	286	158
Reimbursements	36	9,015	123	491	1,406	-	-	-	-	-
Donations	-	-	241	83	141	111	238	90	129	90
Miscellaneous	537	810	799	1,853	4,315	1,851	884	1,545	5,656	1,898
Total revenues	<u>50,638</u>	<u>59,072</u>	<u>51,846</u>	<u>51,135</u>	<u>57,219</u>	<u>56,599</u>	<u>56,421</u>	<u>58,774</u>	<u>62,913</u>	<u>130,528</u>
Expenditures										
General government	3,574	4,269	3,986	5,342	5,422	5,423	5,649	4,582	5,506	5,630
Public safety	18,564	19,155	19,559	21,268	21,664	21,629	22,953	23,692	22,435	23,215
Public works	7,004	7,220	7,443	5,333	5,778	6,048	6,162	6,136	6,082	6,166
Public health and sanitation	1,343	1,344	319	982	1,078	1,097	1,236	1,121	1,280	2,296
Culture and recreation	4,449	3,939	4,292	5,659	5,817	6,143	6,255	6,047	4,245	5,317
Planning and development	3,256	3,293	3,232	1,910	2,042	1,801	2,185	2,311	1,794	2,078
Miscellaneous	-	-	-	-	-	-	-	-	1,354	2
Capital outlay	7,327	13,047	11,009	25,527	24,001	18,281	16,344	21,913	12,041	24,939
Debt service										
Principal	8,592	5,038	5,261	6,250	17,902	5,088	14,243	10,324	5,164	10,550
Interest	2,103	1,867	1,864	1,833	3,152	1,771	2,192	2,136	2,366	2,411
Deposit to escrow	92	-	-	-	-	-	-	-	-	-
Total expenditures	<u>56,304</u>	<u>59,172</u>	<u>56,965</u>	<u>74,104</u>	<u>86,856</u>	<u>67,281</u>	<u>77,219</u>	<u>78,262</u>	<u>62,267</u>	<u>82,604</u>
Other financing sources (uses)										
Bonds and notes issued	6,150	5,690	5,365	6,825	34,892	11,490	8,090	11,090	8,720	13,813
Bond and note premium	60	185	302	369	1,503	95	70	443	468	592
Transfers in	3,488	4,907	3,001	7,642	7,065	8,339	13,462	9,714	9,323	23,000
Transfers out	(3,458)	(3,907)	(2,999)	(3,913)	(3,555)	(4,160)	(4,186)	(5,073)	(4,271)	(6,399)
Total other financing sources (uses)	<u>6,240</u>	<u>6,875</u>	<u>5,669</u>	<u>10,923</u>	<u>39,905</u>	<u>15,764</u>	<u>17,436</u>	<u>16,174</u>	<u>14,241</u>	<u>31,006</u>
Net change in fund balance	<u>\$ 574</u>	<u>\$ 6,775</u>	<u>\$ 550</u>	<u>\$ (12,046)</u>	<u>\$ 10,268</u>	<u>\$ 5,082</u>	<u>\$ (3,362)</u>	<u>\$ (3,314)</u>	<u>\$ 14,887</u>	<u>\$ 78,930</u>
Debt service as a percentage of non-capital expenditures										
	17%	28%	18%	18%	20%	50%	16%	37%	28%	29%

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real estate	\$ 10,466	\$ 10,145	\$ 10,657	\$ 10,729	\$ 10,972	\$ 11,377	\$ 10,804	\$ 12,182	\$ 13,150	\$ 13,500
Delinquent	245	248	235	279	246	210	276	190	216	385
Motor vehicle	1,153	1,200	1,250	1,312	1,370	1,372	1,428	1,403	1,520	1,643
General sales	12,165	12,260	12,689	12,931	12,781	12,906	13,293	13,419	13,697	15,315
Selective sales	4,210	4,281	4,461	4,558	4,901	8,832	8,917	9,323	9,751	11,405
Other taxes	<u>6,485</u>	<u>6,630</u>	<u>7,231</u>	<u>7,362</u>	<u>7,991</u>	<u>6,900</u>	<u>7,240</u>	<u>6,975</u>	<u>6,117</u>	<u>7,116</u>
Total taxes	<u>\$ 34,724</u>	<u>\$ 34,764</u>	<u>\$ 36,523</u>	<u>\$ 37,171</u>	<u>\$ 38,261</u>	<u>\$ 41,597</u>	<u>\$ 41,958</u>	<u>\$ 43,492</u>	<u>\$ 44,452</u>	<u>\$ 49,364</u>

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021

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

Fiscal (Budget) Year	Assessed Value							Estimated Total Market Value (Note 2)	Ratio of Assessed Value to Est. Market Value
	Real Estate	Personal Property	State Assessed	Total, Excluding Motor Vehicles	Tax Rate	Motor Vehicle (Note 1)	Total, Taxable Assessed Value		
2012	\$ 369,416,422	\$ 18,654,394	\$ 15,779,466	\$ 403,850,282	26.272	\$ 47,553,744	\$ 451,404,026	\$ 2,889,385,914	15.62
2013	\$ 370,390,092	\$ 17,769,120	\$ 16,948,264	\$ 405,107,476	26.927	\$ 48,882,411	\$ 453,989,887	\$ 2,917,267,724	15.56
2014	\$ 376,131,346	\$ 13,652,885	\$ 17,670,147	\$ 407,454,378	27.080	\$ 48,865,900	\$ 456,320,278	\$ 2,957,531,741	15.43
2015	\$ 381,087,426	\$ 12,607,815	\$ 18,984,453	\$ 412,679,694	27.311	\$ 50,350,566	\$ 463,030,260	\$ 2,957,531,741	15.66
2016	\$ 389,872,825	\$ 11,653,719	\$ 19,323,055	\$ 420,849,599	27.603	\$ 51,833,505	\$ 472,683,104	\$ 2,964,464,111	15.94
2017	\$ 399,918,216	\$ 10,900,308	\$ 19,671,685	\$ 430,490,209	26.129	\$ 50,970,796	\$ 481,461,005	\$ 3,097,885,103	15.54
2018	\$ 403,835,383	\$ 10,130,718	\$ 20,485,144	\$ 434,451,245	28.394	\$ 53,336,677	\$ 487,787,922	\$ 3,150,409,123	15.48
2019	\$ 421,108,311	\$ 11,245,813	\$ 22,113,195	\$ 454,467,319	29.720	\$ 54,687,311	\$ 509,154,630	\$ 3,294,115,685	15.46
2020	\$ 423,573,121	\$ 9,353,057	\$ 23,436,340	\$ 456,362,518	30.650	\$ 54,589,132	\$ 510,951,650	\$ 3,326,521,997	15.36
2021	\$ 427,732,694	\$ 11,229,345	\$ 23,975,182	\$ 459,861,906	30.452	\$ 56,545,812	\$ 519,483,033	\$ 3,392,138,959	15.31

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)

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

Fiscal (Budget) Year	City of Salina			Saline County			USD 305 (2)			Other (1)	Total
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total USD Millage	Other	
2012	20.326	5.946	26.272	32.576		32.576	47.127	11.693	58.820	11.989	129.657
2013	20.242	5.948	26.190	34.823		34.823	47.133	11.516	58.649	12.135	131.797
2014	20.539	6.388	26.927	37.895		37.895	46.599	11.517	58.116	12.941	135.879
2015	20.692	6.388	27.080	38.047		38.047	44.088	11.517	55.605	13.305	134.037
2016	19.950	7.361	27.311	38.275		38.275	44.465	11.655	56.120	13.293	134.999
2017	21.694	5.909	27.603	37.508		37.508	44.069	11.674	55.743	13.299	134.153
2018	20.339	5.790	26.129	37.321		37.321	45.130	11.371	56.501	13.189	133.140
2019	22.285	6.109	28.394	38.437		38.437	46.776	10.746	57.522	13.988	138.341
2020	22.908	6.812	29.720	41.097		41.097	44.761	10.747	55.508	13.983	140.308
2021	23.847	6.803	30.650	40.606		40.606	45.130	10.729	55.859	12.623	139.738

Source: Saline County Treasurer

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

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

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

Taxpayer	Type of Business	2012 (2011 Assessed Value)			2021 (2020 Assessed Value)		
		Assessed Valuation	% of Total Valuation	Rank	Assessed Valuation	% of Total Valuation	Rank
Evergy (Westar Energy (Western Resources)	Utility	\$ 7,852,360	1.74%	2	\$ 19,659,775	3.78%	1
SFC Global Supply Chain, Inc. (Schwan's)	Pizza Manufacturing	8,050,871	1.78%	1	5,927,488	1.14%	2
Kansas Gas Service	Utility	3,352,360	0.74%	8	5,415,618	1.04%	3
RAF Salina LLC	Retail Shopping Mall	6,160,267	1.36%	3	4,680,507	0.90%	4
S&B Motels	Motel			N/A	3,010,427	0.58%	5
Central Mall Realty Holding LLC	Regional Shopping Center			N/A	2,851,701	0.55%	6
Union Pacific Railroad Co.	Railroad			N/A	2,565,902	0.49%	7
Menard Inc.	Home Improvement	3,552,360	0.79%	5	2,427,090	0.47%	8
Individual	Residential			N/A	2,367,201	0.46%	9
Sams Real Estate Business Trust/Walmart	Discount Retail Stores			N/A	2,195,047	0.42%	10
Wal-mart Real Estate Business Trust	Discount Retail Stores	3,458,708	0.77%	7			
Great Plains Manufacturing	Manufacturing	2,346,169	0.52%	10			
Gateway Properties	Shopping Mall (Midstate)	3,551,440	0.79%	6			
Southwestern Bell	Telephone Utility	2,464,079	0.55%	9			
Salina Regional Health Center	Hospital and Medical Offices	4,317,497	0.96%	4			
Combined Valuation of the Ten Largest Taxpayers		<u>\$ 45,106,111</u>			<u>\$ 51,100,756</u>		
City Valuation		\$ 451,404,026			\$ 519,483,033		
Percent of Total City Assessed Valuation			9.99%			9.84%	

Source: Saline County Clerk's Office or recent OS

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

Fiscal (Budget) Year	Taxes Levied for the fiscal year	Current Year Tax Distributions		Delinquent Collections (1)	Total Tax Distributions	
		Amount	Percentage		Amount	Percentage of levy
2012	\$ 10,570,420	\$ 10,411,299	98.5%	\$ 245,086	\$ 10,656,385	100.8%
2013	\$ 10,550,730	\$ 10,145,404	96.2%	\$ 354,845	\$ 10,500,249	99.5%
2014	\$ 10,868,225	\$ 10,776,688	99.2%	\$ 62,432	\$ 10,839,120	99.7%
2015	\$ 10,991,959	\$ 10,460,246	95.2%	\$ 372,726	\$ 10,832,972	98.6%
2016	\$ 11,209,245	\$ 10,984,630	98.0%	\$ 184,970	\$ 11,169,600	99.6%
2017	\$ 11,564,876	\$ 11,320,197	97.9%	\$ 203,904	\$ 11,524,101	99.6%
2018	\$ 11,248,278	\$ 10,938,457	97.2%	\$ 276,340	\$ 11,214,797	99.7%
2019	\$ 12,335,808	\$ 12,097,740	98.1%	\$ 189,587	\$ 12,287,327	99.6%
2020	\$ 13,506,590	\$ 13,203,183	97.8%	\$ 216,358	\$ 13,419,541	99.4%
2021	\$ 13,958,495	\$ 13,552,390	98.0%	\$ 283,194	\$ 13,835,584	99.1%

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

Source: Saline County Treasurer's Office

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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%	0.40%	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%	1.00%
Portion of County-wide tax allocated to City (July Percentage)	61.72%	60.86%	60.23%	60.28%	60.28%	60.28%	59.85%	60.33%	60.17%	60.17%

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

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

Source: Kansas Department of Revenue

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

Rate Class	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
	# 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	17,893	1,225,931	17,966	989,788	18,042	1,003,100	18,086	987,540	18,125	950,697	18,124	988,572	18,130	963,387	18,155	864,810	18,238	965,782	18,303	987,792
Commercial	1,565	38,547	1,579	348,968	1,599	353,675	1,600	350,767	1,603	345,232	1,606	345,250	1,614	340,960	1,607	352,051	1,612	319,080	1,626	349,956
Industrial	42	174,595	40	182,529	42	193,233	44	202,407	44	191,236	44	193,503	44	211,843	44	196,229	43	164,766	41	167,991
Government	99	54,618	99	46,484	97	45,346	97	41,928	99	45,136	99	41,552	98	35,932	97	41,911	94	28,200	72	22,810
Apartment	169	70,263	168	67,155	166	60,865	164	61,400	163	57,039	163	58,378	157	71,559	157	62,127	156	58,651	157	61,021
Schools	81	57,027	84	44,187	84	45,328	85	45,545	85	41,176	83	36,039	81	30,810	79	31,839	78	24,518	78	31,960
Industrial special	1	40,448	1	20,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumed in production	12	19,266	12	18,065	12	19,264	12	17,338	9	9,580	8	9,652	7	6,966	7	6,974	7	4,109	6	3,012
Rural water	1	25,930	1	21,530	1	22,993	1	21,915	1	23,384	1	25,624	1	22,345	1	21,663	1	31,776	1	22,970
Hospitals	10	17,896	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
Religious/non profit	38	5,399	37	4,810	37	4,973	37	4,986	36	5,224	36	4,749	36	4,458	35	2,780	35	2,215	35	2,267
Engineering studies	8	6,104	8	6,822	8	5,095	8	4,807	7	4,573	7	4,772	7	4,471	7	3,835	6	2,553	6	2,213
Providing taxable service	2	6,118	2	3,495	1	3,561	1	3,167	1	3,921	1	3,347	1	2,331	1	2,676	1	1,909	1	2,585
Sale of component parts	8	5,726	6	5,972	6	6,850	5	3,900	4	3,129	4	2,917	4	2,190	4	1,542	4	1,310	4	1,533
Fire hydrant	4	2,533	3	1,922	2	1,474	-	-	3	1,727	3	1,790	3	2,829	3	1,180	3	2,106	3	2,146
Industrial consumed in production	3	3,543	3	4,417	3	3,588	3	2,388	3	1,930	3	1,962	3	2,107	3	2,219	3	1,946	3	1,560
Sales of farm equipment	1	83	1	107	1	48	1	53	1	64	1	104	1	56	1	124	1	109	1	154
	<u>19,937</u>	<u>1,754,027</u>	<u>20,018</u>	<u>1,793,771</u>	<u>20,111</u>	<u>1,801,577</u>	<u>20,153</u>	<u>1,779,999</u>	<u>20,193</u>	<u>1,717,766</u>	<u>20,192</u>	<u>1,753,343</u>	<u>20,196</u>	<u>1,734,098</u>	<u>20,210</u>	<u>1,621,853</u>	<u>20,291</u>	<u>1,638,511</u>	<u>20,348</u>	<u>1,693,079</u>
Water Rate Schedule:																				
Monthly meter charge (5/8")		\$4.74		\$4.88		\$5.03		\$5.20		\$5.36		\$5.52		\$5.74		\$5.94		\$6.15		\$6.27
Commodity charge (per 000 gal.):																				
0 - 2000 gal.		\$3.88		\$4.04		\$4.24		\$4.45		\$4.48		\$4.77		\$4.96		\$5.13		\$5.31		\$5.42
2001 - 10,000 gal.																				
Over 10,000 gal.																				
Excess use charge		\$7.76		\$8.08		\$8.48		\$8.90		\$9.16		\$9.54		\$9.92		\$10.26		\$10.62		\$10.84
Wastewater Rate Schedule:																				
Monthly base charge		\$6.77		\$6.97		\$7.11		\$7.22		\$7.36		\$7.51		\$7.81		\$8.08		\$8.36		\$8.53
Unit cost (per 000 gal.):		\$4.61		\$4.79		\$4.94		\$5.01		\$5.19		\$5.29		\$5.51		\$5.70		\$5.90		\$6.02

Water sold is expressed in thousands of gallons.

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

Monthly meter charge increases with the size of the meter.

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

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

Source: City of Salina Water Customer Accounting Office.

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

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income
	General Obligation	Loans Payable	Capital Lease	Temporary Notes	General Obligation	Water Revenue	Loans Payable	Temporary Notes			
	Bonds				Bonds	Bonds					
2012	\$ 49,109,575	\$ -	\$ -	\$ 1,485,000	\$ 9,613,926	\$ 15,850,228	\$ -	\$ -	\$ 76,058,729	3.8%	
2013	\$ 49,631,797	\$ -	\$ -	\$ 3,800,000	\$ 8,519,799	\$ 15,226,532	\$ -	\$ -	\$ 77,178,128	3.7%	
2014	\$ 50,033,555	\$ -	\$ 176,235	\$ 5,000,000	\$ 9,587,351	\$ 14,592,836	\$ 6,208,102	\$ -	\$ 85,598,079	4.1%	
2015	\$ 50,840,632	\$ -	\$ 479,366	\$ 5,995,000	\$ 8,539,773	\$ 13,949,139	\$ 5,753,620	\$ -	\$ 85,557,530	4.1%	
2016	\$ 51,816,399	\$ 12,157,127	\$ 321,174	\$ 11,505,000	\$ 7,640,381	\$ 13,285,443	\$ 7,432,024	\$ -	\$ 104,157,548	5.0%	
2017	\$ 55,994,305	\$ 12,171,090	\$ 157,868	\$ 6,811,742	\$ 6,520,433	\$ 12,606,747	\$ 8,862,810	\$ -	\$ 103,124,995	4.9%	
2018	\$ 51,968,310	\$ 12,185,053	\$ -	\$ 18,123,505	\$ 5,282,578	\$ 11,898,051	\$ 10,632,351	\$ -	\$ 110,089,848	4.9%	
2019	\$ 54,607,702	\$ 12,640,000	\$ -	\$ 11,170,000	\$ 4,102,298	\$ 10,330,000	\$ 46,354,852	\$ -	\$ 139,204,852	6.0%	
2020	\$ 56,587,549	\$ 12,640,000	\$ -	\$ 7,050,000	\$ 8,742,451	\$ 9,615,000	\$ 35,926,029	\$ -	\$ 130,561,029	5.5%	
2021	\$ 59,582,649	\$ 12,640,000	\$ -	\$ 3,647,188	\$ 7,672,351	\$ 8,865,000	\$ 43,966,366	\$ -	\$ 136,373,554	5.5%	

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021

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

Fiscal Year	General Bonded Debt Outstanding						Percentage of	
	General Obligation Bonds	Capital Lease	Temporary Notes	Total	Less: Debt Service Fund	Net General Bonded Debt	Actual Taxable Value of	Per Capita
2012	\$ 58,723,501	\$ -	\$ 1,485,000	\$ 60,208,501	\$ 582,412	\$ 59,626,089	13.1%	\$ 1,241.05
2013	\$ 59,620,906	\$ 176,235	\$ 5,000,000	\$ 64,797,141	\$ 707,763	\$ 64,089,378	13.8%	\$ 1,339.49
2014	\$ 59,620,906	\$ 176,235	\$ 5,000,000	\$ 64,797,141	\$ 407,864	\$ 64,389,277	13.6%	\$ 1,345.17
2015	\$ 59,380,405	\$ 479,366	\$ 5,995,000	\$ 65,854,771	\$ 745,339	\$ 65,109,432	13.5%	\$ 1,361.75
2016	\$ 62,514,738	\$ 157,868	\$ 6,811,742	\$ 69,484,348	\$ 1,248,914	\$ 68,235,434	14.0%	\$ 1,441.51
2017	\$ 57,250,888	\$ -	\$ 18,123,505	\$ 75,374,393	\$ 1,509,863	\$ 73,864,530	14.5%	\$ 1,571.79
2018	\$ 58,710,000	\$ -	\$ 11,170,000	\$ 69,880,000	\$ 1,851,358	\$ 68,028,642	13.3%	\$ 1,447.60
2019	\$ 65,330,000	\$ -	\$ 7,050,000	\$ 72,380,000	\$ 1,142,418	\$ 71,237,582	13.9%	\$ 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	13.2%	\$ 1,486.59

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021

Schedule 14
City of Salina, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Salina	Amount Applicable to the City of Salina
Direct:			
City of Salina	<u>\$ 68,790,524</u>	100.00%	<u>\$ 68,790,524</u>
Overlapping:			
Salina Airport Authority	19,615,000	100.00%	19,615,000
Saline County ¹	75,523,554	73.79%	55,728,830
USD 305	<u>99,700,000</u>	93.10%	<u>92,820,700</u>
Total Overlapping Debt	<u>194,838,554</u>		<u>168,164,530</u>
Total Direct and Overlapping Debt	<u>\$ 263,629,078</u>		<u>\$ 236,955,054</u>
Per Capita Direct and Overlapping debt			<u>\$ 5,005.81</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.

¹ 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

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

<u>Legal Debt Margin Calculation for 2021</u>	
Assessed Valuation	\$ 519,483,033
Debt Limit (30% of Assessed Value)	155,844,910
Debt applicable to limit:	
Total Bonded Debt	\$ 142,079,520
Less GO Debt Attributable to Exempt Purposes	(7,672,351)
Less Revenue Bonds	(8,865,000)
Less Loans Payable	(56,606,366)
Less Fund Balance designated for Debt Service	(2,111,664)
Total Debt Applicable to Limitation	<u>\$ 66,824,139</u>
Legal debt margin	<u>\$ 89,020,771</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 135,421,208	\$ 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
Total net debt applicable to limit	<u>49,309,445</u>	<u>52,724,034</u>	<u>56,090,293</u>	<u>74,229,612</u>	<u>62,072,485</u>	<u>61,296,184</u>	<u>68,240,457</u>	<u>66,232,649</u>	<u>65,748,563</u>	<u>66,824,139</u>
Legal debt margin	<u>\$ 86,111,763</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	36%	39%	41%	53%	44%	43%	47%	47%	43%	43%

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

Water/Sewer Revenue Bonds

Fiscal Year	Utility Service	Less Operating	Net Available	Debt Service		Debt
	Charges	Expenses	Revenue	Principal	Interest	Service Coverage
2012	\$ 19,163,426	\$ 12,222,431	\$ 6,940,995	\$ 340,000	\$ 596,992	7.41
2013	\$ 17,974,089	\$ 13,373,088	\$ 4,601,001	\$ 620,000	\$ 590,191	3.80
2014	\$ 18,964,164	\$ 12,112,288	\$ 6,851,876	\$ 630,000	\$ 577,791	5.67
2015	\$ 19,139,612	\$ 9,859,974	\$ 9,279,638	\$ 640,000	\$ 565,191	7.70
2016	\$ 19,389,348	\$ 11,800,473	\$ 7,588,875	\$ 660,000	\$ 549,191	6.28
2017	\$ 19,958,862	\$ 13,148,035	\$ 6,810,827	\$ 675,000	\$ 529,391	5.65
2018	\$ 20,382,469	\$ 12,973,621	\$ 7,408,848	\$ 705,000	\$ 509,141	6.10
2019	\$ 20,842,606	\$ 13,269,741	\$ 7,572,865	\$ 725,000	\$ 487,991	6.24
2020	\$ 19,448,780	\$ 12,460,334	\$ 6,988,446	\$ 715,000	\$ 327,117	6.71
2021	\$ 21,240,517	\$ 12,077,933	\$ 9,162,584	\$ 750,000	\$ 282,825	8.87

Source: City of Salina Annual Comprehensive Financial Reports, 2012 - 2021
City of Salina Debt Service Schedules

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

Fiscal Year	Population	Per Capita Personal Income (Saline County)	Personal Income, Salina (interpolated)	Unemployment Rate	Labor Force, City of Salina	USD 305 Headcount	Percentage Free and Reduced Lunch	City .5 cent sales tax	Per Capita .5 cent sales Tax	As a % of per capita personal income
2012	48,045	\$ 41,762	\$ 2,006,455,290	6.3%	26,185	7,305	59.1%	\$ 5,241,205	\$ 109.09	0.261%
2013	47,846	\$ 43,078	\$ 2,061,109,988	5.1%	26,441	7,305	60.7%	\$ 5,326,723	\$ 111.33	0.258%
2014	47,867	\$ 43,736	\$ 2,093,511,112	5.3%	26,303	7,388	61.3%	\$ 5,555,601	\$ 116.06	0.265%
2015	47,813	\$ 44,065	\$ 2,106,879,845	3.9%	26,170	7,369	61.8%	\$ 5,670,040	\$ 118.59	0.269%
2016	47,336	\$ 44,230	\$ 2,093,647,612	3.3%	27,684	7,386	68.7%	\$ 5,727,260	\$ 120.99	0.274%
2017	46,994	\$ 44,732	\$ 2,102,135,608	2.7%	27,684	7,176	62.1%	\$ 5,755,869	\$ 122.48	0.274%
2018	46,994	\$ 47,945	\$ 2,253,127,330	3.3%	30,174	7,180	61.7%	\$ 5,770,174	\$ 122.79	0.256%
2019	46,716	\$ 49,983	\$ 2,335,005,828	2.9%	30,094	7,245	59.2%	\$ 5,968,961	\$ 127.77	0.256%
2020	46,550	\$ 50,820	\$ 2,365,671,000	3.4%	30,094	7,156	59.0%	\$ 5,998,424	\$ 128.86	0.254%
2021	46,274	\$ 53,309	\$ 2,466,820,666	2.3%	24,962	7,031	44.3%	\$ 6,687,099	\$ 144.51	0.271%

Sources: Increase in per capita Sales Tax (10 years) 18.1%

Population: Kansas Division of the Budget. (Population Data) Increase in per capita Personal Income 21.7%

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

2011 -2021 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 2020-2021 school year is reported as 2020.

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

		2012			2021		
Employer	Type of Business	Employees	Rank	Percentage of Labor Force	Employees	Rank	Percentage of Labor Force
Salina Regional Health Center	Health Care	1300	3	5.0%	1,875	1	6.2%
Unified School District No 305	Public School System	1659	2	6.3%	1,500	2	5.0%
Schwan's Global Supply Chain	Frozen Pizza Manufacturing	1800	1	6.9%	1,200	3	4.0%
Great Plains Manufacturing	Agricultural & Landscaping Equipment				1,200	4	4.0%
Exide Technologies/Stryten Manufacturing	Automotive Battery Manufacturer	750	4	2.9%	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	277	10	1.1%	325	8	1.1%
Walmart	Retail	421	7	1.6%	250	9	0.8%
REV Group	Manufacturing				175	10	0.6%
Signify	Fluorescent Lamps	490	5	1.9%	-		
Dillon Stores	Retail	343	8	1.3%	-		
Solomon Corp.	Electrical Equipment	324	9	1.2%	-		
Total		<u>7,829</u>		29.9%	<u>8,035</u>		32.2%

Source: Salina Chamber of Commerce

GOVERNMENTAL AUDIT SECTION

CITY OF SALINA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Passed Through the Kansas Housing Resources Corporation: Emergency Solutions Grant	14.231	\$ 1,487,072
Total U.S. Department of Housing and Urban Development		<u>1,487,072</u>
<u>U.S. Department of Justice</u>		
Crime Victims Assistance	16.575	<u>300</u>
Total U.S. Department of Justice		<u>300</u>
<u>U.S. Department of the Treasury</u>		
Passed Through Saline County: Coronavirus Relief Fund	21.019	<u>35,000</u>
Total U.S. Department of the Treasury		<u>35,000</u>
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	7,651
National Priority Safety Programs	20.616	<u>5,685</u>
Total Highway Safety Cluster		<u>13,336</u>
Total U.S. Department of Transportation		<u>13,336</u>
Total Expenditures of Federal Awards		<u>\$ 1,535,708</u>

See independent auditor's report on the financial statements.

CITY OF SALINA, KANSAS

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021

1. Organization

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

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with generally accepted accounting principles. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2021.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2021.

6. Pass Through Numbers

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

CITY OF SALINA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.231	Emergency Solutions Grant

Dollar threshold used to distinguish between
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

CITY OF SALINA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2021

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

Mayor and City Commission
City of Salina, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Salina, Kansas (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 14, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

October 14, 2022

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

Mayor and City Commission
City of Salina, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Salina, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgement and maintain professional skepticism throughout the audit.

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

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2021, and have issued our report thereon dated October 14, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

October 14, 2022