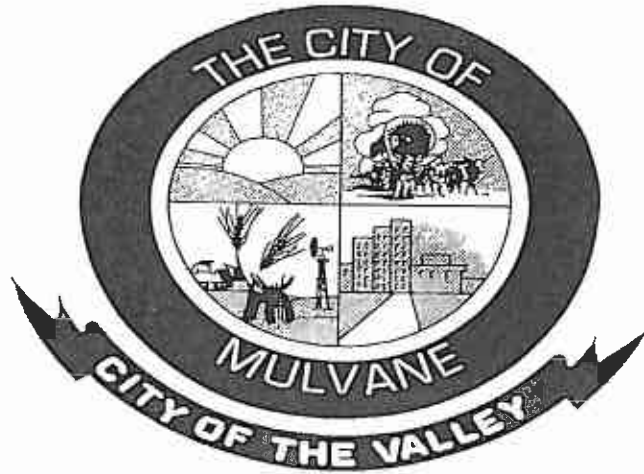


**CITY OF  
MULVANE, KANSAS**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL  
YEAR ENDED  
DECEMBER 31, 2009**



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**of the**

**CITY OF MULVANE, KANSAS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

**James P. Ford – Mayor  
Doug Hatfield – Council Member  
Joe Johnson – Council Member  
Jenean Keck – Council Member  
Terry Richardson – Council Member  
Shawn Townson – Council Member**

**PREPARED BY  
CITY ADMINISTRATOR  
KENT L. HIXSON**



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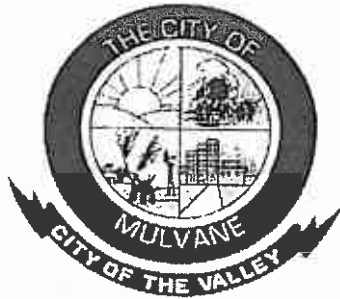
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# **INTRODUCTORY SECTION**





June 25, 2010

To the Citizens of the City of Mulvane, Kansas

The Comprehensive Annual Financial Report of the City of Mulvane, Kansas for the year ended December 31, 2009 is respectfully submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. City staff believes the data as presented is accurate in all respects and that the information is profiled in a manner designed to fairly set forth the financial position and results of operations of the City and the component units measured by the financial activity of its various funds. All disclosures necessary to empower the reader to gain an understanding of the City's financial activities have been included.

#### **Financial Information**

City staff is responsible for managing, establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The control system must ensure that adequate accounting data is compiled to allow for the presentation 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 assurances recognizes that (1) the cost of a control system should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgment by management.

All internal control evaluations occur within this framework. City staff believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

Expenditures are authorized by a budget approved by the City Council as required by State statute. City staff and Council continually review and approve all deviations from budget authorizations. The Kansas cash basis and budget laws require (1) cash is on hand before expenditure is authorized, (2) that all expenditures be budgeted, and (3) that the budget not exceed anticipated revenues including, carry forward balances.

### **Financial Policies & Planning**

The City has financial policies and practices in place that have had a significant impact on the current period's financial statements. The City has an "Authorized Municipal Investments" policy that complies with the Kansas statutes that limits where a city can invest idle funds and in what financial instruments those funds can be invested in. In addition, the City follows GFOA recommendations that general purpose governments maintain reserved fund balances in the General Fund of no less than 5% of regular General Fund operating revenues or no less than one month of regular General Fund operating fund expenditures. As per the City auditor's recommendations, Mulvane maintains an unreserved fund balance of no less than three months General Fund operating expenditures.

In establishing a policy to govern the level of unreserved fund balance in funds, the City Council has considered a variety factors, including:

The predictability of its revenues and the volatility of its expenditures (i.e. higher levels of unreserved fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile.

The availability of resources in other funds as well as the potential drain upon General Fund resources from other funds (i.e. the availability of resources in other funds may reduce the amount of unreserved fund balance needed in the General Fund, just as deficits in other funds may require that a higher level of unreserved fund balance be maintained in the general fund).

Liquidity (i.e., a disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained).

Designations (i.e., City may wish to maintain higher levels of unreserved fund balance to compensate for any portion of unreserved fund balance already designated for a specific purpose).

An indicator of the positive impact of these financial policies and practices is that the City has been given an A+ rating by Standard and Poore on two recent bond refundings. Mulvane is the smallest city in Kansas to achieve an A+ rating.

## **The Reporting Entity and Its Services**

The City provides a full range of municipal services to our citizens and the surrounding community. These include police, library and recreation services. The City has nineteen well equipped parks including a sports complex and stocked fishing lake. Fire protection and ambulance services cover the City and rural areas surrounding Mulvane. The City provides planning and zoning services and regulates building through permits and inspections not only within the City limits, but also within a three-mile radius of Mulvane through what is termed as extra territorial jurisdiction.

Enterprise operations of the City include electric, water and wastewater services. The financial reporting entity consists of the primary government and its component units, the Mulvane Public Building Commission and the Mulvane Public Library.

## **The Report**

This Comprehensive Annual Financial Report has been prepared in compliance with the accounting principles established by the Governmental Accounting Standards Board and follows the guidelines of Governmental Accounting, Auditing and Financial Reporting. The annual financial report includes an unqualified opinion from its independent auditor retained by the City Council. The financial report is segregated into three sections:

1. Introductory Section – Consists of the letter of transmittal, the City's organizational chart, a list of principal officials and a copy of the Certificate of Achievement.
2. Financial Section – Includes management's discussion and analysis the basic financial statements and the combining and individual fund schedules, as well as the auditor's report on the financial statements and schedules.
3. Statistical Section – Consists of a number of tables charting the financial history of the City over the past years, data on overlapping governments, demographic and other miscellaneous information.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Mulvane as legally defined) as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Mulvane Public Building Commission is reported as a special revenue fund of the primary government. Discretely presented component units

are reported in a separate column in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Mulvane Public Library is reported as a discretely presented component unit.

Generally accepted accounting principles require that management provide a narrative introduction overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Mulvane's MD&A can be found immediately following the report of the independent auditors.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Mulvane, Kansas for its Comprehensive Annual Financial Report for the year ended December 31, 2008.

A governmental unit must publish a comprehensive financial report that is well organized. The contents of that financial report should conform to Certificate program standards to be considered for the GFOA award. These reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. City staff believes our current report continues to conform to Certificate Program requirements and we are submitting it to GFOA to determine its eligibility for an award. The City of Mulvane established a program to meet these required standards in 1995. The City of Mulvane has been awarded the Certificate of Achievement for the past fourteen years.

### **Economic Outlook**

The Wichita area economy lags behind much of the nation. It is slow to feel the recession and slow to recover from it. The aircraft industry laid off workers in record numbers and many of those manufacturing jobs will not come back. That vital sector of the local economy is slow to recover if it does at all. The State of Kansas experienced a significant decrease in revenues as the recession took hold. The economy has not begun to recover and economic outlook for the area economy is not expected to improve before 2011 or 2012 and that causes much anxiety about the future.

### **Construction Activity**

2009 was a very sluggish year with a total of 43 building permits being issued. This consisted of all construction activity including additions, remodel and new construction. This number is about even from 2008 with 42 permits. 2009 was down approximately 45% from the yearly average of 78 permits. The total construction value for 2009 was \$1,198,300.00 which is virtually the same as in 2008. The City's increase in valuation has come to a standstill.

### **Financial Picture**

The assessed valuation of Mulvane did increase slightly in 2009. The Ad Valorem tax levy revenue in 2009 was \$1,636,482.00 compared to 2008 which was \$1,635,450.00. The mill levy increased from 53.3 in 2008 to 53.4 in 2009.

### **Cash Management**

The City of Mulvane employs a cash management policy adopted by the Council in 1995. The policy, which provides for the basis of the investment of public funds, is conservative, with the goal to protect principal while avoiding undue risk for return. Cash temporarily idle throughout the year was invested in the City's Money Market Accounts and certificate of deposits. A Now Account is utilized for a checking account that allows the City to capitalize on the use of all idle funds. The 2009 average interest rate for the City's Now Account, Money Market Account, and CD's has decreased to 0.81%. In 2008, the average interest rate was 1.92%. The previous year of 2007, it was 4.05%. Total interest earned from the Now Account and Money Market Account in 2009 was \$9,764.00 down from \$10,443.00 in 2008.

The City's 2009 total average cash balance was \$7,548,482 compared to \$8,507,587 in 2008. The 2009 total average invested cash balance was \$7,001,076. The 2008 total average invested cash balance was \$8,014,508 down from \$8,768,785 in 2007.

### **Risk Management**

It is a priority of the City to maintain a safe working environment for our employees and protect the citizens. The Health and Safety Committee consists of the City Administrator and all the department heads. This committee meets every two weeks to review accidents or injuries to employees and any property damage (public or private). The committee discusses training materials and methods that can be used to help employees reduce the potential for accidents, injuries or prevent property damage. In addition, on an annual basis, the Fire Department does an inspection of all City buildings and property to identify and remedy potential problems. The City participates in the Kansas Municipal Utilities Safety Training Program.

This program provides for a qualified safety trainer to come to Mulvane once each month to instruct City employees in a class on a wide variety of safety and risk related topics. While some City staff are required to attend (dependent upon the topic) all City staff are invited to attend.

In the even numbered years, the loss control agent for the City's property, casualty and Workers Comp carrier conducts an extensive risk and safety audit of all City property and operations.

The result of these intensive safety and risk management efforts was very few incidents of injury or property damage. The City's Workers Compensation Experience Modification Factor for 2009 was a disappointing .86 up from .79 in 2008. By insurance industry standards, an Experience Modification Factor below 1.00 is good.

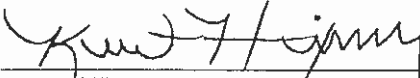
### **Independent Audit**

State statutes require an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by an independent certified public accountant appointed by the City Council. To meet this requirement, George, Bowerman & Noel, P.A. was retained and their opinion is included in the Financial Section of this report.

### **Acknowledgements**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the City Treasurer, Sharon Phipps and Accounting Clerk Cathy Walker. Employees in several City departments also contributed information to this report that makes it truly a cooperative, team effort. Gary George and his staff were very helpful and supportive in assisting in the compilation of this document.

Respectfully submitted,

  
Kent Hixson – City Administrator

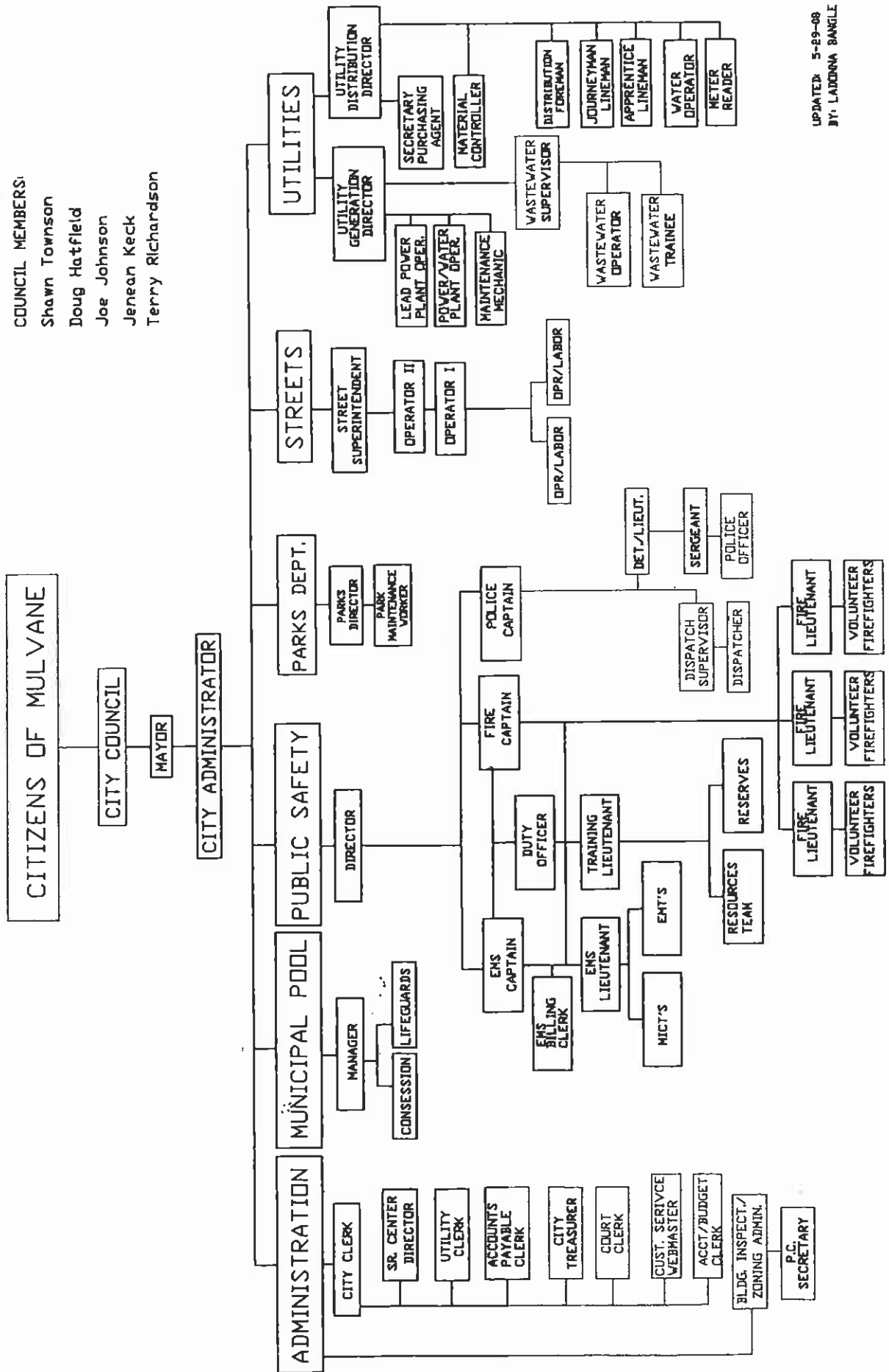


**CITY OF MULVANE, KANSAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**December 31, 2009**

<b>Title</b>	<b>Name</b>
Mayor	James P. Ford
Council Member	Doug Hatfield
Council Member	Joe Johnson
Council Member	Jenean Keck
Council Member	Terry Richardson
Council Member	Shawn Townson
City Administrator	Kent Hixson
City Clerk	Patty Gerwick
City Treasurer	Sharon Phipps
Utilities Distribution Director	Brad Modlin
Utilities Generation Director	Galen Cummins
Public Safety Director	David Williams
Street Superintendent	Kevin Baker
Park Superintendent	Kendra Walls
City Attorney	J.T. Klaus
Municipal Judge	Duane Brown
City Prosecutor	Larry Linn

# ORGANIZATIONAL CHART

MAYOR: James P. Ford  
 COUNCIL MEMBERS:  
 Shawn Townson  
 Doug Hatfield  
 Joe Johnson  
 Jenean Keck  
 Terry Richardson



UPDATED: 5-29-08  
 BY: LADONNA BANGLE

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mulvane  
Kansas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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## **FINANCIAL SECTION**



# George, Bowerman & Noel, P.A.

*Certified Public Accountants  
Management Consultants  
Tax Advisors*

Paul R. Bowerman  
Gary L. George

Epic Center 301 N. Main, Suite 1350 Wichita, Kansas 67202 Telephone (316) 262-6277 Fax (316) 265-6150

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
City Council  
Mulvane, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mulvane, Kansas (City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mulvane's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects

in relation to the basic financial statements taken as a whole. The information in the introductory section and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on such information.

*Ferge, Bowerman & Noel, P.A.*

Wichita, Kansas  
June 25, 2010



**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended December 31, 2009**

As management of the City of Mulvane, Kansas, (City) we offer readers of the City's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the City's basic financial statements, which immediately follow this section, and the Comprehensive Annual Financial Report transmittal letter in the preceding Introductory Section.

**FINANCIAL HIGHLIGHTS**

- The total assets of the City for its governmental and business-type activities exceeded its liabilities at the close of the most recent fiscal year by \$34,913,464. Of this amount, \$23,375,521 is capital assets, net of related debt, \$5,868,549 is for restricted uses, and \$5,669,394 is for unrestricted uses to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City's total net assets decreased by \$679,442 during the current fiscal year. The net assets of the City's business-type activities decreased by \$202,032 and the governmental activities assets decreased by \$477,410.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,485,142, an increase of \$45,782 in comparison to the prior year. Approximately 95% of this total amount (\$3,305,377) is unreserved and available for use within the City's designation and policies.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,729,665 or 76% of the total General Fund expenditures incurred in the current fiscal year.
- The City's total long-term debt decreased by \$1,051,966 during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in the future fiscal periods (e.g., earned but not used compensated absences).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety (police, fire and emergency medical services), streets, recreation, parks, planning and zoning, community development and general administrative support. The business-type activities of the City include electric, water and wastewater services.

Component units are included in the basic financial statements and consist of legally separate entities for which the City is financially accountable and that have either the same governing board as the City or a governing board appointed by the City Council. The blended component unit includes the Mulvane Public Building Commission of the City of Mulvane. The discretely presented component units are the Mulvane Public Library and the Mulvane Housing Authority.

The government-wide financial statements can be found on pages 19 and 20 of this report.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating an entity's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 19 individual governmental funds for financial reporting purposes. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Debt Service funds, which are considered major funds. Data for the remaining 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

The City adopts an annual appropriated budget for its General Fund, 11 of its 16 special revenue funds, and its Debt Service Fund. A budgetary comparison statement has been provided for the General Fund in the basic financial statements and for the special revenue and debt service funds in the supplementary information.

The basic governmental fund financial statements can be found on pages 21 through 26 of this report.

**Proprietary Funds** – Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the electric, water and sewer operations, which are considered to be major funds of the City. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its machinery and equipment repair and maintenance operations. This operation primarily benefits business-type activities and are included with business-type activities in the government-wide financial statements.

The proprietary funds financial statements can be found on pages 27 through 31 of this report.

**Fiduciary Funds** – Fiduciary funds, which consist only of agency funds, are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not included in the government-wide financial statements because the resources are not available to support the City's operations.

The fiduciary funds financial statement can be found at page 32 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 55 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the City, assets exceeded liabilities by \$34,916,464 as of December 31, 2009.

The largest portion of the City's net assets (67%) reflects its investments in capital assets, net of accumulated depreciation, (e.g., land, buildings and improvements, machinery and equipment, infrastructure and construction work in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

### CITY OF MULVANE'S NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 8,671,089	\$ 8,965,135	\$ 5,538,004	\$ 5,887,175	\$14,209,093	\$ 14,852,310
Capital assets	<u>27,574,213</u>	<u>28,271,274</u>	<u>17,055,981</u>	<u>17,592,877</u>	<u>44,630,194</u>	<u>45,864,151</u>
Total assets	<u>36,245,302</u>	<u>37,236,409</u>	<u>22,593,985</u>	<u>23,480,052</u>	<u>58,839,287</u>	<u>60,716,461</u>
Long-term liabilities	9,298,449	9,794,404	12,291,092	12,790,277	21,589,541	22,584,681
Other liabilities	<u>1,959,184</u>	<u>1,976,926</u>	<u>377,098</u>	<u>561,948</u>	<u>2,336,282</u>	<u>2,538,874</u>
Total liabilities	<u>11,257,633</u>	<u>11,771,330</u>	<u>12,668,190</u>	<u>13,352,225</u>	<u>23,925,823</u>	<u>25,123,555</u>

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net assets:						
Invested in capital assets,						
Net of related debt	\$18,441,345	\$18,604,789	\$ 4,934,176	\$ 5,015,296	\$23,375,521	\$ 23,620,085
Restricted for debt						
Service	3,386,328	3,799,446	2,482,221	2,662,906	5,868,549	6,462,352
Unrestricted	<u>3,159,996</u>	<u>3,060,844</u>	<u>2,509,398</u>	<u>2,449,625</u>	<u>5,669,394</u>	<u>5,510,469</u>
Total net assets	<u>\$24,987,669</u>	<u>\$25,465,079</u>	<u>\$ 9,925,795</u>	<u>\$10,127,827</u>	<u>\$34,913,464</u>	<u>\$ 35,592,906</u>

An additional portion of the City's net assets (17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$5,510,469 may be used to meet the City's ongoing obligations to citizens and creditors.

**Analysis of the City's operations** – The following table provides a summary of the City's operations for the years ended December 31, 2009 and 2008. The City's net assets decreased by \$679,442, for a decline in net assets of approximately 2%.

### CITY OF MULVANE'S CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 502,348	\$ 475,272	\$ 5,680,650	\$ 6,197,445	\$ 6,182,998	\$ 6,672,717
Operating grants and contributions	771,910	751,318	–	–	771,910	751,318
Capital grants and contributions	95,443	18,941	9,710	–	105,153	18,941
General revenues:						
Property taxes	1,987,958	1,885,721	–	–	1,987,958	1,885,721
Sales taxes	658,940	703,376	–	–	658,940	703,376
Franchise taxes	380,254	379,968	–	–	380,254	379,968
Investment earnings	<u>45,034</u>	<u>130,280</u>	<u>54,304</u>	<u>156,904</u>	<u>99,338</u>	<u>287,184</u>
Total revenues	<u>4,441,887</u>	<u>4,344,876</u>	<u>5,744,664</u>	<u>6,354,349</u>	<u>10,186,551</u>	<u>10,699,225</u>
Expenses:						
General government	345,662	322,255	–	–	345,662	322,255
Public safety	1,972,712	1,895,463	–	–	1,972,712	1,895,463
Highways and streets	1,326,646	1,356,127	–	–	1,326,646	1,356,127
Culture and recreation	711,336	731,410	–	–	711,336	731,410
Economic development	9,396	42,781	–	–	9,396	42,781
Environmental protection	704	1,791	–	–	704	1,791
Electric system	–	–	3,998,986	4,442,432	3,998,986	4,442,432
Water system	–	–	797,814	805,636	797,814	805,636
Sewer system	–	–	1,149,896	1,125,643	1,149,896	1,125,643
Interest on long-term indebtedness	<u>552,841</u>	<u>450,311</u>	<u>–</u>	<u>–</u>	<u>552,841</u>	<u>450,311</u>
Total expenses	<u>4,919,297</u>	<u>4,800,138</u>	<u>5,946,696</u>	<u>6,373,711</u>	<u>10,865,993</u>	<u>11,173,849</u>
Increases (decreases) in net assets before transfers	(477,410)	(455,262)	(202,032)	(19,362)	(679,442)	(474,624)
Transfers in (out)	<u>–</u>	<u>39,000</u>	<u>–</u>	<u>(39,000)</u>	<u>–</u>	<u>–</u>
Decrease in net assets	(477,410)	(416,262)	(202,032)	(58,362)	(679,442)	(474,624)
Net assets, beginning of year	<u>25,465,079</u>	<u>25,881,341</u>	<u>10,127,827</u>	<u>10,186,189</u>	<u>35,592,906</u>	<u>36,067,530</u>
Net assets, end of year	<u>\$24,987,669</u>	<u>\$25,465,079</u>	<u>\$ 9,925,795</u>	<u>\$10,127,827</u>	<u>\$34,913,464</u>	<u>\$ 35,592,906</u>

**Governmental Activities** – Governmental activities decreased the City's net assets by \$477,410 for the current fiscal year. Total governmental activity revenues increased by \$97,011 with property taxes increasing by \$102,237 and operating grants and contributions by \$20,592. Decreases in sales taxes reflected the local economic downturn decreasing by \$44,436, or about 6%. Investment earnings also reflect the continued decrease in investment interest rates during 2009 with a decrease of \$85,246.

Total governmental activity expenses increased by \$119,159 for 2009, an increase of approximately 2.5%. The most significant portion of the increase (\$77,249), or about 64%, is attributed to the public safety function. The other governmental activities account for the remaining increase. Salaries and benefits continue to be a costly component of the government's operations accounting for approximately 60% of total governmental activity expenses.

**Business-type Activities** – Business-type activities decreased the City's net assets by \$202,032 for the current fiscal year. The revenues for 2009 were down about 8% with unusually wet conditions for the summer months, which also attributed to lower temperatures and reduced electric consumption.

Operating expenses for the business-type activities decreased by \$427,015, with electric utility costs accounting for most of this decrease.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental funds** – The focus of the City's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,485,142. Approximately 95% of this total amount (\$3,305,377) constitutes unreserved fund balance. The remainder of the fund balance (\$179,765) is reserved to indicate that it is not available for new spending because it has already been committed to liquidate outstanding encumbrances at year-end.

### **General Fund**

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the unreserved (designated and undesignated) fund balance and total fund balance of the General Fund was \$1,729,665. This represents a slight increase of \$66,825 more than the prior year's General Fund total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 76% of total General Fund expenditures for the current year.

The City's management may also designate unreserved fund balance to particular functions, projects or activities. Fund balance may also be designated for purposes beyond the current year. However, designated fund balance is available for appropriation at any time. Of the \$1,729,665 General Fund unreserved fund balance, 56% is designated. Those designations include \$715,654 earmarked for carryover to the 2010 budget and \$258,942 for future self-insurance requirements.

### **Debt Service Fund**

The Debt Service Fund of the City services most all of the City's general obligation bonded debt. The fund balance of the Debt Service Fund at the end of the current year was \$109,690, which was a decrease of \$71,102 from 2008. During 2009 the City refunded certain general obligation bond issues to take advantage of reduced long-term debt interest rates. Although, the current year

reflected a reduction in available assets for debt service, the long-term benefits are expected to more than offset the reduction.

**Proprietary Funds** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The total net assets of the enterprise funds decreased by \$201,135. The decline in net assets by fund included (\$212,521), (\$2,062) and \$13,738 for the Electric System, Water System and Sewer System funds, respectively. Sewer rate increases in recent years to fund the debt service of the new wastewater treatment plant facility continues to have a positive impact on that fund.

The internal service fund had a total deficit in net assets at year-end of \$1,424. Total net assets increased by \$2,293 over 2008. Over the long-term operation of the fund, charges for services have not been sufficient to cover the operating expenses.

### **Electric System Fund**

Total net assets of the Electric System Fund decreased by \$212,521. Customer consumption for 2009 was reduced and operating revenues and expenses are generally reflective of that situation as operating revenues decreased \$509,560 and operating expenses decreased \$445,798.

### **Water System Fund**

Total net assets of the Water System Fund decreased by \$2,062. Operating revenues were virtually unchanged during 2009 with an increase of \$359 as consumption mirrored the prior year with continued wet summer months. Operating expenses increased \$1,455 for 2009.

### **Sewer System Fund**

The total net assets of the Sewer System Fund increased by \$13,738. The operating income of \$1,148,151 for 2009 was \$8,528 less than for 2008. Operating expenses increased by \$41,067 during 2009 with salaries and benefit costs comprising more than 50% of total operating expenses.

**General Fund Budgetary Highlights** – The General Fund total actual revenues were 105% of the total amount anticipated in the 2009 budget and exceeded the total anticipated revenues by \$124,663. Licenses, fees, and permits, which include franchise fees and also include transfers from the utility funds of \$226,000, account for approximately 40% of the positive variance from the anticipated budgeted revenues and intergovernmental revenues account for about 60% of the excess.

General Fund budgetary expenditures totaled \$2,660,463, which represented only 80% of the budgeted expenditures for 2009. Accordingly, the General Fund incurred a favorable variance from its budgeted expenditures of \$655,054. The Administration Department incurred a favorable budgetary variance of \$448,121 mainly due to contingency reserves not being utilized. Public safety function expenditures were \$122,470 under budget, or approximately 8%. These situations allowed for larger than anticipated transfers to equipment reserve funds at year-end.

## **CAPITAL ASSETS**

The City's investment in capital assets as of December 31, 2009 amounts to \$70,558,467 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, utility plant in service, machinery and equipment, and construction work in progress. The total increase in the City's investment in capital assets for the current fiscal year was 48%. Major capital asset events during the current fiscal year included the following:

- Playsense landscape structures for the Main Street Park at a cost of \$30,239.

- Completion of the 103<sup>rd</sup> Street Bike/Pedestrian Path at a cost of \$121,590.
- Two new police vehicles obtained at a cost of \$47,634.
- Three new tractor mowers costing \$59,108.
- New ambulance and emergency service vehicle costing \$115,030 and \$34,290, respectively.
- Electric service equipment totaling \$107,798.
- Water tower improvements of \$72,573.

### Capital Assets at Year-End Net of Accumulated Depreciation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 256,617	\$ 256,617	\$ 758,117	\$ 758,117	\$ 1,014,734	\$ 1,014,734
Buildings	2,362,453	2,362,453	—	—	2,362,453	2,362,453
Utility plant	—	—	13,627,454	13,627,454	13,627,454	13,627,454
Improvements other than buildings	3,501,117	3,362,743	10,460,992	10,299,628	13,962,109	13,662,371
Infrastructure	34,000,927	34,000,927	—	—	34,000,927	34,000,927
Machinery and equipment	3,968,600	3,867,577	1,572,963	1,504,746	5,541,563	5,372,323
Construction work in progress	49,227	1,365	—	—	49,227	1,365
Total	<u>\$ 44,138,941</u>	<u>\$ 43,851,682</u>	<u>\$ 26,419,526</u>	<u>\$ 26,189,945</u>	<u>\$ 70,558,467</u>	<u>\$ 70,041,627</u>

Additional information on the City's capital assets can be found in Note 3 on pages 43 through 45 of this report.

### DEBT ADMINISTRATION

At the end of the current fiscal year, the City's long-term debt obligations outstanding were \$21,589,541. This amount is comprised of \$9,487,000 of general obligation bonds secured by future tax revenues from governmental activities with \$1,699,232 of such bonds being committed from resources generated by business-type revenues, \$10,360,000 of revenue bonds which are secured by business-type revenue sources, \$90,100 of notes payable secured by future revenue sources from governmental activities, and \$1,255,000 of revenue bonds secured by revenue sources from governmental activities via lease revenues from the City to the Mulvane Public Building Commission. The remaining long-term debt obligations totaling \$397,441 pertains to accrued compensated absences and will be liquidated from future resources of governmental activities and business-type activities.

The City's long-term debt decreased by \$995,140, or approximately 4%, during the current fiscal year. During 2009, the City and Mulvane Public Building Commission entered into advance refunding transactions to take advantage of reduced interest rates achieving a reduction in total debt service of approximately \$203,000 over the next 11 years.

Additional information on the City's long-term debt can be found in Note 4 on pages 45 through 51 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The annual budget is developed to provide efficient, effective and economical uses of the City's resources. The budget is the most important annual policy statement the elected officials can make. Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The elected officials and appointed staff considered many factors when setting the fiscal year 2010 budget which impacts the property tax rate and fees that will be charged for business-type activities. Those factors include the following:

- Maintaining competitive employee salaries and benefits and increasing costs for employer paid health insurance and retirement contributions.
- Increases in debt service requirements for both general obligation bonds and revenue bonds.
- Property tax revenues are budgeted to increase in 2010 by only \$2,077 with assessed values decreasing by \$87,448 resulting in a total mill levy of .055 mills.

The General Fund's largest single revenue source is property taxes. The property tax rate for FY 2009 was \$.05336 per \$1,000 of assessed valuation. Of this tax rate, 46% or \$.02450 was utilized for General Fund activities. 16% or \$.00838 was used for debt service and 25%, or \$.01352 was used for employee benefits. The General Fund's portion of property tax revenue for FY 2010 is estimated to be \$.02241, or 42% of total tax revenues. Sedgwick County has a 1% sales tax and the City's portion of the sales tax revenue is estimated at \$645,000 as compared to the 2009 actual amount of \$668,894. 2009 sales tax revenues were \$29,939 less than the actual for 2008.

With unemployment being relatively high and sales tax revenues declining, the City Council undertook a very cautious approach to revenue estimating and expenditure appropriation in the 2010 annual budget.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Mulvane Treasurer, 211 North Second Street, Mulvane, Kansas 67110, call (316) 777-1143 or visit the City's web site at [www.mulvanekansas.com](http://www.mulvanekansas.com).



## **BASIC FINANCIAL STATEMENTS**



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



## CITY OF MULVANE, KANSAS

## STATEMENT OF NET ASSETS

December 31, 2009

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Mulvane Public Library	Mulvane Housing Authority
<b><u>ASSETS</u></b>					
Cash and investments	\$ 3,551,032	\$ 1,042,590	\$ 4,593,622	\$ 63,225	\$ 14,432
Receivables:					
Property taxes	1,649,186	—	1,649,186	—	—
Special assessment taxes	3,276,638	—	3,276,638	—	—
Sales taxes	53,164	—	53,164	—	—
Franchise fees	33,970	—	33,970	—	—
Trade accounts, net	105,877	893,725	999,602	—	—
Due from other governments	500	—	500	—	—
Internal balances	(75,051)	75,051	—	—	—
Prepaid items	73,507	58,032	131,539	—	—
Restricted assets	2,266	3,142,526	3,144,792	—	—
Unamortized debt issuance costs	—	326,080	326,080	—	—
Capital assets:					
Land	256,617	758,117	1,014,734	—	16,000
Buildings	2,362,453	13,627,454	15,989,907	—	577,073
Improvements other than buildings	3,501,117	10,460,992	13,962,109	—	—
Infrastructure	34,000,927	—	34,000,927	—	—
Machinery and equipment	3,968,600	1,572,963	5,541,563	22,337	84,469
Less accumulated depreciation	(16,564,728)	(9,363,545)	(25,928,273)	(6,397)	(409,028)
Construction work in progress	49,227	—	49,227	—	—
Total assets	<u>36,245,302</u>	<u>22,593,985</u>	<u>58,839,287</u>	<u>79,165</u>	<u>282,946</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	18,661	236,347	255,008	—	1,000
Accrued payroll payable	65,624	50,532	116,156	—	—
Accrued interest payable	127,099	90,219	217,318	—	—
Matured bonds and coupons payable	1,316	—	1,316	—	—
Unearned revenue	1,746,484	—	1,746,484	—	—
Noncurrent liabilities:					
Due within one year	866,422	747,660	1,614,082	—	17,226
Due in more than one year	8,432,027	11,543,432	19,975,459	—	229,800
Total liabilities	<u>11,257,633</u>	<u>12,668,190</u>	<u>23,925,823</u>	<u>—</u>	<u>248,026</u>
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	18,441,345	4,934,176	23,375,521	15,940	21,488
Restricted for:					
Debt service	3,386,328	2,482,221	5,868,549	—	—
Unrestricted	3,159,996	2,509,398	5,669,394	63,225	13,432
	<u>\$ 24,987,669</u>	<u>\$ 9,925,795</u>	<u>\$ 34,913,464</u>	<u>\$ 79,165</u>	<u>\$ 34,920</u>

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**  
**STATEMENT OF ACTIVITIES**  
**Year ended December 31, 2009**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Governmental Activities	Primary Business-Type Activities	Total
		Operating Grants and Contributions	Capital Grants and Contributions			
<b>Governmental Activities:</b>						
General government	\$ 345,662	\$ 83,793	\$ 6,777	\$ (217,947)	\$ -	\$ -
Public safety	1,972,712	316,185	-	(1,394,728)	-	-
Highways and streets	1,326,646	35,496	-	(1,058,696)	-	-
Culture and recreation	711,336	66,874	88,666	(509,776)	-	-
Economic development	9,396	-	-	(9,396)	-	-
Environmental protection	704	-	-	(704)	-	-
Interest on long-term debt	552,841	-	194,492	(358,349)	-	-
<b>Total Governmental Activities</b>	<b>\$ 4,919,297</b>	<b>\$ 502,348</b>	<b>\$ 95,443</b>	<b>\$ (3,549,596)</b>	<b>-</b>	<b>\$ (3,549,596)</b>
<b>Business-Type Activities:</b>						
Electric Utility	\$ 3,998,986	\$ 3,739,283	\$ 9,710	-	(249,993)	-
Water Utility	797,814	793,216	-	-	(4,598)	-
Sewer Utility	1,149,896	1,148,151	-	-	(1,745)	-
<b>Total Business-Type Activities</b>	<b>\$ 5,946,696</b>	<b>\$ 5,680,650</b>	<b>\$ 9,710</b>	<b>-</b>	<b>(256,336)</b>	<b>\$ (256,336)</b>
<b>Component Units:</b>						
Mulvane Public Library	\$ 163,562	\$ 5,462	\$ -	-	-	(139,196)
Mulvane Housing Authority	81,949	65,540	-	-	-	-
<b>Total Component Units</b>	<b>\$ 245,511</b>	<b>\$ 71,002</b>	<b>\$ -</b>	<b>-</b>	<b>(139,196)</b>	<b>\$ (139,196)</b>
<b>General Revenues and Transfers:</b>						
General Revenues:						
Property taxes levied for:						
General purposes				1,651,051	-	-
Debt service				336,907	-	-
Sales taxes				658,940	-	-
Franchise taxes				380,254	-	-
Payment from City of Mulvane				-	135,455	-
Investment earnings				45,034	54,304	99,338
<b>Total general revenues and transfers</b>				<b>3,072,186</b>	<b>54,304</b>	<b>3,126,490</b>
Change in net assets				(477,410)	(202,032)	(679,442)
Net assets at beginning of year				25,465,079	10,127,827	35,592,906
<b>Net assets at end of year</b>				<b>\$ 24,987,669</b>	<b>\$ 9,925,795</b>	<b>\$ 34,913,464</b>

The accompanying notes are an integral part of the financial statements.

## **FUND FINANCIAL STATEMENTS**





**CITY OF MULVANE, KANSAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**

**December 31, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ 1,783,497	\$ 109,690	\$ 1,654,040	\$ 3,547,227
Cash with fiscal agent	–	1,316	–	1,316
Cash held for appearance bonds	950	–	–	950
Property taxes receivable	701,291	394,711	553,184	1,649,186
Special assessment taxes receivable	–	3,276,638	–	3,276,638
Due from other governments	–	–	500	500
Due from other funds	500	–	–	500
Accounts receivable, net	97,298	–	8,579	105,877
Franchise fees receivable	33,970	–	–	33,970
Sales tax receivable	<u>53,164</u>	<u>–</u>	<u>–</u>	<u>53,164</u>
Total assets	<u>\$ 2,670,670</u>	<u>\$ 3,782,355</u>	<u>\$ 2,216,303</u>	<u>\$ 8,669,328</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Salaries and wages payable	\$ 47,807	\$ –	\$ 16,832	\$ 64,639
Accounts payable	17,711	–	–	17,711
Due to other funds	75,948	–	500	76,448
Matured bonds and coupons payable	–	1,316	–	1,316
Municipal Court appearance bonds payable	950	–	–	950
Deferred revenue	<u>798,589</u>	<u>3,671,349</u>	<u>553,184</u>	<u>5,023,122</u>
Total liabilities	<u>941,005</u>	<u>3,672,665</u>	<u>570,516</u>	<u>5,184,186</u>
Fund balances:				
Reserved for encumbrances	–	–	179,765	179,765
Unreserved:				
Designated for subsequent years' expenditures for:				
General fund	715,654	–	–	715,654
Debt service fund	–	45,203	–	45,203
Special revenue funds	–	–	624,956	624,956
Designated for debt service	–	64,487	–	64,487
Designated for self-insurance	258,942	–	–	258,942
Undesignated for:				
General fund	755,069	–	–	755,069
Special revenue funds	–	–	1,009,281	1,009,281
Capital project fund	<u>–</u>	<u>–</u>	<u>(168,215)</u>	<u>(168,215)</u>
Total fund balances	<u>1,729,665</u>	<u>109,690</u>	<u>1,645,787</u>	<u>3,485,142</u>
Total liabilities and fund balances	<u>\$ 2,670,670</u>	<u>\$ 3,782,355</u>	<u>\$ 2,216,303</u>	<u>\$ 8,669,328</u>

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**December 31, 2009**

Total Governmental Fund Balances \$ 3,485,142

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

Capital assets used in governmental activities are not  
financial resources and therefore are not reported  
in the funds (capital assets net of accumulated  
depreciation):

Cost	\$ 44,138,941	
Accumulated depreciation	<u>(16,564,728)</u>	
		27,574,213

Other assets not available to pay for current period  
expenditures and therefore are not reported in  
the governmental funds:

Special assessments receivable	3,276,638
Prepaid expenses	73,507

Internal Service Funds are used by management  
to charge the costs of machinery and equipment repairs  
to individual funds. Certain assets and liabilities of the  
internal service fund are included in governmental  
activities in the Statement of Net Assets

3,717

Long-term liabilities are not due and payable in the  
current period and therefore are not reported  
in the funds:

Accrued interest payable on general obligation and Mulvane Public Building Commission revenue bonds	127,099	
Compensated absences payable	165,581	
Note payable to Mulvane Firemen's Relief Association	90,100	
General obligation bonds payable	7,787,768	
Mulvane Public Building Commission revenue bonds payable	<u>1,255,000</u>	
		<u>(9,425,548)</u>

Net Assets of Governmental Activities \$ 24,987,669

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS**

**Year ended December 31, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 1,585,022	\$ 336,907	\$ 739,055	\$ 2,660,984
Special assessment taxes	—	536,508	—	536,508
Intergovernmental	323,158	—	328,840	651,998
Licenses and permits	433,573	—	7,000	440,573
Charges for services	199,412	—	91,075	290,487
Fines and forfeitures	116,773	—	—	116,773
Use of money and property	30,741	4,285	19,205	54,231
Miscellaneous	<u>28,054</u>	<u>—</u>	<u>4,295</u>	<u>32,349</u>
Total revenues	<u>2,716,733</u>	<u>877,700</u>	<u>1,189,470</u>	<u>4,783,903</u>
Expenditures:				
Current:				
General government	270,360	—	52,353	322,713
Public safety	1,509,019	—	492,459	2,001,478
Highways and streets	178,731	—	271,003	449,734
Culture and recreation	277,976	—	427,916	705,892
Environmental protection	704	—	—	704
Economic development	9,396	—	—	9,396
Capital improvements	—	—	148,432	148,432
Debt Service	<u>18,981</u>	<u>968,827</u>	<u>182,989</u>	<u>1,170,797</u>
Total expenditures	<u>2,265,167</u>	<u>968,827</u>	<u>1,575,152</u>	<u>4,809,146</u>
Revenues over (under) expenditures	<u>451,566</u>	<u>(91,127)</u>	<u>(385,682)</u>	<u>(25,243)</u>
Other financing sources (uses):				
Proceeds from general obligation refunding bonds	—	1,283,769	—	1,283,769
Proceeds from revenue refunding bonds	—	—	1,255,000	1,255,000
Payment to escrow agent	—	(1,263,744)	(1,204,000)	(2,467,744)
Transfers in	37,974	—	482,481	520,455
Transfers out	<u>(422,715)</u>	<u>—</u>	<u>(97,740)</u>	<u>(520,455)</u>
Total other financing sources (uses)	<u>(384,741)</u>	<u>20,025</u>	<u>435,741</u>	<u>71,025</u>
Net change in fund balance	66,825	(71,102)	50,059	45,782
Fund balances, beginning of year	<u>1,662,840</u>	<u>180,792</u>	<u>1,595,728</u>	<u>3,439,360</u>
Fund balances, end of year	<u>\$1,729,665</u>	<u>\$ 109,690</u>	<u>\$1,645,787</u>	<u>\$ 3,485,142</u>

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2009**

Net Change in Fund Balances – Total Governmental Funds \$ 45,782

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

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. In the current period, these  
amounts are:

Capital outlays	\$ 583,810
Depreciation	<u>(1,270,224)</u>

Excess of depreciation over capital outlays	(686,414)
---	-----------

In the statement of activities, the loss on the disposition of capital assets is reported as a functional expense whereas in the governmental funds statement a loss on disposition of capital assets is not reported	(10,525)
--	----------

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due	13,314
--	--------

Issuance of long-term debt is an other financing source in the  
governmental funds, but increase long-term liabilities in the  
statement of net assets:

General obligation refunding bonds issuance	1,283,769
Mulvane Public Building Commission refunding revenue bonds issuance	<u>1,255,000</u>

Total issuances of long-term debt	(2,538,769)
-----------------------------------	-------------

Repayment of debt principal is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the statement of net assets:

General obligation bond payment	1,845,420
Mulvane Public Building Commission revenue bond payment	1,210,000
Mulvane Firemen's Relief Association loan payment	<u>16,966</u>

Total payments on long-term liabilities	3,072,386
---	-----------

Internal service funds are used by management to charge  
the cost of machinery and equipment repairs to individual funds.  
The net revenue (expense) of the internal service fund  
is reported with governmental activities

3,190

Special assessments are not considered available to liquidate  
liabilities of the current period. However, they are recognized  
as revenue in the statement of activities as soon as the related  
improvement is completed and the special assessments are levied

(342,016)

Some expenses reported in the statement of activities do  
not require the use of current financial resources and  
therefore are not reported as expenditures in the funds:

Prepaid items	(2,677)
Compensated absences payable	<u>(31,661)</u>

Total	<u>(34,358)</u>
-------	-----------------

Change in Net Assets of Governmental Activities	<u>\$ (477,410)</u>
---	---------------------

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS  
(continued on next page)**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$1,589,768	\$1,589,768	\$1,570,748	\$ (19,020)
Intergovernmental	249,305	249,305	323,158	73,853
Licenses, fees and permits	214,000	214,000	490,354	276,354
Charges for services	170,000	170,000	199,412	29,412
Fines and forfeitures	114,000	114,000	116,773	2,773
Use of money and property	43,700	43,700	27,947	(15,753)
Miscellaneous	25,010	25,010	28,054	3,044
Transfers in	<u>226,000</u>	<u>226,000</u>	<u>—</u>	<u>(226,000)</u>
 Total revenues and other sources	 <u>2,631,783</u>	 <u>2,631,783</u>	 <u>2,756,446</u>	 <u>124,663</u>
Expenditures, encumbrances and other uses:				
General government:				
Administration department	621,713	621,713	176,603	445,110
Inspection department	<u>69,350</u>	<u>69,350</u>	<u>66,339</u>	<u>3,011</u>
 Total general government	 <u>691,063</u>	 <u>691,063</u>	 <u>242,942</u>	 <u>448,121</u>
Public safety:				
Police department	895,570	895,570	836,130	59,440
Fire department	217,577	217,577	201,521	16,056
EMS department	396,891	396,891	373,788	23,103
Municipal Court	102,050	102,050	84,687	17,363
Fire District No. 12	<u>19,400</u>	<u>19,400</u>	<u>12,892</u>	<u>6,508</u>
 Total public safety	 <u>1,631,488</u>	 <u>1,631,488</u>	 <u>1,509,018</u>	 <u>122,470</u>
Highways and streets:				
Street department	<u>207,515</u>	<u>207,515</u>	<u>178,731</u>	<u>28,784</u>

**CITY OF MULVANE, KANSAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

(continued from previous page)

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Culture and recreation:				
Parks department	\$ 197,724	\$ 197,724	\$ 130,297	\$ 67,427
Sports Complex	<u>165,744</u>	<u>165,744</u>	<u>147,679</u>	<u>18,065</u>
Total culture and recreation	<u>363,468</u>	<u>363,468</u>	<u>277,976</u>	<u>85,492</u>
Economic development:				
Planning department	<u>10,500</u>	<u>10,500</u>	<u>9,396</u>	<u>1,104</u>
Environmental protection:				
Bindweed department	<u>3,000</u>	<u>3,000</u>	<u>704</u>	<u>2,296</u>
Other:				
Debt service	150,596	150,596	150,596	–
Operating transfers out	<u>257,887</u>	<u>257,887</u>	<u>291,100</u>	<u>(33,213)</u>
Total other	<u>408,483</u>	<u>408,483</u>	<u>441,696</u>	<u>(33,213)</u>
Total expenditures, encumbrances and other uses	<u>3,315,517</u>	<u>3,315,517</u>	<u>2,660,463</u>	<u>655,054</u>
Revenues and other sources over (under) expenditures, encumbrances and other uses	(683,734)	(683,734)	95,983	779,717
Fund balance, beginning of year	<u>683,734</u>	<u>683,734</u>	<u>1,363,554</u>	<u>679,820</u>
Fund balance, end of year	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>	<u><u>\$1,459,537</u></u>	<u><u>\$1,459,537</u></u>

The accompanying notes are an integral  
part of the financial statements.

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**CITY OF MULVANE, KANSAS**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS**  
**December 31, 2009**

	<u>Business-Type Activities – Enterprise Funds</u>				<u>Governmental Activities Internal Service Fund (Shop Maintenance Fund)</u>
	<u>Electric System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Total Enterprise Funds</u>	
<b><u>ASSETS</u></b>					
Current assets:					
Cash and investments	\$ 720,570	\$ 155,557	\$ 166,463	\$ 1,042,590	\$ 3,805
Trade accounts receivable	578,632	115,659	199,434	893,725	–
Prepaid expenses	39,280	6,918	11,834	58,032	2,026
Due from other funds	148,521	–	–	148,521	–
Restricted assets:					
Cash and investments restricted for:					
Revenue bond principal and interest	191,223	–	284,551	475,774	–
Customer deposits	136,716	47,815	–	184,531	–
Total current assets	<u>1,814,942</u>	<u>325,949</u>	<u>662,282</u>	<u>2,803,173</u>	<u>5,831</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments restricted for:					
Revenue bond principal and interest	172,063	–	262,297	434,360	–
Revenue bond reserve	639,957	–	220,853	860,810	–
Revenue bond surplus reserve	486,326	–	374,609	860,935	–
Replacement reserve	326,116	–	–	326,116	–
Total restricted assets	<u>1,624,462</u>	<u>–</u>	<u>857,759</u>	<u>2,482,221</u>	<u>–</u>
Property, plant and equipment:					
Land	419,856	–	338,261	758,117	–
Utility plant	5,392,249	779,500	7,455,705	13,627,454	–
Improvements other than buildings	4,997,761	2,619,532	2,843,699	10,460,992	–
Machinery and equipment	992,190	212,985	367,788	1,572,963	15,083
	11,802,056	3,612,017	11,005,453	26,419,526	15,083
Less accumulated depreciation	<u>(5,485,442)</u>	<u>(1,689,976)</u>	<u>(2,188,127)</u>	<u>(9,363,545)</u>	<u>(14,440)</u>
Property, plant and equipment, net	<u>6,316,614</u>	<u>1,922,041</u>	<u>8,817,326</u>	<u>17,055,981</u>	<u>643</u>
Other assets:					
Unamortized bond issue costs	101,973	16,753	162,123	280,849	–
Unamortized deferred cost on refunding	45,231	–	–	45,231	–
Total other assets	<u>147,204</u>	<u>16,753</u>	<u>162,123</u>	<u>326,080</u>	<u>–</u>
Total noncurrent assets	<u>8,088,280</u>	<u>1,938,794</u>	<u>9,837,208</u>	<u>19,864,282</u>	<u>643</u>
Total assets	<u>9,903,222</u>	<u>2,264,743</u>	<u>10,499,490</u>	<u>22,667,455</u>	<u>6,474</u>



	<u>Business-Type Activities – Enterprise Funds</u>				<u>Governmental Activities Internal Service Fund (Shop Maintenance Fund)</u>
	<u>Electric System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Total Enterprise Funds</u>	
<b><u>LIABILITIES</u></b>					
Current liabilities:					
Salaries and wages payable	\$ 28,397	\$ 9,202	\$ 12,933	\$ 50,532	\$ 985
Accounts payable	16,504	32,192	3,120	51,816	–
Compensated absences payable	99,243	29,524	35,032	163,799	4,884
Current portion of due to other funds	–	10,000	–	10,000	–
Current portion of general obligation bonds payable	38,068	66,681	79,112	183,861	–
Accrued interest payable	2,991	5,239	6,215	14,445	–
Current liabilities payable from restricted assets:					
Accrued revenue bond interest payable	29,556	–	46,218	75,774	–
Current portion of:					
Revenue bonds payable	161,667	–	238,333	400,000	–
Customer deposits payable	<u>136,716</u>	<u>47,815</u>	<u>–</u>	<u>184,531</u>	<u>–</u>
Total current liabilities	<u>513,142</u>	<u>200,653</u>	<u>420,963</u>	<u>1,134,758</u>	<u>5,869</u>
Noncurrent liabilities:					
Long-term portion of due to other funds	–	62,573	–	62,573	–
Long-term portion of compensated absences payable	41,238	12,268	14,555	68,061	2,029
Long-term portion of general obligation bonds payable	313,754	549,581	652,036	1,515,371	–
Long-term portion of revenue bonds payable	<u>3,978,329</u>	<u>–</u>	<u>5,981,671</u>	<u>9,960,000</u>	<u>–</u>
Total noncurrent liabilities	<u>4,333,321</u>	<u>624,422</u>	<u>6,648,262</u>	<u>11,606,005</u>	<u>2,029</u>
Total liabilities	<u>4,846,463</u>	<u>825,075</u>	<u>7,069,225</u>	<u>12,740,763</u>	<u>7,898</u>
<b><u>NET ASSETS</u></b>					
Net assets:					
Invested in capital assets, net of related debt	1,824,796	1,243,206	1,866,174	4,934,176	643
Restricted for debt service	1,624,462	–	857,759	2,482,221	–
Unrestricted	<u>1,607,501</u>	<u>196,462</u>	<u>706,332</u>	<u>2,510,295</u>	<u>(2,067)</u>
Total net assets	<u>\$ 5,056,759</u>	<u>\$ 1,439,668</u>	<u>\$ 3,430,265</u>	<u>\$ 9,926,692</u>	<u>\$ (1,424)</u>
Total net assets				\$ 9,926,692	
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities				<u>(897)</u>	
Net assets of business-type activities				<u>\$ 9,925,795</u>	

The accompanying notes are an integral part of the financial statements.

**CITY OF MULVANE, KANSAS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS –**  
**PROPRIETARY FUNDS**

**Year ended December 31, 2009**

	<u>Business-Type Activities – Enterprise Funds</u>				<u>Governmental Activities Internal Service Fund (Shop Maintenance Fund)</u>
	<u>Electric System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Total Enterprise Funds</u>	
Operating revenues:					
Charges for services	\$ 3,708,912	\$ 783,737	\$1,145,200	\$ 5,637,849	\$ 44,569
Miscellaneous	29,437	2,219	2,951	34,607	–
Rents and royalties	–	7,260	–	7,260	–
Total operating revenues	<u>3,738,349</u>	<u>793,216</u>	<u>1,148,151</u>	<u>5,679,716</u>	<u>44,569</u>
Operating expenses:					
Production	2,697,434	–	–	2,697,434	–
Treatment	–	691,736	405,181	1,096,917	–
Distribution and maintenance	629,960	–	–	629,960	62,159
Collection	–	–	199,750	199,750	–
Depreciation	<u>431,259</u>	<u>81,911</u>	<u>220,328</u>	<u>733,498</u>	<u>122</u>
Total operating expenses	<u>3,758,653</u>	<u>773,647</u>	<u>825,259</u>	<u>5,357,559</u>	<u>62,281</u>
Operating income (loss)	<u>(20,304)</u>	<u>19,569</u>	<u>322,892</u>	<u>322,157</u>	<u>(17,712)</u>
Nonoperating revenues (expense):					
Interest income	36,287	2,536	15,481	54,304	5
Gain on disposal of capital assets	934	–	–	934	–
Interest expense	(198,525)	(20,775)	(305,901)	(525,201)	–
Amortization of bond costs	<u>(20,913)</u>	<u>(3,392)</u>	<u>(18,734)</u>	<u>(43,039)</u>	<u>–</u>
Total nonoperating revenue (expense)	<u>(182,217)</u>	<u>(21,631)</u>	<u>(309,154)</u>	<u>(513,002)</u>	<u>5</u>
Income (loss) before contributions and transfers	(202,521)	(2,062)	13,738	(190,845)	(17,707)
Contributed capital	9,710	–	–	9,710	–
Transfers from other funds	–	–	–	–	20,000
Transfers to other funds	<u>(20,000)</u>	<u>–</u>	<u>–</u>	<u>(20,000)</u>	<u>–</u>
Change in net assets	(212,811)	(2,062)	13,738	(201,135)	2,293
Net assets, beginning of year	<u>5,269,570</u>	<u>1,441,730</u>	<u>3,416,527</u>	<u>10,127,827</u>	<u>(3,717)</u>
Net assets, end of year	<u>\$ 5,056,759</u>	<u>\$ 1,439,668</u>	<u>\$3,430,265</u>	<u>\$ 9,926,692</u>	<u>\$ (1,424)</u>
Decrease in net assets per fund statements				\$ (201,135)	
Some amount reported for business-type activities					
in the statement of activities are different					
because the net revenue (expense) of the					
internal service fund is reported with					
business-type activities				<u>(897)</u>	
Change in net assets of business-type activities				<u>\$ (202,032)</u>	

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
(continued on next page)

Year ended December 31, 2009

	Business-Type Activities – Enterprise Funds				Governmental Activities Internal Service Fund (Shop Maintenance Fund)
	Electric System	Water System	Sewer System	Total Enterprise Funds	
Cash flows from operating activities:					
Cash received from customers	\$ 3,677,438	\$ 788,137	\$ 1,142,782	\$ 5,608,357	\$ 44,569
Cash payments for materials and services	(2,598,396)	(385,867)	(219,755)	(3,204,018)	(28,839)
Cash payments to employees for services	(857,225)	(297,763)	(411,125)	(1,566,113)	(32,842)
Other cash receipts	<u>26,998</u>	<u>10,218</u>	<u>2,951</u>	<u>40,167</u>	<u>—</u>
Net cash provided by (used for) operating activities	<u>248,815</u>	<u>114,725</u>	<u>514,853</u>	<u>878,393</u>	<u>(17,112)</u>
Cash flows from capital and related financing activities:					
Principal paid on revenue bonds	(154,638)	—	(230,362)	(385,000)	—
Proceeds from general obligation bonds	387,434	678,641	805,156	1,871,231	—
Principal paid on general obligation bonds	(414,971)	(727,118)	(862,491)	(2,004,580)	—
Interest paid on debt	(206,818)	(24,655)	(311,883)	(543,356)	—
Bond issuance costs paid	(5,537)	(9,697)	(11,506)	(26,740)	—
Proceeds from sale of assets	934	—	—	934	—
Acquisition and construction of capital assets	<u>(87,259)</u>	<u>(89,876)</u>	<u>(9,757)</u>	<u>(186,892)</u>	<u>—</u>
Net cash provided (used) by capital and related financing activities	<u>(480,855)</u>	<u>(172,705)</u>	<u>(620,843)</u>	<u>(1,274,403)</u>	<u>—</u>
Cash flows from noncapital financing activities:					
Repayments of loans to other funds	37,974	—	—	37,974	—
Loans to other funds	(72,573)	—	—	(72,573)	—
Loans from other funds	—	72,573	—	72,573	—
Transfers from other funds	—	—	—	—	20,000
Transfers to other funds	<u>(20,000)</u>	<u>—</u>	<u>—</u>	<u>(20,000)</u>	<u>—</u>
Net cash provided (used) by noncapital financing activities	<u>(54,599)</u>	<u>72,573</u>	<u>—</u>	<u>17,974</u>	<u>20,000</u>
Cash flows from investing activities:					
Interest received	<u>36,287</u>	<u>2,536</u>	<u>15,481</u>	<u>54,304</u>	<u>5</u>
Net increase (decrease) in cash and cash equivalents	(250,352)	17,129	(90,509)	(323,732)	2,893
Cash and cash equivalents, beginning of year	<u>2,923,323</u>	<u>186,243</u>	<u>1,399,282</u>	<u>4,508,848</u>	<u>912</u>
Cash and cash equivalents, end of year	<u>\$ 2,672,971</u>	<u>\$ 203,372</u>	<u>\$ 1,308,773</u>	<u>\$ 4,185,116</u>	<u>\$ 3,805</u>
Cash and cash equivalents	\$ 720,570	\$ 155,557	\$ 166,463	\$ 1,042,590	\$ 3,805
Restricted cash and cash equivalents included in restricted cash and investments	<u>1,952,401</u>	<u>47,815</u>	<u>1,142,310</u>	<u>3,142,526</u>	<u>—</u>
Cash and cash equivalents, end of year	<u>\$ 2,672,971</u>	<u>\$ 203,372</u>	<u>\$ 1,308,773</u>	<u>\$ 4,185,116</u>	<u>\$ 3,805</u>

**CITY OF MULVANE, KANSAS**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
(continued from previous page)

Year ended December 31, 2009

	<u>Business-Type Activities – Enterprise Funds</u>				<u>Governmental Activities Internal Service Fund (Shop Maintenance Fund)</u>
	<u>Electric System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Total Enterprise Funds</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (20,304)	\$ 19,569	\$ 322,892	\$ 322,157	\$ (17,712)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	431,259	81,911	220,328	733,498	122
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(31,474)	4,400	(2,418)	(29,492)	–
Decrease (increase) in prepaid expenses	(356)	238	(121)	(239)	(295)
Increase in salaries and wages payable	7,535	1,730	2,591	11,856	169
Decrease in accounts payable	(146,785)	(205)	(35,164)	(182,154)	(96)
Increase in compensated absences payable	11,379	6,343	6,745	24,467	700
Increase (decrease) in customer deposits payable	<u>(2,439)</u>	<u>739</u>	<u>–</u>	<u>(1,700)</u>	<u>–</u>
Net cash provided by (used for) operating activities	<u>\$ 248,815</u>	<u>\$ 114,725</u>	<u>\$ 514,853</u>	<u>\$ 878,393</u>	<u>\$ (17,112)</u>

**Noncash capital and related financing activities:**

The Electric System Fund received noncash contributions of assets from the municipality for machinery and equipment during 2009 in the amount of \$9,710.

The accompanying notes are an integral  
part of the financial statements.

**CITY OF MULVANE, KANSAS**  
**STATEMENT OF FIDUCIARY NET ASSETS –**  
**AGENCY FUNDS**

**December 31, 2009**

	<u>Agency Funds</u>
Assets:	
Cash including investments	\$   –
Liabilities:	
Accounts payable	<u>         –</u>
Net assets	<u><u>\$   –</u></u>

The accompanying notes are an  
integral part of the financial statements.

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**CITY OF MULVANE, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**Reporting entity**

The City operates under a Mayor-Council form of government consisting of a Mayor and five council persons and provides services to its citizens in the areas of highways and streets, electric, water and sewer utilities, public improvement, public safety, planning and zoning and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Mulvane, Kansas (primary government) and its component units, entities for which the City is considered to be financially accountable. The component units discussed in the following paragraphs are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

**Discretely presented component unit**

The component unit columns in the financial statements include the financial data of the City's component units, the Mulvane Public Library and the Mulvane Housing Authority. They are reported in a separate column to emphasize that they are legally separate from the City, however, the governing body of the component unit is appointed by the City Council. The Mulvane Public Library is accounted for using the same principles as the governmental fund types of the City and the Mulvane Housing Authority is accounted for using the same principles as the business-type funds of the City.

The Mulvane Public Library operates the public library in the City. The Library Board may not purchase or lease a site or erect a building for use of the library without the approval of the City Council. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special revenue fund of the City. The Library Board also receives funding through state assistance programs. The Library Board does not issue separate audited financial statements.

The Mulvane Housing Authority manages Quad County Manor, a 23 unit housing facility that was financed by a forty-year United States Department of Agriculture, Rural Development loan. Occupants of the facility pay rent as a percentage of their annual income. The Mulvane Housing Authority hires a management agent to perform administrative functions including the selection of tenants, collection of rents, payment of expenses and perform or contract for maintenance of the property. The City provides financial assistance to the Mulvane Housing Authority through the uncharged utility services for common areas of the facility and the City serves as a guarantor for the Rural Development loan on the facility. Additional financial statement information can be obtained from the Quad County Manor management agent at Quad County Manor, 605 E. Main, Mulvane, Kansas 67110.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Blended component unit**

The Mulvane Public Building Commission is governed by a five-member board appointed by the City Council with one member consisting of a City Council member. Although it is legally separate from the City, the Mulvane Public Building Commission is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings. The financial activities of the Mulvane Public Building Commission are reflected in the Mulvane Public Building Commission special revenue fund.

### **Basis of presentation**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

The City's basic financial statements include both government-wide, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

### **Government-wide financial statements**

The government-wide financial statements, consisting of the statement of net assets and the statement of activities, display all the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from these statements. 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. In addition, the primary government is reported discretely from the legally separate component units for which the primary government is financially accountable. The statement of net assets presents the financial condition of the City and its component units at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient for goods or services or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which a given function or segment is self-financing or draws from the general revenues of the City.

### **Fund financial statements**

During the year, the City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Measurement focus and basis of accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. 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 are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 property tax revenues to be available in the period for which levied and other revenues 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 compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current 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.

Agency funds are custodial in nature and report only assets and liabilities. Accordingly, agency funds do not measure results of operations however, they use the accrual basis of accounting to recognize assets and payables.

The City reports the following major governmental funds:

**General Fund** – The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**Debt Service Fund** – The debt service fund is used to account for the resources accumulated and payments made for principal and interest on long-term debt general obligation debt of governmental funds.

The City reports the following major proprietary funds:

**Electric System Fund** – The electric system fund is used to account for the operation of the municipal electric utility including the production and distribution of electricity.

**Water System Fund** – The water system fund is used to account for the operation of the municipal water utility including water supply, treatment and distribution.

**Sewer System Fund** – The sewer system fund is used to account for the operation of the municipal sewer utility including the collection and treatment of wastewater.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City also reports the following fund types:

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specified purposes.

**Capital Project Funds** – The capital project funds are used to account the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Internal Service Fund** – The internal service fund is used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. This fund accounts for the City's repair and maintenance of vehicles and equipment.

**Agency Funds** – The agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. The only agency fund maintained by the City is a payroll clearing fund to account for moneys held on behalf of City employees payroll for related payroll taxes, retirement contributions, insurance and other authorized withholdings by City employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for franchise fees and other charges between the City's enterprise funds and various other functions of government and the costs of the City's self-insurance program reported in the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

Property taxes are not susceptible to accrual. Sales taxes collected and held by the State at year-end on behalf of the City are recognized as revenue. Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes and consequently, for revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

Licenses, fees, fines, forfeitures and other revenue are generally not susceptible to accrual and are recorded when received in cash.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)**

### **Cash and short-term investments**

Cash and short-term investments include amounts in demand deposit, money market accounts and certificates of deposit. Investments are carried at fair value. Deposits are reported at their cost, which approximates fair value. For purposes of the statement of with a maturity date of three months or less when purchased to be cash equivalents. Interest income is credited to the investing fund based on their average monthly balances.

### **Property taxes and other receivables**

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as unearned revenue on the balance sheets of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Recognized State-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

### **Special assessments receivable**

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City and are retired from the City's debt service fund. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate construction project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. Special assessment taxes are levied over a ten or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of net assets. Since they are not considered available spendable resources for the funds statement, the special assessment receivable are reported as unearned revenue in the funds statement.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Revenue recognition for utility funds**

Revenue is recorded as billed to customers on a cycle basis. Residential and commercial customers are billed monthly. The uncollected portion of billed services through December 31 is reflected as accounts receivable and estimates of unbilled service at December 31 are reflected as unbilled receivables in the financial statements.

### **Inventories and prepaid expenditures**

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased. The inventory of consumable supplies is not considered significant to the City's financial statements.

Prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase in the governmental fund financial statements.

### **Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$500. Capital assets are valued at historical cost, or estimated historical cost (if actual historical cost is not available). The historical cost, or estimates of historical cost, for the City's infrastructure assets include only those assets acquired subsequent to January 1, 1980. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets. Additionally, in situations involving the acquisition of certain assets financed with the proceeds of tax-exempt borrowing, any interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized.

Property, plant and equipment of the primary government and its component unit is depreciated using the straight line method over the following estimated useful lives:

Utility plant in service	28 – 50 years
Improvements other than buildings	28 – 50 years
Infrastructure (streets)	20 years
Machinery and equipment	5 to 20 years

### **Compensated absences**

The City's policies regarding vacation permits full-time employees with one year of service to earn 1 week of vacation pay, two to nine years of service earn 2 weeks of vacation pay, ten to fourteen years of service earn 3 weeks of vacation pay, fifteen to nineteen years of service earn 4 weeks of vacation pay, twenty to twenty-nine years of service earn 5 weeks of vacation pay and thirty or more years of service earn 6 weeks of vacation pay per year. One week of vacation pay may be carried over into the next year. Accumulated vacation pay is limited to

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

one week. At termination, an employee shall be compensated for all accumulated vacation pay. All permanent full-time employees earn one-half day of sick leave for every full two-week pay period of continuous employment with 120 days as the maximum amount of sick leave that can be accumulated. Any unused sick leave over the maximum is paid to the employee on the last check of the year at a rate of 50% of the normal rate of pay for the employee. Upon retirement, an employee in good standing shall be paid for any accumulated sick leave up to the maximum at the rate of 50% of the normal rate of pay for the employee. The liabilities are based on current salary costs and the vested portion of accumulated benefits. The liability for accrued compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee termination or retirement.

### **Accrued liabilities and long-term debt**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, general obligation bonds and capital lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Bond costs are being amortized by the interest method over the life of the related revenue bonds in the enterprise funds.

Long-term liabilities for revenue bond obligations and certain general obligation bonds payable are recorded as liabilities in the enterprise funds. Principal payments are deducted from the liability as made.

### **Pension plan**

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System which is a cost sharing multi-employer statewide defined benefit pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

### **Concentration of credit risk**

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. This credit is collateralized with security deposits from new and slow paying customers.

### **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; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

risks have not exceeded commercial insurance coverage in any of the past three years. In accordance with Governmental Accounting Board Statement No. 10, the City currently reports all its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include payments to cover deductibles and other liabilities related to the City's risk of loss and include an estimate of claims that have been incurred but not reported. At December 31, 2009, the amount of these liabilities was \$5,327. Changes in the reported liability since December 31, 2007 is as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2008	\$ —	\$ 13,584	\$ 13,584	\$ —
2009	—	27,418	22,091	5,327

At December 31, 2009, General Fund cash and short-term investments of \$264,269 were held for purposes of funding the City's future claims liabilities. As a result, \$258,942 of the General Fund balance is designated for payment of future claims liabilities.

### Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the governing body or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

### Reservations and designations of fund equity

The fund balances of the governmental funds include the following reservations, which represent amounts that are not appropriable or are legally segregated for a specific purpose:

Reserved for encumbrances – used to segregate a portion of fund balance for commitments related to unperformed (executory) contracts for goods or services not yet performed by vendors.

The fund balances of the governmental funds include the following designations, which represent management plans that are subject to change:

Designated for subsequent year's budget – used to segregate a portion of fund balance for current resources that were included in the subsequent year's budget to be used to finance operations of the ensuing year.

Designated for self-insurance – used to segregate a portion of fund balance representing a reserve for future payment of claims liabilities under the City's risk financing activities.

Designated for debt service – used to segregate a portion of fund balance for debt service resources for the payment of general long-term debt principal and interest amounts of future years.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The net assets of the proprietary funds include the following reservations, which represent amounts that are legally segregated for a specific purpose:

Reserved for revenue bond requirements - used to segregate a portion of net assets restricted for future debt service and other reserve requirements provided for in the authorizing revenue bond ordinances and/or resolutions.

### **Budgetary principles**

The City is required by state statute to legally adopt annual operating budgets for the general fund, special revenue funds (unless exempted by specific statute), debt service fund, enterprise funds and internal service fund. The Master Park Grant, Capital Improvement Reserve, Municipal Equipment Replacement and Special Highway Improvement special revenue fund types are exempted from a legally adopted budget. In addition, the Mulvane Public Building Commission is not required to prepare annual budgets. 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 calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to 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. There were no budget amendments during the calendar year 2009.

Kansas statutes permit transferring 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. Management has the authority to revise line items within a department however, changes to total appropriations at the department level must be approved by the City Council.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, encumbrances of the budgeted governmental fund types, representing purchase orders, contracts and other commitments, are reported as a charge to the current year budget. All unencumbered appropriations lapse at the end of the year. In addition, revenues for sales taxes and franchise fees are not recognized as revenues until their date of receipt. Also, interfund receivables and payable transactions are recognized as revenues and expenditures in the respective funds for budgetary purposes.

Controls over spending in funds which are not subject to legal budgets are maintained by other statutes or by the use of internal spending limits established by management.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## 2. DEPOSITS AND INVESTMENTS

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories which may be used by governmental entities in Kansas. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

### Concentration of credit risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of cash and investments as of December 31, 2009, is as follows:

Carson Bank	64%
Emprise Bank	36%

### Custodial credit risk – deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy follows applicable State Statutes and requires deposits to be 100% secured by collateral (pledged securities) valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. State Statutes define the allowable pledged securities.

At year-end, the carrying amount of the City's deposits was \$7,736,698, with the bank balances of such accounts being \$8,046,248. Of the bank balances, \$504,000 was covered by federal depository insurance and the remaining balance of \$7,542,248 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks and through a bank letter of credit issued to City from the Federal Home Loan Bank. The fair value of those pledged securities held by the City's custodial investment agencies and/or the amount available under the letter of credit was \$8,611,511 at December 31, 2009.

The remaining carrying amount of the City's cash and investments at December 31, 2009 consisted of cash on hand and cash held by the City's fiscal agent in the amounts of \$400 and \$1,316, respectively.



## 2. DEPOSITS AND INVESTMENTS (continued)

The Mulvane Public Library's cash and investments at December 31, 2009 consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$63,225 with the bank balances of such accounts being \$68,059. The bank balances were entirely secured by FDIC insurance at December 31, 2009.

The Mulvane Housing Authority's cash and investments at December 31, 2009 consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$14,432 with the bank balances of such accounts being \$14,902. The bank balances were entirely secured by FDIC insurance at December 31, 2009.

## 3. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 256,617	\$ —	\$ —	\$ 256,617
Construction work in progress	<u>1,365</u>	<u>49,227</u>	<u>1,365</u>	<u>49,227</u>
	<u>257,982</u>	<u>49,227</u>	<u>1,365</u>	<u>305,844</u>
Capital assets being depreciated:				
Buildings	2,362,453	—	—	2,362,453
Improvements other than buildings	3,362,743	138,374	—	3,501,117
Infrastructure	34,000,927	—	—	34,000,927
Machinery and equipment	<u>3,882,660</u>	<u>408,500</u>	<u>322,560</u>	<u>3,968,600</u>
Total capital assets being depreciated	<u>43,608,783</u>	<u>546,874</u>	<u>322,560</u>	<u>43,833,097</u>
Less accumulated depreciation for:				
Buildings	668,637	57,559	—	726,196
Improvements other than buildings	248,023	86,635	—	334,658
Infrastructure	12,110,407	826,229	—	12,936,636

### 3. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
Machinery and equipment	\$ 2,577,585	\$ 299,923	\$ 310,270	\$ 2,567,238
Total accumulated depreciation	15,604,652	1,270,346	310,270	16,564,728
Total capital assets being depreciated, net	28,004,131	(723,472)	(12,290)	27,268,369
Governmental activities capital assets, net	\$ 28,262,113	\$ (674,245)	\$ (13,655)	\$ 27,574,213
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 758,117	\$ —	\$ —	\$ 758,117
Capital assets being depreciated:				
Utility plant	13,627,454	—	—	13,627,454
Improvements other than buildings	10,299,628	161,364	—	10,460,992
Machinery and equipment	1,489,663	110,800	27,500	1,572,963
Total capital assets being depreciated	25,416,745	272,164	27,500	25,661,409
Less accumulated depreciation for:				
Utility plant	3,719,419	356,022	—	4,075,441
Improvements other than buildings	3,746,909	286,906	—	4,033,815
Machinery and equipment	1,115,657	166,132	27,500	1,254,289
Total accumulated depreciation	8,581,985	809,060	27,500	9,363,545
Total capital assets being depreciated, net	16,834,760	(536,896)	—	\$ 16,297,864

### 3. CHANGES IN CAPITAL ASSETS (continued)

Business-type activities capital assets, net	<u>\$ 17,592,877</u>	<u>\$ (536,896)</u>	<u>\$ —</u>	<u>\$ 17,055,981</u>
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Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 29,024
Public safety	224,441
Highways and streets (including depreciation of infrastructure assets)	882,111
Culture and recreation	134,648
Capital assets held by the City's internal service fund is charged to the various functions based on their usage	<u>122</u>
Total depreciation expense – governmental activities	<u>\$ 1,270,346</u>
Business-type activities:	
Electric System	\$ 431,259
Water System	81,911
Sewer System	<u>220,328</u>
Total depreciation expense – business-type activities	733,498
Accumulated depreciation on transferred assets	<u>75,562</u>
Total depreciation per above schedule	<u>\$ 809,060</u>

### 4. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the City for the year ended December 31, 2009:

	<u>Outstanding January 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding December 31, 2009</u>	<u>Due Within One Year</u>
<u>Governmental activities</u>					
General obligation bonds	\$ 8,349,419	\$ 1,283,769	\$ 1,845,420	\$ 7,787,768	\$ 632,139
Mulvane Public Building Commission Revenue bonds	1,210,000	1,255,000	1,210,000	1,255,000	100,000
Note payable to Mulvane Firemen's Relief Association	107,066	—	16,966	90,100	17,308
Compensated absences	<u>133,220</u>	<u>108,936</u>	<u>76,575</u>	<u>165,581</u>	<u>116,975</u>
Total long-term liabilities – Governmental activities	<u>\$ 9,799,705</u>	<u>\$ 2,647,705</u>	<u>\$ 3,148,961</u>	<u>\$ 9,298,449</u>	<u>\$ 866,422</u>

#### 4. LONG-TERM DEBT (continued)

	Outstanding January 1, 2009	Additions	Deletions	Outstanding December 31, 2009	Due Within One Year
<u>Business-type activities</u>					
Revenue bonds	\$10,745,000	\$ -	\$ 385,000	\$ 10,360,000	\$ 400,000
General obligation bonds	1,832,581	1,871,231	2,004,580	1,699,232	183,861
Compensated absences	<u>207,395</u>	<u>131,692</u>	<u>107,227</u>	<u>231,860</u>	<u>163,799</u>
Total long-term liabilities					
– Business-Type activities	<u>\$12,784,976</u>	<u>\$ 2,002,923</u>	<u>\$2,496,807</u>	<u>\$ 12,291,092</u>	<u>\$ 747,660</u>

#### General obligation bonds

General obligation bonds payable are serial bonds to be retired through calendar year 2027. At December 31, 2009 the bonds consist of the following:

	Interest <u>rates</u>	Bonds <u>outstanding</u>
General Obligation Bonds, Series 1998-1, issued February 1, 1998	4.20 – 6.20	\$ 590,000
General Obligation Bonds, Series 1998-2, issued April 1, 1998	4.25 – 7.20	185,000
General Obligation Bonds, Series 1998-3, issued December 1, 1998	4.40 – 5.75	60,000
General Obligation Bonds, Series A, 2000, issued April 1, 2000	5.30 – 6.75	340,000
General Obligation Improvement Bonds, Series A, 2001, issued April 1, 2001	4.20 – 6.00	410,000
General Obligation Internal Improvement Bonds, Series A 2002	3.30 – 5.25	565,000
General Obligation Internal Improvement Bonds, Series B 2003	2.00 – 5.00	22,000
General Obligation Internal Improvement Bonds, Series A, 2004	2.75 – 5.40	640,000
General Obligation Internal Improvement Bonds, Series B, 2004	3.40 – 5.00	760,000
General Obligation Internal Improvement Bonds, Series A, 2006	4.25 – 4.50	55,000
General Obligation Internal Improvement Bonds, Series B, 2006	4.45 – 5.50	2,775,000
General Obligation Bonds, Series A, 2007	3.90 – 4.35	220,000
General Obligation Refunding Bonds, Series A, 2009		<u>2,865,000</u>
Total general obligation bonds outstanding		9,487,000
Less debt service from enterprise funds		<u>(1,699,232)</u>
Total general obligation bonds payable from debt service fund		<u>\$ 7,787,768</u>

#### 4. LONG-TERM DEBT (continued)

Remaining debt service requirements for general obligation bonds will be paid from the debt service fund with future property tax revenues and special assessment taxes. Annual debt service requirements to maturity for general obligation bonds to be retired from the debt service fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 632,139	\$ 332,678	\$ 964,817
2011	664,175	308,324	972,499
2012	679,932	282,400	962,332
2013	729,932	254,253	984,185
2014	526,035	223,747	749,782
2015	561,035	201,966	763,001
2016	529,070	177,690	706,760
2017	477,035	154,893	631,928
2018	430,070	134,189	564,259
2019	412,345	116,314	528,659
2020	275,000	98,400	373,400
2021	211,000	85,887	296,887
2022	225,000	76,330	301,330
2023	230,000	66,133	296,133
2024	255,000	55,667	310,667
2025	285,000	43,937	328,937
2026	315,000	30,756	345,756
2027	<u>350,000</u>	<u>16,187</u>	<u>366,187</u>
	<u>\$ 7,787,768</u>	<u>\$ 2,659,751</u>	<u>\$ 10,447,519</u>

##### Note payable

The City's outstanding note payable consists of a \$90,100 note payable to the Mulvane Firemen's Relief Association with a stated interest rate of 2%. The note requires quarterly payments in the amount of \$4,745, including interest, and is secured by a fire truck. The debt payments are made from the City's General Fund. Annual debt service requirements to maturity for the note payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 17,308	\$ 1,672	\$ 18,980
2011	17,657	1,323	18,980
2012	18,013	967	18,980
2013	18,376	604	18,980
2014	<u>18,746</u>	<u>234</u>	<u>18,980</u>
	<u>\$ 90,100</u>	<u>\$ 4,800</u>	<u>\$ 94,900</u>

##### General obligation bonds payable from enterprise funds

Remaining debt service requirements for general obligation bonds to be paid from the Electric, Water and Sewer System Funds are as follows:

#### 4. LONG-TERM DEBT (continued)

Year	Electric Utility			Water Utility		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 38,068	\$ 8,972	\$ 47,040	\$ 66,681	\$ 15,716	\$ 82,397
2011	38,682	8,439	47,121	67,755	14,783	82,538
2012	34,384	7,782	42,166	60,228	13,631	73,859
2013	34,384	7,129	41,513	60,228	12,486	72,714
2014	36,226	6,372	42,598	63,455	11,162	74,617
2015	36,226	5,430	41,656	63,455	9,512	72,967
2016	36,840	4,416	41,256	64,530	7,735	72,265
2017	36,226	3,311	39,537	63,455	5,799	69,254
2018	36,840	2,152	38,992	64,530	3,768	68,298
2019	23,946	862	24,808	41,945	1,510	43,455
	<u>\$ 351,822</u>	<u>\$ 54,865</u>	<u>\$ 406,687</u>	<u>\$ 616,262</u>	<u>\$ 96,102</u>	<u>\$ 712,364</u>

Year	Sewer Utility			Total Utilities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 79,112	\$ 18,646	\$ 97,758	\$ 183,861	\$ 43,334	\$ 227,195
2011	80,388	17,539	97,927	186,825	40,761	227,586
2012	71,456	16,172	87,628	166,068	37,585	203,653
2013	71,456	14,814	86,270	166,068	34,429	200,497
2014	75,284	13,242	88,526	174,965	30,776	205,741
2015	75,284	11,285	86,569	174,965	26,227	201,192
2016	76,560	9,177	85,737	177,930	21,328	199,258
2017	75,284	6,880	82,164	174,965	15,990	190,955
2018	76,560	4,471	81,031	177,930	10,391	188,321
2019	49,764	1,792	51,556	115,655	4,164	119,819
	<u>\$ 731,148</u>	<u>\$ 114,018</u>	<u>\$ 845,166</u>	<u>\$ 1,699,232</u>	<u>\$ 264,985</u>	<u>\$ 1,964,217</u>

#### Revenue bonds

Outstanding revenue bonds, secured by revenues derived from the operations of the Electric, Water and Sewer Utility funds, consist of \$8,835,000 of outstanding Series 2005, 3.00% – 4.60%, Electric, Waterworks and Sewer Utility System Refunding and Improvement Revenue Bonds and \$1,525,000 of outstanding Series 2006, 4.00% – 5.25%, Electric, Waterworks and Sewer Utility System Revenue Bonds. The proceeds of the Series 2005 issue were utilized to refund \$4,295,000 of outstanding Electric, Waterworks and Sewer Utility Revenue Bonds, Series 2003 and provide financing for sewage treatment facility improvements. The Series 2006 bonds are to provide financing for sewage treatment facility improvements. Annual debt service requirements for the outstanding revenue bonds to be paid from the Electric and Sewer System Funds are as follows:

Year	Electric Utility			Sewer Utility		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 161,667	\$ 177,335	\$ 339,002	\$ 238,333	\$ 277,308	\$ 515,641
2011	166,353	171,676	338,029	248,647	268,526	517,173
2012	173,382	165,688	339,070	256,618	259,095	515,713

#### 4. LONG-TERM DEBT (continued)

Year	Electric Utility			Sewer Utility		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 178,068	\$ 159,272	\$ 337,340	\$ 266,932	\$ 249,120	\$ 516,052
2014	187,440	152,506	339,946	277,560	238,457	516,017
2015	192,126	145,196	337,322	287,874	227,144	515,018
2016	201,498	137,511	339,009	298,502	215,139	513,641
2017	208,527	129,249	337,776	311,473	202,446	513,919
2018	215,556	120,491	336,047	324,444	188,764	513,208
2019	224,928	111,007	335,935	340,072	174,008	514,080
2020	238,986	101,110	340,096	361,014	158,535	519,549
2021	248,358	90,594	338,952	371,642	142,111	513,753
2022	260,073	79,667	339,740	389,927	124,993	514,920
2023	271,788	68,223	340,011	408,212	107,029	515,241
2024	281,160	55,721	336,881	423,840	87,601	511,441
2025	297,561	42,788	340,349	452,439	67,422	519,861
2026	309,276	29,100	338,376	470,724	45,862	516,586
2027	323,249	14,873	338,122	491,751	23,429	515,180
	<u>\$ 4,139,996</u>	<u>\$ 1,952,007</u>	<u>\$ 6,092,003</u>	<u>\$ 6,220,004</u>	<u>\$ 3,056,989</u>	<u>\$ 9,276,993</u>

Year	Totals		
	Principal	Interest	Total
2010	\$ 400,000	\$ 454,643	\$ 854,643
2011	415,000	440,202	855,202
2012	430,000	424,783	854,783
2013	445,000	408,392	853,392
2014	465,000	390,963	855,963
2015	480,000	372,340	852,340
2016	500,000	352,650	852,650
2017	520,000	331,695	851,695
2018	540,000	309,255	849,255
2019	565,000	285,015	850,015
2020	600,000	259,645	859,645
2021	620,000	232,705	852,705
2022	650,000	204,660	854,660
2023	680,000	175,252	855,252
2024	705,000	143,322	848,322
2025	750,000	110,210	860,210
2026	780,000	74,962	854,962
2027	815,000	38,302	853,302
	<u>\$ 10,360,000</u>	<u>\$ 5,008,996</u>	<u>\$ 15,368,996</u>

The Revenue bond resolution provides for deposits to: (a) principal and interest account each month to provide for the payment of principal and interest on the bonds as they become due and payable, (b) bond reserve account to accumulate to a maximum stated amount to be used solely and exclusively for payments of principal and interest of such bonds for which funds might not otherwise be available or may be used to call the bonds for redemption and payment prior to their maturity, with a maximum accumulation of \$727,370, and (c) surplus account to accumulate moneys not required in (a) or (b) above and not required for the operation and maintenance of the plant and system for a period of sixty days to be used to pay the cost of

#### 4. LONG-TERM DEBT (continued)

operation, maintenance and repair, improving, extending or enlarging the system or to redeem prior to maturity outstanding bonds of the system. The revenue bond ordinance provides for user rates to be established at a level which will generate net operating income at an amount not to be less than 125% of the debt service requirements to be paid by the City in such fiscal year. The net operating income provision applies to the Electric System, Water System and Sewer System funds collectively. At December 31, 2009, the City was in compliance with the reserve requirements of the revenue bond resolution.

##### **Mulvane Public Building Commission revenue bonds**

The Mulvane Public Building Commission revenue bonds are serial bonds to be retired through calendar year 2021. At December 31, 2009 the bonds consist of the following:

	<u>Interest rates</u>	<u>Bonds outstanding</u>
Mulvane Public Building Commission Refunding Revenue Bonds, Series 2009 (Fire/EMS Facility)	1.25 – 4.00	\$ 1,255,000

Remaining debt service requirements for the Mulvane Public Building Commission revenue bonds will be paid by the Mulvane Public Building Commission from the lease payments received from the City of Mulvane, which are provided with future property tax revenues to be levied in the General Fund and other resources available to the City. Annual debt service requirements to maturity for the revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 100,000	\$ 33,764	\$ 133,764
2011	95,000	33,880	128,880
2012	95,000	32,455	127,455
2013	95,000	30,745	125,745
2014	95,000	28,750	123,750
2015	100,000	26,470	126,470
2016	100,000	23,770	123,770
2017	105,000	20,770	125,770
2018	115,000	17,410	132,410
2019	115,000	13,500	128,500
2020	120,000	9,360	129,360
2021	<u>120,000</u>	<u>4,800</u>	<u>124,800</u>
	<u>\$ 1,255,000</u>	<u>\$ 275,674</u>	<u>\$ 1,530,674</u>

##### **Conduit debt**

The City has issued limited obligation bonds for the purpose of financing capital activities of unrelated third parties. Although conduit debt obligations bear the name of the City, they are payable solely from resources provided by leases or loans with the third parties on whose behalf they were issued. The bonds do not constitute an indebtedness or pledge of the faith or credit of the City of Mulvane, and accordingly, are not included as liabilities in the accompanying financial statements. The following is a summary of conduit debt transactions for the year ended December 31, 2009:



#### 4. LONG-TERM DEBT (continued)

	Outstanding January 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2009</u>
Villa Maria, Inc. Health Care Facility Refunding Revenue Bonds, Bonds, Series 2004	\$ 3,650,000	\$ —	\$ 200,000	\$ 3,450,000

#### Compensated absences

The governmental funds portion of outstanding compensated absence liabilities is principally liquidated from resources of the General Fund.

#### 5. CAPITAL PROJECT FUND AUTHORIZATIONS

A December 31, 2009, individual project authorizations compared with project expenditures from inception which are reported within the Capital Projects Fund are as follows:

	Project authorizations	Expenditures project inception to <u>December 31, 2009</u>
103rd Street Bike/Pedestrian Path	\$ 143,000	\$ 121,480
Webb Road Bike/Pedestrian Path	176,939	18,317
Sports Complex Upgrade	24,000	10,000

#### 6. PENSION PLAN

##### Plan description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, 611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803.

##### Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for the period from January 1, 2009 to December 31, 2009 was

## 6. PENSION PLAN (continued)

6.54%. Included in this rate is the contribution for Group Death and Disability Insurance of 1%. There was a moratorium on the collection of Group Death and Disability premium from March 1, 2009 through November 30, 2009. The City's contributions to KPERS for the years ending December 31, 2009, 2008 and 2007 were \$145,532, \$136,169 and \$122,217, respectively, equal to the statutory required contributions for each year.

## 7. BUDGETARY DATA

As described in Note 1, the actual data presented in the budgetary comparison statements differ from data presented in accordance with generally accepted accounting principles (GAAP) for the governmental fund types. The following reconciliation's are presented to provide a correlation between the different bases of reporting:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Nonmajor Special Revenue Funds</u>
GAAP Fund Balance at December 31, 2009	\$ 1,729,665	\$ 109,690	\$ 1,645,787
Adjustments:			
Reserved for self-insurance	(258,942)	—	—
Accrued sales tax revenues	(53,164)	—	—
Accrued franchise fee revenues	(33,970)	—	(2,931)
Due to other funds	75,948	—	—
Fund balances of funds not subject to the Kansas budget law	<u>—</u>	<u>—</u>	<u>(685,526)</u>
Budgetary Fund Balance at December 31, 2009	<u>\$ 1,459,537</u>	<u>\$ 109,690</u>	<u>\$ 957,330</u>

## 8. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables (due to/due from other funds) at December 31, 2009 were as follows:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General	\$ 500	\$ 75,948
Capital Projects	—	500
Electric System	<u>75,948</u>	<u>—</u>
	<u>\$ 76,448</u>	<u>\$ 76,448</u>

The outstanding balances between funds are the result of equipment financing loans that will be repaid to the Electric System Fund in subsequent years.

## 9. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2009 is as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major Funds:		
General	\$ 37,974	\$ 422,715
Electric System	<u>—</u>	<u>20,000</u>
	<u>37,974</u>	<u>442,715</u>
Nonmajor Funds:		
Special Highway	—	29,073
Nine One One	—	8,901
Transportation Impact Fee	—	59,766
Swimming Pool	91,000	—
Municipal Equipment Replacement	200,100	—
Mulvane Public Building Commission	131,615	—
Capital Project	59,766	—
Shop Maintenance	<u>20,000</u>	<u>—</u>
	<u>502,481</u>	<u>97,740</u>
	<u>\$ 540,455</u>	<u>\$ 540,455</u>

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. Transfers from the General Fund (\$200,100) to the Municipal Equipment Replacement Fund are routinely made to fund future equipment replacement for the various departments within the General Fund. The General Fund also routinely makes transfers to the Swimming Pool Fund (\$91,000) to support operations and also to the Mulvane Public Building Commission (\$131,615) representing EMS facility rentals. The Electric System Fund transfers to the Shop Maintenance Fund (\$20,000) on a routine basis to alleviate operating deficits.

The routine transfers from the Special Highway Fund and Nine One One Fund to the General Fund reflect the debt service payments on the interfund loan originally made to the General Fund from the Electric Utility Fund for equipment related to these functional areas of operation.

Non-routine transfers from the Transportation Impact Fee Fund in the amount of \$59,766 reflect transfers to the Capital Projects Fund to assist in financing certain improvement projects.

## 11. COMPLIANCE WITH KANSAS LAW

Kansas statutes (K.S.A. 79-3249) prohibit expenditures in excess of the adopted budget of individual funds. During 2009, the expenditures of the Debt Service, Water System and Sewer System funds exceeded their adopted budgets in the amounts of \$1,261,963, \$329,056 and \$507,530, respectively. This situation was the result of the refunding bonds issued during 2009 to advance refund certain outstanding bonds of the City. Those refunded bond payments involved the Debt Service, Water System and Sewer System funds, which were not anticipated in the originally adopted budgets for these funds.

## **12. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the City is required to allow retirees to participate in its group health insurance plan. While each retiree is required to pay the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy, if any, has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid entirely by the insured and there is no cost to the City under this program.

## **13. ADVANCE REFUNDING**

On April 1, 2009, the City entered into an advance refunding transaction whereby it issued \$3,155,000 of General Obligation Refunding Bonds, Series A 2009, with interest rates from 1.75% to 3.00%, to advance refund \$3,090,000 of outstanding General Obligation Refunding and Improvement Bonds, Series A, 2003 with interest rates from 3.25% to 4.70%. Proceeds from the Series A 2009 Bonds in the amount of \$3,105,542 were placed with the City's paying agent, the Kansas State Treasurer, to provide for all future debt service payments on the refunded Series A 2003 bonds. The Series A 2003 bonds maturing on September 1, 2009 to September 1, 2019 were called for redemption and payment on April 15, 2009.

The City advance refunded the Series A 2003 general obligation bonds to reduce its total debt service payments over the next 11 years by \$125,368 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$125,528.

On September 15, 2009, the Mulvane Public Building Commission entered into an advance refunding transaction whereby it issued \$1,255,000 of City of Mulvane, Kansas, Public Building Commission Refunding Revenue Bonds, Series 2009 (Fire/EMS Facility), with interest rates from 1.25% to 4.00%, to advance refund \$1,145,000 of outstanding City of Mulvane Public Building Commission Revenue Bonds, Series 2001 (Fire/EMS Facility) with interest rates from 5.10% to 5.70%. Proceeds from the Series A 2009 Bonds in the amount of \$1,204,000 were placed in an irrevocable escrow account to provide for all future debt service payments on the refunded Series 2001 bonds. The escrow agent will call the Series 2001 bonds maturing on September 1, 2010 to September 1, 2021 for redemption and payment on September 1, 2010. As a result of this transaction, the Series 2001 bonds are considered defeased and have been removed from the Mulvane Public Building Commission financial statements.

The City advance refunded the Series 2001 bonds to reduce its total debt service payments over the next 12 years by \$77,231 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$64,370.

## **14. COMMITMENTS AND CONTINGENCIES**

In 2007, the State of Kansas enacted legislation authorizing casino gaming in Kansas and established four gaming zones. One gaming zone was established for south central Kansas encompassing Sedgwick and Sumner Counties and allowing for the construction of one single facility. In August 2007, voters of Sedgwick County chose not to allow a casino to be

#### **14. COMMITMENTS AND CONTINGENCIES (continued)**

built in the County leaving only certain sites in Sumner County. The Kansas Lottery Commission approved contracts with three prospective casino developers in Sumner County and in August 2008 a special casino review board of the Commission selected a developer proposal at the Mulvane exit of the Kansas Turnpike. However, in November 2008, that developer withdrew its proposal, which resulted in the Kansas Lottery Commission reopening the bidding for proposed casino facilities in Sumner County.

The properties of the proposed sites located near the City of Mulvane have been annexed by the City Council. The Sumner County Board of County Commissioners filed suit against the City of Mulvane regarding its annexation actions. The Sumner County District court has ruled that the annexation procedures were a complete disregard for the County's rights and declared the annexation procedures as void. The City of Mulvane appealed the District Court decision to the Kansas Court of Appeals and that court has ruled in favor of the City's annexation procedures. Sumner County has appealed that decision for review by the Kansas Supreme Court, which has not ruled on the appeal to date. The remaining developer for a proposed casino at Exit 33 of the Kansas Turnpike withdrew its application from the Kansas Lottery Commission on April 9, 2010 and the Kansas Lottery Commission has set July 22, 2010 as the deadline for applications to build and management a casino in Sumner County near the City of Mulvane.

#### **15. SUBSEQUENT EVENTS**

Subsequent to December 31, 2009, the governing body approved the issuance of \$2,090,000 principal amount of General Obligation Refunding Bonds, Series A, 2010 dated March 15, 2010 with interest rates from 2.0% to 3.0%. The Series 2010 Refunding Bond proceeds were utilized to advance refund \$590,000 of the City's outstanding General Obligation Bonds, Series 1998-1, \$185,000 of General Obligation Bonds, Series 1998-2, \$60,000 of General Obligation Bonds Series 1998-3, \$340,000 of General Obligation Internal Improvement Bonds Series A, 2000, \$410,000 of General Obligation Internal Improvement Bonds, Series A, 2001, and \$565,000 of General Obligation Internal Improvement Bonds, Series A, 2002.

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**COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**





## **GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

The primary purpose of the Special Revenue Funds is to account for the proceeds of designated revenue sources which are used to finance specified activities as required by law or administrative regulation. The following nonmajor Special Revenue Funds are reported:

**Employee Benefit** – to account for the City's portion of social security, retirement, workmen's compensation and unemployment insurance contributions applicable to governmental funds' payrolls. Financing is provided by taxes.

**Library** – to account for the City's tax levy funding of the operation of the municipal library. Financing is provided by a specific tax levy.

**Industrial Development** – to account for the promotion of industrial development. Financing is provided through a specific tax levy.

**Senior Citizen** – to account for the operations of the Senior Center activities. Financing is provided from appropriations from the City's general fund.

**Special Highway** – to account for street maintenance operations. Financing is provided through motor fuel taxes distributed from the State of Kansas Special City and County Highway Fund.

**Nine One One** – to account for telephone tax revenue and other financing sources used to purchase and maintain emergency communications equipment and systems.

**Special Park and Recreation** – to account for park and recreation services for City residents. Financing is provided through a statewide alcohol liquor tax.

**Transportation Impact Fee** – to account for the assessments on new home construction for use in construction or improvement of the City's streets.

**Storm Sewer Fee** – to account for the assessments on all sewer utility customers for use in construction or improvement of the City's storm sewer drainage system.

**Park Impact Fee** – to account for the assessments on new home construction for use in construction or improvement of the City's parks.

**Swimming Pool** – to account for the operations of the municipal swimming pool.

**Capital Improvement Reserve** – to account for public facility improvements performed in conjunction with the City's multi-year capital improvement plan. Financing is provided from tax levy and other resources available to the City for such purposes.

**Municipal Equipment Replacement** – to accumulate resources to be used for new or replacement equipment. Financing is provided through annual transfers that must be budgeted and can be from any source which may be lawfully utilized for such purposes.

**Special Highway Improvement** – to account for street improvement and maintenance operations. Financing is provided by transfers from the special highway fund at the discretion of the City Council, with certain limitations as provided in applicable state statutes.

**Mulvane Public Building Commission** – the Mulvane Public Building Commission is a component unit of the City and is used to account for the acquisition and subsequent debt service of public buildings utilized by the City.

### **NONMAJOR CAPITAL PROJECT FUNDS**

The primary purpose of the capital projects fund is to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Projects included within this fund are as follows:

**103<sup>rd</sup> Street Bike Path Project** – to account for the construction of a new bike/hike path near 103<sup>rd</sup> Street. The project is financed through federal grant proceeds and local revenue sources.

**Webb Road Bike Path Project** – to account for the construction of a new bike/hike path near Webb Road. The project is financed through federal grant proceeds and local revenue sources.

**Sports Complex Upgrade Project** – to account for the construction of upgrades to facilities at the Sports Complex. The project is financed through state grant proceeds and local revenue sources.

**CITY OF MULVANE, KANSAS**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2009**

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash including short-term investments	\$ 1,654,040	\$ –	\$ 1,654,040
Property tax receivable	553,184	–	553,184
Due from other governments	–	500	500
Accounts receivable	<u>8,579</u>	<u>–</u>	<u>8,579</u>
Total	<u>\$ 2,215,803</u>	<u>\$ 500</u>	<u>\$ 2,216,303</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accrued payroll and taxes payable	\$ 16,832	\$ –	\$ 16,832
Due to other funds	–	500	500
Deferred revenues	<u>553,184</u>	<u>–</u>	<u>553,184</u>
Total liabilities	<u>570,016</u>	<u>500</u>	<u>570,516</u>
Fund Balances:			
Reserved for encumbrances	11,550	168,215	179,765
Unreserved:			
Designated for subsequent years' budget reported in:			
Special revenue funds	624,956	–	624,956
Undesignated reported in:			
Special revenue funds	1,009,281	–	1,009,281
Capital projects fund	<u>–</u>	<u>(168,215)</u>	<u>(168,215)</u>
Total fund balances	<u>1,645,787</u>	<u>–</u>	<u>1,645,787</u>
Total liabilities and fund balances	<u>\$ 2,215,803</u>	<u>\$ 500</u>	<u>\$ 2,216,303</u>

**CITY OF MULVANE, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**Year ended December 31, 2009**

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Revenues:			
Taxes	\$ 739,055	\$ —	\$ 739,055
Intergovernmental	240,174	88,666	328,840
Licenses, fee and permits	7,000	—	7,000
Charges for services	91,075	—	91,075
Use of money and property	19,205	—	19,205
Miscellaneous	<u>4,295</u>	<u>—</u>	<u>4,295</u>
Total revenues	<u>1,100,804</u>	<u>88,666</u>	<u>1,189,470</u>
Expenditures:			
Current:			
General government	52,353	—	52,353
Public Safety	492,459	—	492,459
Highways and streets	271,003	—	271,003
Culture and recreation	427,916	—	427,916
Capital improvements	—	148,432	148,432
Debt service:			
Principal	65,000	—	65,000
Interest and fiscal charges	<u>117,989</u>	<u>—</u>	<u>117,989</u>
Total expenditures	<u>1,426,720</u>	<u>148,432</u>	<u>1,575,152</u>
Expenditures over revenues	<u>(325,916)</u>	<u>(59,766)</u>	<u>(385,682)</u>
Other financing sources (uses):			
Proceeds of refunding revenue bonds	1,255,000	—	1,255,000
Payment to bond escrow agent	(1,204,000)	—	(1,204,000)
Transfers in	422,715	59,766	482,481
Transfers out	<u>(97,740)</u>	<u>—</u>	<u>(97,740)</u>
Total other financing sources (uses)	<u>375,975</u>	<u>59,766</u>	<u>435,741</u>
Net change in fund balances	50,059	—	50,059
Fund balances, beginning of year	<u>1,595,728</u>	<u>—</u>	<u>1,595,728</u>
Fund balances, end of year	<u>\$ 1,645,787</u>	<u>\$ —</u>	<u>\$ 1,645,787</u>

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
(continued on next page)

## ASSETS

LIABILITIES AND  
FUND BALANCES

Fund balances:  
Reserved for encumbrances  
Unreserved:  
Designated for subsequent  
years' expenditures  
Undesignated

Total fund balances	<u>226,022</u>	<u>5,108</u>	<u>223,987</u>	<u>3,617</u>	<u>35,447</u>	<u>15,661</u>	<u>44,701</u>	<u>152,951</u>	<u>202,804</u>
Total liabilities and fund balances	<u>\$ 660,691</u>	<u>\$ 131,328</u>	<u>\$ 223,987</u>	<u>\$ 4,061</u>	<u>\$ 44,130</u>	<u>\$ 15,661</u>	<u>\$ 44,701</u>	<u>\$ 152,951</u>	<u>\$ 202,804</u>

CITY OF MULVANE, KANSAS

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

December 31, 2009

	Park Impact Fee	Swimming Pool	Master Park Grant	Capital Improve- ment Reserve	Municipal Equipment Replacement	Special Highway Improvement	Mulvane Public Building Commission	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>								
Cash and short-term investments	\$ 49,504	\$ 459	\$ -	\$ 463,165	\$ 222,361	\$ -	\$ -	\$ 1,654,040
Accounts receivable	-	-	-	-	-	-	-	8,579
Taxes receivable	-	-	-	-	-	-	-	553,184
Total assets	<u>\$ 49,504</u>	<u>\$ 459</u>	<u>\$ -</u>	<u>\$ 463,165</u>	<u>\$ 222,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,215,803</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and taxes	-	-	-	-	-	-	-	16,832
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	553,184
Total liabilities	-	-	-	-	-	-	-	570,016
Fund balances:								
Reserved for encumbrances	-	-	-	11,550	-	-	-	11,550
Unreserved:								
Designated for subsequent years' expenditures	38,532	-	-	-	-	-	-	624,956
Undesignated	<u>10,972</u>	<u>459</u>	-	<u>451,615</u>	<u>222,361</u>	-	-	<u>1,009,281</u>
Total fund balances	<u>49,504</u>	<u>459</u>	-	<u>463,165</u>	<u>222,361</u>	-	-	<u>1,645,787</u>
Total liabilities and fund balances	<u>\$ 49,504</u>	<u>\$ 459</u>	<u>\$ -</u>	<u>\$ 463,165</u>	<u>\$ 222,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,215,803</u>

CITY OF MULVANE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS  
(continued on next page)

Year ended December 31, 2009

	Employee Benefit	Library	Industrial Develop- ment	Senior Citizen	Special Highway	Nine One One	Special Park and Recreation	Trans- portation Impact Fee	Storm Sewer
Revenues:									
Taxes	\$488,006	\$ 135,408	\$ 22,382	\$ 23,838	\$ 205,245	\$ 14,086	\$ 11,091	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-	-	-	4,900	-
Charges for services	-	-	-	-	-	-	-	-	30,596
Use of money and property	4,154	48	2,089	19	731	173	393	2,683	1,705
Miscellaneous	-	-	-	4,295	-	-	-	-	-
Total revenues	492,160	135,456	24,471	28,152	205,976	14,259	11,484	7,583	32,301
Expenditures:									
Current:									
General government	46,929	-	-	-	-	-	-	-	-
Public safety	298,643	-	-	-	-	13,977	-	-	-
Highway and streets	68,294	-	-	-	196,559	-	-	-	-
Culture and recreation	48,654	135,455	-	24,914	-	-	4,499	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	374	-	-	-
Total expenditures	462,520	135,455	-	24,914	196,559	14,351	4,499	-	-
Revenues over (under) expenditures	29,640	1	24,471	3,238	9,417	(92)	6,985	7,583	32,301
Other financing sources (uses):									
Proceeds of refunding revenue bonds	-	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	(29,073)	(8,901)	-	(59,766)	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(29,073)	(8,901)	-	(59,766)	-
Net change in fund balance	29,640	1	24,471	3,238	(19,656)	(8,993)	6,985	(52,183)	32,301
Fund balances, beginning of year	196,382	5,107	199,516	379	55,103	24,654	37,716	205,134	170,503
Fund balances, end of year	\$226,022	\$ 5,108	\$ 223,987	\$ 3,617	\$ 35,447	\$ 15,661	\$ 44,701	\$152,951	\$202,804

CITY OF MULVANE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

Year ended December 31, 2009

	Park Impact Fee	Swimming Pool	Master Park Grant	Capital Improve- ment Reserve	Municipal Equipment Replacement	Special Highway Improvement	Mulvane Public Building Commission	Total Nonmajor Special Revenue Funds
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 79,173	\$ -	\$ -	\$ -	\$ 79,055
Intergovernmental revenues	-	-	-	-	-	-	-	240,174
Licenses, fees and permits	2,100	-	-	-	-	-	-	7,000
Charges for services	-	60,479	-	-	-	-	-	91,075
Use of money and property	372	8	-	4,111	2,718	1	-	19,205
Miscellaneous	-	-	-	-	-	-	-	4,295
Total revenues	<u>2,472</u>	<u>60,487</u>	<u>-</u>	<u>83,284</u>	<u>2,718</u>	<u>1</u>	<u>-</u>	<u>1,100,804</u>
Expenditures:								
Current:								
General government	-	-	-	-	5,424	-	-	52,353
Public safety	-	-	-	-	179,839	-	-	492,459
Highway and streets	-	-	-	4,950	-	1,200	-	271,003
Culture and recreation	-	151,172	33	-	63,189	-	-	427,916
Debt service:								
Principal	-	-	-	-	-	-	65,000	65,000
Interest and fiscal charges	-	-	-	-	-	-	117,615	117,989
Total expenditures	<u>-</u>	<u>151,172</u>	<u>33</u>	<u>4,950</u>	<u>248,452</u>	<u>1,200</u>	<u>182,615</u>	<u>1,426,720</u>
Revenues over (under) expenditures	<u>2,472</u>	<u>(90,685)</u>	<u>(33)</u>	<u>78,334</u>	<u>(245,734)</u>	<u>(1,199)</u>	<u>(182,615)</u>	<u>(325,916)</u>
Other financing sources (uses):								
Proceeds of refunding revenue bonds	-	-	-	-	-	-	1,255,000	1,255,000
Payment to bond refunding escrow agent	-	-	-	-	-	-	(1,204,000)	(1,204,000)
Operating transfers in	-	91,000	-	-	200,100	-	131,615	422,715
Operating transfers out	-	-	-	-	-	-	-	(97,740)
Total other financing sources (uses)	<u>-</u>	<u>91,000</u>	<u>-</u>	<u>-</u>	<u>200,100</u>	<u>-</u>	<u>182,615</u>	<u>375,975</u>
Net change in fund balance	<u>2,472</u>	<u>315</u>	<u>(33)</u>	<u>78,334</u>	<u>(45,634)</u>	<u>(1,199)</u>	<u>-</u>	<u>50,059</u>
Fund balances, beginning of year	<u>47,032</u>	<u>144</u>	<u>33</u>	<u>384,831</u>	<u>267,995</u>	<u>1,199</u>	<u>-</u>	<u>1,595,728</u>
Fund balances, end of year	<u>\$ 49,504</u>	<u>\$ 459</u>	<u>\$ -</u>	<u>\$ 463,165</u>	<u>\$ 222,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,645,787</u>



**CITY OF MULVANE, KANSAS**

**EMPLOYEE BENEFITS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 493,454	\$ 493,454	\$ 488,006	\$ (5,448)
Use of money and property	<u>10,700</u>	<u>10,700</u>	<u>4,154</u>	<u>(6,546)</u>
Total revenues	<u>504,154</u>	<u>504,154</u>	<u>492,160</u>	<u>(11,994)</u>
Expenditures:				
Administration department	121,104	121,104	46,929	74,175
Street department	80,348	80,348	68,294	12,054
Police department	236,655	236,655	219,921	16,734
Emergency services department	81,516	81,516	78,722	2,794
Park department	<u>80,319</u>	<u>80,319</u>	<u>48,654</u>	<u>31,665</u>
Total expenditures	<u>599,942</u>	<u>599,942</u>	<u>462,520</u>	<u>137,422</u>
Revenues over (under) expenditures	(95,788)	(95,788)	29,640	125,428
Fund balance, beginning of year	<u>95,788</u>	<u>95,788</u>	<u>196,382</u>	<u>100,594</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 226,022</u>	<u>\$ 226,022</u>

**CITY OF MULVANE, KANSAS**

**LIBRARY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 137,071	\$ 137,071	\$ 135,408	\$ (1,663)
Use of money and property	<u>30</u>	<u>30</u>	<u>48</u>	<u>18</u>
Total revenues	<u>137,101</u>	<u>137,101</u>	<u>135,456</u>	<u>(1,645)</u>
Expenditures:				
Appropriations to				
Library Board	142,255	142,255	135,455	6,800
Other	<u>1,327</u>	<u>1,327</u>	<u>–</u>	<u>1,327</u>
Total expenditures	<u>143,582</u>	<u>143,582</u>	<u>135,455</u>	<u>8,127</u>
Revenues over (under)				
expenditures	(6,481)	(6,481)	1	6,482
Fund balance,				
beginning of year	<u>6,481</u>	<u>6,481</u>	<u>5,107</u>	<u>(1,374)</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 5,108</u>	<u>\$ 5,108</u>

**CITY OF MULVANE, KANSAS**

**INDUSTRIAL DEVELOPMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 22,541	\$ 22,541	\$ 22,382	\$ (159)
Use of money and property	<u>4,560</u>	<u>4,560</u>	<u>2,089</u>	<u>(2,471)</u>
Total revenues	<u>27,101</u>	<u>27,101</u>	<u>24,471</u>	<u>(2,630)</u>
Expenditures:				
Industrial development	165,428	165,428	–	165,428
Other	<u>233</u>	<u>233</u>	<u>–</u>	<u>233</u>
Total expenditures	<u>165,661</u>	<u>165,661</u>	<u>–</u>	<u>165,661</u>
Revenues over (under) expenditures	(138,560)	(138,560)	24,471	163,031
Fund balance, beginning of year	<u>138,560</u>	<u>138,560</u>	<u>199,516</u>	<u>60,956</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 223,987</u>	<u>\$ 223,987</u>

**CITY OF MULVANE, KANSAS**

**SENIOR CITIZENS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other sources:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 23,838	\$ 15,838
Use of money and property	20	20	19	(1)
Miscellaneous	5,400	5,400	4,295	(1,105)
Transfers in	<u>33,000</u>	<u>33,000</u>	<u>—</u>	<u>(33,000)</u>
 Total revenues and other sources	 46,420	 46,420	 28,152	 (18,268)
Expenditures:				
Operating expenditures	<u>47,111</u>	<u>47,111</u>	<u>24,914</u>	<u>22,197</u>
Revenues and other sources over (under) expenditures	(691)	(691)	3,238	3,929
Fund balance, beginning of year	<u>691</u>	<u>691</u>	<u>379</u>	<u>(312)</u>
Fund balance, end of year	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 3,617</u></u>	<u><u>\$ 3,617</u></u>

**CITY OF MULVANE, KANSAS**

**SPECIAL HIGHWAY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 239,650	\$ 239,650	\$ 205,245	\$ (34,405)
Use of money and property	<u>1,025</u>	<u>1,025</u>	<u>731</u>	<u>(294)</u>
Total revenues	<u>240,675</u>	<u>240,675</u>	<u>205,976</u>	<u>(34,699)</u>
Expenditures:				
Street operations	230,799	230,799	196,559	34,240
Debt service	<u>29,073</u>	<u>29,073</u>	<u>29,073</u>	<u>—</u>
Total expenditures	<u>259,872</u>	<u>259,872</u>	<u>225,632</u>	<u>34,240</u>
Revenues over (under) expenditures	(19,197)	(19,197)	(19,656)	(459)
Fund balance, beginning of year	<u>19,197</u>	<u>19,197</u>	<u>55,103</u>	<u>35,906</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 35,447</u>	<u>\$ 35,447</u>

**CITY OF MULVANE, KANSAS**

**NINE ONE ONE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 22,000	\$ 22,000	\$ 14,539	\$ (7,461)
Use of money and property	<u>500</u>	<u>500</u>	<u>173</u>	<u>(327)</u>
Total revenues	<u>22,500</u>	<u>22,500</u>	<u>14,712</u>	<u>(7,788)</u>
Expenditures:				
Operating expenditures	13,551	13,551	13,977	(426)
Debt service	<u>9,701</u>	<u>9,701</u>	<u>9,275</u>	<u>426</u>
Total expenditures	<u>23,252</u>	<u>23,252</u>	<u>23,252</u>	<u>—</u>
Expenditures over revenues	(752)	(752)	(8,540)	(7,788)
Fund balance, beginning of year	<u>752</u>	<u>752</u>	<u>21,270</u>	<u>20,518</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,730</u>	<u>\$ 12,730</u>

**CITY OF MULVANE, KANSAS**  
**SPECIAL PARK AND RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL –**  
**BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Liquor tax	\$ 10,805	\$ 10,805	\$ 11,091	\$ 286
Use of money and property	<u>230</u>	<u>230</u>	<u>393</u>	<u>163</u>
Total revenues	11,035	11,035	11,484	449
Expenditures:				
Capital outlay	<u>29,564</u>	<u>29,564</u>	<u>4,499</u>	<u>25,065</u>
Revenues over (under)				
expenditures	(18,529)	(18,529)	6,985	25,514
Fund balance,				
beginning of year	<u>18,529</u>	<u>18,529</u>	<u>37,716</u>	<u>19,187</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 44,701</u>	<u>\$ 44,701</u>

**CITY OF MULVANE, KANSAS**

**TRANSPORTATION IMPACT FEE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 8,000	\$ 8,000	\$ 4,900	\$ (3,100)
Use of money and property	<u>4,000</u>	<u>4,000</u>	<u>2,683</u>	<u>(1,317)</u>
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>7,583</u>	<u>(4,417)</u>
Expenditures and other uses:				
Capital outlay	205,555	205,555	–	205,555
Transfers out	<u>–</u>	<u>–</u>	<u>59,766</u>	<u>(59,766)</u>
Total expenditures and other uses	<u>205,555</u>	<u>205,555</u>	<u>59,766</u>	<u>145,789</u>
Revenues over (under) expenditures and other uses	(193,555)	(193,555)	(52,183)	141,372
Fund balance, beginning of year	<u>193,555</u>	<u>193,555</u>	<u>205,134</u>	<u>11,579</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$152,951</u>	<u>\$ 152,951</u>



**CITY OF MULVANE, KANSAS**

**STORM SEWER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 27,000	\$ 27,000	\$ 30,596	\$ 3,596
Use of money and property	<u>6,000</u>	<u>6,000</u>	<u>1,705</u>	<u>(4,295)</u>
Total revenues	33,000	33,000	32,301	(699)
Expenditures:				
Capital Outlay	<u>162,898</u>	<u>162,898</u>	<u>—</u>	<u>162,898</u>
Revenues over (under)				
expenditures	(129,898)	(129,898)	32,301	162,199
Fund balance,				
beginning of year	<u>129,898</u>	<u>129,898</u>	<u>170,503</u>	<u>40,605</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$202,804</u>	<u>\$ 202,804</u>

**CITY OF MULVANE, KANSAS**

**PARK IMPACT FEE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 1,000	\$ 1,000	\$ 2,100	\$ 1,100
Use of money and property	<u>500</u>	<u>500</u>	<u>372</u>	<u>(128)</u>
Total revenues	1,500	1,500	2,472	972
Expenditures:				
Capital outlay	<u>47,082</u>	<u>47,082</u>	<u>—</u>	<u>47,082</u>
Revenues over (under) expenditures	(45,582)	(45,582)	2,472	48,054
Fund balance, beginning of year	<u>45,582</u>	<u>45,582</u>	<u>47,032</u>	<u>1,450</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 49,504</u>	<u>\$ 49,504</u>

**CITY OF MULVANE, KANSAS**

**SWIMMING POOL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$61,000	\$61,000	\$ 60,479	\$ (521)
Use of money and property	–	–	8	8
Transfers in	<u>130,287</u>	<u>130,287</u>	<u>91,000</u>	<u>(39,287)</u>
Total revenues	191,287	191,287	151,487	(39,800)
Expenditures:				
Swimming pool operations	<u>191,287</u>	<u>191,287</u>	<u>151,172</u>	<u>40,115</u>
Revenues over expenditures	–	–	315	315
Fund balance, beginning of year	<u>8,636</u>	<u>8,636</u>	<u>144</u>	<u>(8,492)</u>
Fund balance, end of year	<u>\$ 8,636</u>	<u>\$ 8,636</u>	<u>\$ 459</u>	<u>\$ (8,177)</u>

**CITY OF MULVANE, KANSAS**

**DEBT SERVICE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL -  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 341,056	\$ 341,056	\$ 336,907	\$ (4,149)
Special assessments	465,003	465,003	536,508	71,505
Proceeds from refunding bonds	—	—	1,283,769	1,283,769
Use of money and property	<u>12,000</u>	<u>12,000</u>	<u>4,285</u>	<u>(7,715)</u>
Total revenues	<u>818,059</u>	<u>818,059</u>	<u>2,161,469</u>	<u>1,343,410</u>
Expenditures and other uses:				
Bond Principal	581,906	581,906	1,845,421	(1,263,515)
Bond interest and commission	375,611	375,611	368,805	6,806
Miscellaneous	3,091	3,091	18,345	(15,254)
Cash basis reserve	<u>10,000</u>	<u>10,000</u>	<u>—</u>	<u>10,000</u>
Total expenditures and other uses	<u>970,608</u>	<u>970,608</u>	<u>2,232,571</u>	<u>(1,261,963)</u>
Revenues over (under) Expenditures and other uses	(152,549)	(152,549)	(71,102)	81,447
Fund balance, beginning of year	<u>152,549</u>	<u>152,549</u>	<u>180,792</u>	<u>28,243</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 109,690</u>	<u>\$ 109,690</u>

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The fund measure focus is upon determination of net income, financial position and change in financial position. The following major Enterprise Funds are reported:

**Electric System** - to account for the maintenance of the electric distribution system. Financing is provided by user charges.

**Water System** - to account for the maintenance of the water distribution system. Financing is provided by user charges.

**Sewer System** - to account for the operation and maintenance of the sewer system and sewage treatment plant. Financing is provided by user charges.



**CITY OF MULVANE, KANSAS**

**ELECTRIC SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$5,586,474	\$5,586,474	\$3,681,511	\$(1,904,963)
Use of money and property	75,500	75,500	79,613	4,113
Proceeds from refunding bonds	—	—	387,434	387,434
Miscellaneous	<u>—</u>	<u>—</u>	<u>15,715</u>	<u>15,715</u>
Total revenues	<u>5,661,974</u>	<u>5,661,974</u>	<u>4,164,273</u>	<u>(1,497,701)</u>
<b>Expenditures, encumbrances and other uses:</b>				
Operations	5,165,200	5,165,200	3,173,533	1,991,667
Nonoperating	255,000	255,000	188,086	66,914
Debt service	386,700	386,700	771,395	(384,695)
Transfers out	<u>202,000</u>	<u>202,000</u>	<u>265,931</u>	<u>(63,931)</u>
Total expenditures, encumbrances and other uses	<u>6,008,900</u>	<u>6,008,900</u>	<u>4,398,945</u>	<u>1,609,955</u>
Revenues over (under) expenditures, encumbrances and other uses	(346,926)	(346,926)	(234,672)	112,254
Fund balance, beginning of year	<u>2,238,890</u>	<u>2,238,890</u>	<u>3,147,175</u>	<u>908,285</u>
Fund balance, end of year	<u>\$1,891,964</u>	<u>\$1,891,964</u>	<u>\$2,912,503</u>	<u>\$1,020,539</u>

**CITY OF MULVANE, KANSAS**

**WATER SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$1,196,500	\$1,196,500	\$ 787,925	\$(408,575)
Use of money and property	11,835	11,835	9,796	(2,039)
Proceeds from refunding bonds	–	–	678,641	678,641
Miscellaneous	–	–	2,219	2,219
Transfers in	<u>–</u>	<u>–</u>	<u>72,573</u>	<u>72,573</u>
<b>Total revenues</b>	<u>1,208,335</u>	<u>1,208,335</u>	<u>1,551,154</u>	<u>342,819</u>
<b>Expenditures, encumbrances and other uses:</b>				
Operations	1,071,928	1,071,928	758,670	313,258
Nonoperating	40,000	40,000	17,058	22,942
Debt service	86,516	86,516	751,772	(665,256)
Transfers out	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>–</u>
<b>Total expenditures, encumbrances and other uses</b>	<u>1,207,444</u>	<u>1,207,444</u>	<u>1,536,500</u>	<u>(329,056)</u>
<b>Revenues over expenditures, encumbrances and other uses</b>	891	891	14,654	13,763
<b>Fund balance, beginning of year</b>	<u>322,603</u>	<u>322,603</u>	<u>219,357</u>	<u>(103,246)</u>
<b>Fund balance, end of year</b>	<u>\$ 323,494</u>	<u>\$ 323,494</u>	<u>\$ 234,011</u>	<u>\$ (89,483)</u>



**CITY OF MULVANE, KANSAS**

**SEWER SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$1,203,603	\$1,203,603	\$1,147,125	\$ (56,478)
Use of money and property	11,497	11,497	15,481	3,984
Proceeds from refunding bonds	–	–	805,156	805,156
Miscellaneous	<u>–</u>	<u>–</u>	<u>2,951</u>	<u>2,951</u>
Total revenues	<u>1,215,100</u>	<u>1,215,100</u>	<u>1,970,713</u>	<u>755,613</u>
Expenditures, encumbrances and other uses:				
Operations	822,212	822,212	571,464	250,748
Nonoperating	46,000	46,000	18,106	27,894
Debt service	618,564	618,564	1,404,736	(786,172)
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>–</u>
Total expenditures, encumbrances and other uses	<u>1,516,776</u>	<u>1,516,776</u>	<u>2,024,306</u>	<u>(507,530)</u>
Revenues over (under) expenditures, encumbrances and other uses	(301,676)	(301,676)	(53,593)	248,083
Fund balance, beginning of year	<u>1,663,090</u>	<u>1,663,090</u>	<u>1,547,672</u>	<u>(115,418)</u>
Fund balance, end of year	<u>\$1,361,414</u>	<u>\$1,361,414</u>	<u>\$1,494,079</u>	<u>\$ 132,665</u>

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### **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for the financing and administration of general services rendered to the various departments of the City. The following Internal Service Fund is reported:

**Maintenance Shop** - to account for the central maintenance facility for all City vehicles. Financing is provided by charges to the respective users on a cost reimbursement basis.



**CITY OF MULVANE, KANSAS**

**MAINTENANCE SHOP FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2009**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues and other sources:				
Charges for services	\$ 79,594	\$ 79,594	\$ 44,569	\$ (35,025)
Interest earnings	—	—	5	5
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>20,000</u>	<u>5,000</u>
Total revenues and other sources	94,594	94,594	64,574	(30,020)
Expenditures:				
Operating expenditures	<u>94,594</u>	<u>94,594</u>	<u>61,753</u>	<u>32,841</u>
Revenues and other sources over (under) expenditures	—	—	2,821	2,821
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,821</u>	<u>\$ 2,821</u>

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## **FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agent capacity for others and, therefore, are not used to support the government's own programs. The following Fiduciary Fund is reported:

### **AGENCY FUNDS:**

**Payroll Clearing** - to account for moneys held on behalf of City employees payroll for related payroll taxes, retirement contributions, insurance and other authorized withholdings by City employees.





**CITY OF MULVANE, KANSAS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –**  
**PAYROLL CLEARING FUND**

**Year ended December 31, 2009**

	Balance January 1, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2009</u>
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ <u>—</u>	\$ <u>3,340,571</u>	\$ <u>3,340,571</u>	\$ <u>—</u>
<b><u>LIABILITIES</u></b>				
Accrued liabilities payable	\$ <u>—</u>	\$ <u>3,340,571</u>	\$ <u>3,340,571</u>	\$ <u>—</u>

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## **COMPONENT UNIT**

The Mulvane Public Library is reported as a discretely presented component unit within the financial statements of the City of Mulvane (the reporting entity) to emphasize its separate legal status. The Mulvane Public Library Board is appointed by the City Council and operates the public library of the City. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special revenue fund of the City. The Library Board also receives funding through state assistance programs, fines and donations from the public. The following funds are used to account for the operations of the Mulvane Public Library:

**General Fund** – to account for all operating activities of the public library that are not required to be accounted for in another fund.

**Special Grants** – to account for grant proceeds received from the State of Kansas and other governmental units.

**Capital Development Reserve Fund** – to account for capital equipment and improvement expenditures. Financing is provided through transfers from the General Fund.



**CITY OF MULVANE, KANSAS**  
**COMBINING BALANCE SHEET – MULVANE PUBLIC LIBRARY**  
**December 31, 2009**

	<u>General</u>	<u>Special Grants</u>	<u>Capital Development Reserve</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and investments	<u>\$ 9,212</u>	<u>\$ 11,690</u>	<u>\$ 42,323</u>	<u>\$ 63,225</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Unreserved	<u>9,212</u>	<u>11,690</u>	<u>42,323</u>	<u>63,225</u>
Total liabilities and fund balances	<u>\$ 9,212</u>	<u>\$ 11,690</u>	<u>\$ 42,323</u>	<u>\$ 63,225</u>
Reconciliation to total net assets:				
Fund balance per above				\$ 63,225
Add long-term capital assets				22,337
Less accumulated depreciation on long-term capital assets				<u>(6,397)</u>
Total net assets				<u>\$ 79,165</u>

**CITY OF MULVANE, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – MULVANE PUBLIC LIBRARY**

**Year ended December 31, 2009**

	<u>General</u>	<u>Special Grants</u>	<u>Capital Development Reserve</u>	<u>Total</u>
<b>Revenues:</b>				
Appropriations from City of Mulvane	\$ 135,455	\$ —	\$ —	\$ 135,455
Intergovernmental	—	18,904	—	18,904
Fines and forfeitures	—	4,767	—	4,767
Use of money and property	26	8	248	282
Miscellaneous	—	695	—	695
<b>Total revenues</b>	<u>135,481</u>	<u>24,374</u>	<u>248</u>	<u>160,103</u>
<b>Expenditures:</b>				
Personal services	93,767	—	—	93,767
Contractual services	21,093	1,368	—	22,461
Commodities	23,064	19,515	—	42,579
Capital outlay	—	3,743	—	3,743
<b>Total expenditures</b>	<u>137,924</u>	<u>24,626</u>	<u>—</u>	<u>162,550</u>
<b>Revenues over (under) expenditures</b>	<u>(2,443)</u>	<u>(252)</u>	<u>248</u>	<u>(2,447)</u>
<b>Other financing sources (uses):</b>				
Transfers in	—	—	4,263	4,263
Transfers out	(4,263)	—	—	(4,263)
<b>Total other financing sources (uses)</b>	<u>(4,263)</u>	<u>—</u>	<u>4,263</u>	<u>—</u>
<b>Net change in fund balance</b>	<u>(6,706)</u>	<u>(252)</u>	<u>4,511</u>	<u>(2,447)</u>
<b>Fund balances, beginning of year</b>	<u>15,918</u>	<u>11,942</u>	<u>37,812</u>	<u>65,672</u>
<b>Fund balances, end of year</b>	<u>\$ 9,212</u>	<u>\$ 11,690</u>	<u>\$ 42,323</u>	<u>\$ 63,225</u>
 <b>Reconciliation of change in net assets:</b>				
Net change in fund balance per above				\$ (2,447)
Add current year capital asset additions				2,623
Less current year depreciation on capital assets				(3,635)
<b>Change in net assets</b>				<u>\$ (3,459)</u>

## **STATISTICAL SECTION**





## STATISTICAL SECTION

This part of the City of Mulvane's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	82
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source.	87
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	91
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	99
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	101

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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City of Mulvane, Kansas  
Net Assets by Component  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

Governmental Activities	2004	2005	2006	2007	2008	2009
Invested in Capital Assets (Net of related debt)	\$ 18,708,248	\$ 18,636,328	\$ 17,062,117	\$ 18,844,700	\$ 18,804,024	\$ 18,441,345
Restricted	4,906,779	4,584,125	4,239,542	4,128,358	3,799,446	3,385,328
Unrestricted	2,432,431	2,868,868	4,518,782	2,908,285	3,083,950	3,159,986
Total Governmental Activities Net Assets	<u>\$ 26,047,458</u>	<u>\$ 28,089,317</u>	<u>\$ 25,818,451</u>	<u>\$ 25,881,341</u>	<u>\$ 25,487,420</u>	<u>\$ 24,987,669</u>
Business-type Activities						
Invested in Capital Assets (Net of related debt)	\$ 4,986,835	\$ 5,013,568	\$ 4,468,193	\$ 4,934,558	\$ 5,016,061	\$ 4,934,176
Restricted	1,935,519	1,892,958	3,084,039	2,390,773	2,662,806	2,482,221
Unrestricted	1,633,048	2,485,306	2,371,740	2,860,880	2,446,519	2,509,398
Total Business-type Activities Net Assets	<u>\$ 8,555,202</u>	<u>\$ 9,191,832</u>	<u>\$ 9,923,972</u>	<u>\$ 10,186,189</u>	<u>\$ 10,125,486</u>	<u>\$ 9,925,795</u>
Primary Government						
Invested in Capital Assets (Net of related debt)	\$ 23,694,883	\$ 23,649,894	\$ 21,530,310	\$ 23,779,256	\$ 23,620,085	\$ 23,375,521
Restricted	6,845,298	6,277,083	7,323,581	6,519,129	6,462,352	5,868,549
Unrestricted	4,065,479	5,354,172	6,888,532	5,769,145	5,510,489	5,669,394
Total Primary Government Net Assets	<u>\$ 34,605,660</u>	<u>\$ 35,281,149</u>	<u>\$ 35,742,423</u>	<u>\$ 36,067,530</u>	<u>\$ 35,592,906</u>	<u>\$ 34,913,464</u>

City of Mulvane, Kansas  
Changes in Net Assets  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
<b>Governmental Activities</b>						
General Government	\$ 265,602	\$ 261,623	\$ 259,065	\$ 299,958	\$ 319,914	\$ 345,662
Public Safety	1,463,226	1,550,103	1,653,301	1,830,363	1,895,463	1,872,712
Highways and Streets	1,446,783	1,256,670	1,262,543	1,287,818	1,356,127	1,326,846
Health and Sanitation	1,047,430	-	-	-	-	-
Culture and Recreation	473,546	512,808	486,649	807,939	731,410	711,336
Economic Development	7,211	91,012	5,077	7,657	42,781	9,396
Environmental Protection	4,040	1,571	3,653	734	1,791	704
Interest on Long Term Debt	415,754	373,817	458,743	508,057	450,311	552,841
<b>Total Governmental Activities Expenses</b>	<b>\$ 5,123,592</b>	<b>\$ 4,047,404</b>	<b>\$ 4,129,031</b>	<b>\$ 4,742,526</b>	<b>\$ 4,797,797</b>	<b>\$ 4,919,297</b>
<b>Business-type Activities</b>						
Electric Utility	\$ 2,837,530	\$ 3,695,828	\$ 4,087,728	\$ 4,142,178	\$ 4,444,773	\$ 3,998,986
Water Utility	763,905	745,859	868,180	841,818	805,636	797,814
Wastewater Utility	456,304	487,222	859,697	1,033,413	1,125,643	1,149,896
<b>Total Business-type Activities</b>	<b>\$ 4,057,739</b>	<b>\$ 4,928,909</b>	<b>\$ 5,815,605</b>	<b>\$ 6,017,207</b>	<b>\$ 6,376,052</b>	<b>\$ 5,946,696</b>
<b>Total Primary Government Expenses</b>	<b>\$ 9,181,331</b>	<b>\$ 8,976,313</b>	<b>\$ 9,944,636</b>	<b>\$ 10,759,733</b>	<b>\$ 11,173,849</b>	<b>\$ 10,865,993</b>
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
Charges for Services						
General Government	\$ 71,912	\$ 21,306	\$ 121,343	\$ 106,040	\$ 106,069	\$ 83,793
Public Safety	268,234	257,556	247,644	239,674	269,079	316,185
Highway & Streets	182,587	66,428	58,224	34,004	35,636	35,496
Culture and Recreation	11,100	16,165	16,688	53,048	64,488	66,874
Operating Grants and Contributions	331,730	586,839	833,775	1,108,237	751,318	771,910
Capital Grants and Contributions	-	82,930	75,043	70,406	18,941	95,443
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 865,543</b>	<b>\$ 1,031,224</b>	<b>\$ 1,352,717</b>	<b>\$ 1,611,409</b>	<b>\$ 1,245,531</b>	<b>\$ 1,369,701</b>
<b>Business-type Activities</b>						
Charges for Services						
Electric Utility	\$ 2,857,306	\$ 3,532,445	\$ 3,987,772	\$ 3,989,314	\$ 4,247,909	\$ 3,739,283
Water Utility	735,081	837,255	895,647	837,418	792,857	793,216
Wastewater Utility	490,919	802,381	1,183,147	1,172,076	1,156,679	1,148,151
Capital Grants and Contributions	1,584,048	430,061	9,452	-	-	9,710
<b>Total Business-type Activities Program Revenues</b>	<b>\$ 5,667,354</b>	<b>\$ 5,602,142</b>	<b>\$ 6,056,018</b>	<b>\$ 5,998,808</b>	<b>\$ 6,197,445</b>	<b>\$ 5,690,360</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 6,532,897</b>	<b>\$ 6,633,366</b>	<b>\$ 7,408,735</b>	<b>\$ 7,610,217</b>	<b>\$ 7,442,976</b>	<b>\$ 7,060,061</b>

Continued on the next page

City of Mulvane, Kansas  
Changes in Net Assets  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

Continued from the previous page

	2004	2005	2006	2007	2008	2009
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ (4,258,049)	\$ (3,016,180)	\$ (2,776,314)	\$ (3,131,117)	\$ (3,552,266)	\$ (3,549,596)
Business-type Activities	1,809,615	673,233	240,414	(18,399)	(178,607)	(256,336)
<b>Total Primary Government Net Expenses</b>	<u>\$ (2,648,434)</u>	<u>\$ (2,342,947)</u>	<u>\$ (2,535,900)</u>	<u>\$ (3,149,516)</u>	<u>\$ (3,730,873)</u>	<u>\$ (3,805,932)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities						
Taxes						
Property Taxes						
General Purposes	\$ 1,376,871	\$ 1,487,332	\$ 1,381,460	\$ 1,600,292	\$ 1,444,462	\$ 1,651,051
Debt Service	2,103,139	398,856	169,390	364,678	441,259	336,907
Sales Taxes	614,082	603,723	639,973	679,351	703,376	658,940
Franchise Taxes	290,505	346,273	390,475	365,885	379,968	380,254
Investment Earnings	64,938	96,666	178,040	240,599	130,280	45,034
Transfers	467,076	125,189	(253,890)	(56,798)	39,000	0
<b>Total Governmental Activities</b>	<u>\$ 4,916,611</u>	<u>\$ 3,058,039</u>	<u>\$ 2,505,448</u>	<u>\$ 3,194,007</u>	<u>\$ 3,138,345</u>	<u>\$ 3,072,186</u>
Business Type Activities						
Investment Earnings	\$ 61,654	\$ 85,586	\$ 237,836	\$ 223,818	\$ 156,904	\$ 54,304
Transfers	(467,076)	(125,189)	253,890	56,798	(39,000)	0
<b>Total Business-type Activities</b>	<u>\$ (405,422)</u>	<u>\$ (39,603)</u>	<u>\$ 491,726</u>	<u>\$ 280,618</u>	<u>\$ 117,904</u>	<u>\$ 54,304</u>
<b>Total Primary Government</b>	<u>\$ 4,511,189</u>	<u>\$ 3,018,436</u>	<u>\$ 2,997,174</u>	<u>\$ 3,474,623</u>	<u>\$ 3,256,249</u>	<u>\$ 3,126,490</u>
<b>Change in Net Assets</b>						
Governmental Activities	\$ 658,562	\$ 41,859	\$ (270,866)	\$ 62,890	\$ (413,921)	\$ (477,410)
Business-type Activities	1,204,193	633,830	732,140	262,217	(60,703)	(202,032)
<b>Total Primary Government</b>	<u>\$ 1,862,755</u>	<u>\$ 675,489</u>	<u>\$ 461,274</u>	<u>\$ 325,107</u>	<u>\$ (474,624)</u>	<u>\$ (679,442)</u>

City of Mulvane, Kansas  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 271,715	\$ 29,820	\$ 23,287	\$ 108,293	\$ 27,849	\$ 3,052	\$ 97,085	\$ 130,488	\$ -	\$ -
Unreserved	439,127	884,263	904,869	813,184	818,966	1,127,764	1,305,430	1,484,786	1,662,840	1,729,665
Total General Fund	<u>\$ 710,842</u>	<u>\$ 914,083</u>	<u>\$ 928,156</u>	<u>\$ 921,477</u>	<u>\$ 846,815</u>	<u>\$ 1,130,816</u>	<u>\$ 1,402,515</u>	<u>\$ 1,615,274</u>	<u>\$ 1,662,840</u>	<u>\$ 1,729,665</u>
All Other Governmental Funds										
Reserved	\$ 93,288	\$ 940,026	\$ 390,452	\$ 331,000	\$ 165,719	\$ 682,690	\$ 2,035,192	\$ 27,596	\$ 7,735	\$ 179,765
Unreserved, reported in:										
Capital Project Funds	(741,580)	(741,580)	(942,762)	(2,010,406)	(52,949)	(691,860)	(183,001)	-	(7,735)	(168,215)
Debt Service Funds	117,710	117,062	192,183	334,484	297,602	274,231	208,429	160,646	180,792	109,690
Special Revenue Funds	984,630	1,110,787	742,453	1,425,989	1,691,789	1,843,044	1,340,582	1,482,099	1,595,728	1,645,787
Total all other Governmental Funds	<u>\$ 454,048</u>	<u>\$ 1,426,295</u>	<u>\$ 382,326</u>	<u>\$ 81,047</u>	<u>\$ 2,102,161</u>	<u>\$ 2,108,105</u>	<u>\$ 3,391,202</u>	<u>\$ 1,670,341</u>	<u>\$ 1,776,520</u>	<u>\$ 1,767,027</u>

City of Mulvane, Kansas  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 1,016,725	\$ 1,211,554	\$ 1,439,907	\$ 1,488,083	\$ 1,483,925	\$ 2,287,761	\$ 2,210,858	\$ 2,665,558	\$ 2,804,534	\$ 2,660,984
Special Assessment Taxes	260,215	297,596	357,714	508,409	405,931	507,847	571,809	511,027	533,832	536,508
Intergovernmental	797,485	821,918	892,098	1,101,314	899,667	482,299	563,138	560,415	540,637	651,988
Licenses and Permits	364,587	431,221	384,473	387,962	429,598	521,008	513,623	415,565	439,513	440,573
Charges for Services	143,925	216,839	224,170	189,542	240,934	95,986	148,677	205,939	234,373	290,487
Fines and Forfeitures	97,175	86,210	118,768	122,836	153,786	166,353	129,181	113,179	120,373	116,773
Use of Money & Property	112,432	137,327	113,459	57,920	63,171	97,310	187,442	245,005	135,575	54,231
Other Revenues	10,849	24,160	77,788	69,937	104,870	51,100	46,098	178,898	85,295	32,349
<b>Total Revenues</b>	<b>\$ 2,803,403</b>	<b>\$ 3,226,825</b>	<b>\$ 3,608,373</b>	<b>\$ 3,928,003</b>	<b>\$ 3,791,882</b>	<b>\$ 4,229,684</b>	<b>\$ 4,380,836</b>	<b>\$ 4,925,617</b>	<b>\$ 4,693,932</b>	<b>\$ 4,783,903</b>
<b>Expenditures</b>										
General Government	\$ 589,110	\$ 528,261	\$ 648,972	\$ 627,088	\$ 324,312	\$ 237,027	\$ 258,848	\$ 405,872	\$ 350,611	\$ 322,713
Public Safety	1,009,287	1,677,846	2,028,739	1,131,717	1,489,850	1,475,330	1,801,569	1,854,597	1,804,548	2,001,478
Highways and Streets	353,743	587,707	517,513	514,779	562,142	385,580	455,360	452,098	628,741	449,734
Culture and Recreation	288,820	298,044	307,824	288,196	520,391	489,771	552,655	793,733	624,406	705,882
Economic Development	11,468	11,081	10,586	8,069	7,211	91,012	3,853	7,857	1,791	8,398
Environmental Protection	2,414	2,287	1,557	1,988	4,040	1,571	5,077	734	42,781	704
Capital Outlay	571,182	830,003	1,170,470	2,253,884	378,723	481,061	1,739,578	2,075,717	1,365	148,432
Debt Service										
Principal	232,473	303,251	494,126	1,086,835	586,908	599,934	652,871	600,483	647,428	669,987
Interest	181,892	202,124	221,887	235,582	249,833	283,922	333,178	505,886	477,518	500,830
<b>Total Expenditures</b>	<b>\$ 3,201,377</b>	<b>\$ 4,436,584</b>	<b>\$ 5,401,574</b>	<b>\$ 6,158,048</b>	<b>\$ 4,124,210</b>	<b>\$ 4,084,908</b>	<b>\$ 5,802,710</b>	<b>\$ 6,896,585</b>	<b>\$ 4,579,187</b>	<b>\$ 4,809,148</b>
<b>Revenues over (under) Expenditures</b>	<b>\$ (397,974)</b>	<b>\$ (1,211,759)</b>	<b>\$ (1,793,201)</b>	<b>\$ (2,232,043)</b>	<b>\$ (332,328)</b>	<b>\$ 184,756</b>	<b>\$ (1,411,874)</b>	<b>\$ (1,770,968)</b>	<b>\$ 114,745</b>	<b>\$ (25,243)</b>
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds	\$ 662,475	\$ 2,318,701	\$ 806,000	\$ 1,853,843	\$ 1,764,037	\$ -	\$ 2,863,193	\$ 245,980	\$ -	\$ 2,538,769
Notes Payable	-	-	-	-	-	-	140,000	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	-	-	-	-
Transfers In	528,539	264,054	1,038,845	817,732	870,088	738,473	1,005,881	578,740	406,383	(2,467,744)
Transfers Out	(360,212)	(288,249)	(1,078,808)	(947,490)	(202,892)	(611,284)	(1,042,404)	(581,834)	(387,383)	520,455
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 830,802</b>	<b>\$ 2,284,515</b>	<b>\$ 866,037</b>	<b>\$ 1,924,085</b>	<b>\$ 2,231,113</b>	<b>\$ 125,189</b>	<b>\$ 2,966,670</b>	<b>\$ 262,866</b>	<b>\$ 39,000</b>	<b>\$ 71,025</b>
<b>Net Change in Fund Balance</b>	<b>\$ 432,828</b>	<b>\$ 1,072,756</b>	<b>\$ (927,164)</b>	<b>\$ (307,958)</b>	<b>\$ 1,888,585</b>	<b>\$ 289,845</b>	<b>\$ 1,554,788</b>	<b>\$ (1,508,102)</b>	<b>\$ 153,745</b>	<b>\$ 45,782</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>14.40%</b>	<b>13.60%</b>	<b>16.50%</b>	<b>33.20%</b>	<b>28.70%</b>	<b>26.30%</b>	<b>27.70%</b>	<b>26.87%</b>	<b>38.31%</b>	<b>38.33%</b>

City of Mulvane, Kansas  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Assessed Value	Total Estimated Actual Value	Total Direct Tax Rate	Assessed Value as a % of Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2000	18,456,858	150,925,240	1,560,310	4,897,681	20,017,168	155,822,921	44.895	12.85%
2001	20,107,700	152,592,608	1,358,036	3,879,331	21,465,736	156,471,939	44.676	13.72%
2002	21,786,634	166,933,830	1,901,335	6,061,603	23,687,969	172,995,433	49.969	13.69%
2003	23,882,832	190,793,969	1,095,049	4,271,391	24,977,881	195,065,360	47.390	12.80%
2004	24,343,115	201,309,085	1,913,609	6,949,833	26,256,724	208,258,918	49.811	12.61%
2005	24,796,820	210,168,700	2,068,702	7,290,903	26,865,522	217,459,603	48.633	12.35%
2006	26,533,827	224,350,150	2,307,289	4,785,413	28,841,116	229,135,563	48.411	12.59%
2007	29,573,414	246,748,199	901,582	3,465,932	30,474,996	250,214,131	56.664	12.18%
2008	30,134,110	245,156,390	821,554	3,642,460	30,955,664	248,798,850	53.331	12.44%
2009	30,234,063	251,950,525	724,089	2,955,465	30,958,152	254,905,990	53.359	12.14%

Source: State - Division of Budget  
Sedgwick County Clerk  
Sumner County Clerk



City of Mulvane, Kansas  
Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years  
(per \$1000 of Assessed Value)

Sedgwick County

Fiscal Year	General	Debt Service	Employee Benefits	Library	City Rates			Capital Improvements	Special Liability	Total City	Overlapping Government Rates					Total
					Industrial Development	Library					State	County	School	Cemetery	Township	
2000	22,880	4,775	12,335	3,907	0.499	3,907		0.000	0.498	44,895	1,500	28,671	41,981	0.840	0.000	117,887
2001	29,418	5,858	5,588	3,812	0.000	3,812		0.000	0.000	44,676	1,500	28,600	45,884	1.680	0.000	122,420
2002	28,891	8,940	8,527	3,611	0.000	3,611		0.000	0.000	48,968	1,500	28,654	44,186	0.904	0.000	125,213
2003	17,223	7,978	15,164	3,489	1.033	3,489		2,503	0.000	47,390	1,500	28,776	44,028	0.982	0.000	122,686
2004	22,283	5,834	13,687	4,016	1.155	4,016		2,838	0.000	48,811	1,500	28,817	45,010	0.989	0.000	126,127
2005	20,593	5,978	10,374	3,653	0.954	3,653		8,121	0.962	48,633	1,500	28,763	52,129	1.001	0.000	132,026
2006	22,893	4,915	13,172	3,904	0.780	3,904		1,932	0.815	48,411	1,500	28,758	55,847	1.304	0.000	135,920
2007	27,368	11,843	11,911	3,638	0.412	3,638		0.725	0.767	58,684	1,500	31,315	51,296	1.301	0.000	142,076
2008	22,545	12,429	11,003	3,715	0.384	3,715		2,807	0.868	53,331	1,500	30,377	56,788	1.391	0.000	143,367
2009	22,413	12,785	13,828	4,088	0.000	4,088		0.000	0.298	53,414	1,500	29,888	55,806	1.198	0.000	141,786
Sumner County																
2000	22,880	4,775	12,335	3,907	0.499	3,907		0.000	0.499	44,895	1,500	50,330	41,981	0.840	1.361	140,807
2001	28,418	5,858	5,588	3,812	0.000	3,812		0.000	0.000	44,676	1,500	51,353	45,884	1.680	1.224	146,397
2002	28,891	8,940	8,527	3,611	0.000	3,611		0.000	0.000	49,968	1,500	56,265	44,186	0.904	0.000	152,824
2003	17,223	7,978	15,164	3,489	1.033	3,489		2,503	0.000	47,390	1,500	57,747	44,028	0.982	0.000	151,857
2004	22,283	5,834	13,687	4,016	1.155	4,016		2,838	0.000	49,811	1,500	57,644	45,010	0.989	0.000	154,854
2005	20,593	5,978	10,374	3,653	0.954	3,653		8,121	0.962	48,633	1,500	58,493	52,129	1.001	0.000	161,756
2006	22,893	4,915	13,172	3,904	0.780	3,904		1,932	0.815	48,411	1,500	55,899	55,847	1.304	0.000	163,061
2007	27,368	11,843	11,911	3,638	0.412	3,638		0.725	0.767	58,684	1,500	56,439	51,296	1.301	0.000	167,200
2008	22,545	12,429	11,003	3,715	0.384	3,715		2,807	0.868	53,331	1,500	58,026	56,788	1.391	0.000	171,018
2009	22,413	12,785	13,828	4,088	0.000	4,088		0.000	0.298	53,414	1,500	58,517	55,806	1.198	0.000	170,435

Source: Sedgwick County Clerk  
Sumner County Clerk

City of Mulvane, Kansas  
Principal Property Taxpayers  
Current Year and Nine Years Ago

2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<b>Sedgwick County:</b>			
Kansas Gas Service	\$ 287,407	1	0.93%
Mulvane Housing Associated LP	252,701	2	0.82%
BNSF	166,980	3	0.54%
Olderbak Enterprises South	155,275	4	0.50%
Congleton LLC	144,632	5	0.47%
Prairie State Bank	143,945	6	0.46%
Branine, Gary E.	135,001	7	0.44%
Westfall, Ray W & Sharron K	130,916	8	0.42%
Carro, Antonio L MD PA	122,960	9	0.40%
L Joyce Carr Rev Trust	104,300	10	0.34%
	<u>\$ 1,644,117</u>		<u>5.31%</u>

**Sumner County:**

Carson Bank	\$ 152,729	1	0.49%
Southwestern Bell	144,801	2	0.47%
Ratzlaff Properties	141,528	3	0.46%
Mulvane Coop	135,441	4	0.44%
Pearl Street Duplex	116,003	5	0.37%
Pendergraft Properties	111,707	6	0.36%
Wolfe, R. E. LLC	110,668	7	0.36%
Gilbert, Dennis	89,371	8	0.29%
Ratzlaff Properties	99,258	9	0.32%
Wolfe, Mary A Rev Trust	82,553	10	0.27%
	<u>\$ 1,184,059</u>		<u>3.82%</u>

2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<b>Sedgwick County:</b>			
Mulvane Housing Authority	\$ 161,921	1	0.776%
Brews, LTD	157,660	2	0.758%
Kansas Gas Service	124,970	3	0.601%
Westfall, Ray W & Sharron K	98,594	4	0.474%
Branine, Gary E & Anita J	90,212	5	0.434%
Southwestern Bell	88,670	6	0.426%
Carson, Frank L, Jr, Trust	82,574	7	0.397%
Life Center of Wichita	81,375	8	0.391%
Lankard-schippers bldg Partnership	65,866	9	0.317%
Miller, Bryon L & Severly Krev Liv Tr	61,365	10	0.003%
	<u>\$ 1,013,207</u>		<u>4.579%</u>
<b>Sumner County:</b>			
Southwestern Bell	\$ 265,132	1	7.463%
Mulvane Coop Union	125,535	2	3.533%
Mulvane State Bank	81,244	3	2.287%
Wolfe Machine, Inc.	59,765	4	1.682%
Via Christi Property	51,416	5	1.447%
BNSF	48,327	6	1.360%
Patterson, Janes	45,890	7	1.292%
C B Leasing	39,299	8	1.106%
Union Pacific	37,556	9	1.057%
Don Gilliam	36,796	10	1.036%
	<u>\$ 790,960</u>		<u>22.263%</u>

Source: Sumner County Clerk  
Sedgwick County Clerk

**City of Mulvane, Kansas  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2000	808,593	790,423	97.75%	18,826	809,249	100.08%
2001	900,767	879,952	97.69%	28,768	908,720	100.88%
2002	1,093,631	1,063,407	97.24%	13,635	1,077,042	98.48%
2003	1,122,547	1,052,684	93.78%	21,435	1,074,119	95.69%
2004	1,244,152	1,184,614	95.21%	23,489	1,208,103	97.10%
2005	1,240,518	1,214,079	97.87%	43,878	1,257,957	101.41%
2006	1,300,555	1,256,587	96.62%	21,820	1,278,407	98.30%
2007	1,623,079	1,584,413	97.62%	25,298	1,609,711	99.18%
2008	1,647,716	1,601,399	97.19%	34,052	1,635,451	99.26%
2009	1,699,468	1,636,482	96.29%	20,431	1,656,913	97.50%

Source: City Revenue Report  
Sedgwick County Clerk  
Sumner County Clerk

City of Mulvane, Kansas  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business Type Activities				% of Personal Income	Per Capita
	General Obligation Bonds	Public Building Commission Revenue Bonds	Temporary Notes	Notes Payable	Revenue Bonds	G.O. Bonds Secured by Enterprise Funds	Capital Leases	Total Primary Government		
2000	\$ 3,758,226	-	660,000	72,975	2,720,000	264,249	-	7,475,450	7.43%	1,450
2001	\$ 4,224,998	1,600,000	880,000	61,114	2,635,000	248,705	-	9,949,815	N/A	1,880
2002	\$ 4,832,839	1,555,000	1,030,000	48,134	7,180,000	233,161	-	14,860,134	N/A	2,837
2003	\$ 5,883,843	1,505,000	1,750,000	37,034	4,635,000	2,739,009	-	16,549,888	14.53%	3,018
2004	\$ 7,255,627	1,450,000	-	24,812	4,410,000	2,544,262	-	15,884,701	13.42%	2,833
2005	\$ 6,814,218	1,385,000	-	12,468	10,000,000	2,345,584	-	20,567,270	17.24%	3,694
2006	\$ 9,184,217	1,335,000	-	140,000	11,475,000	2,140,976	-	24,275,193	19.60%	4,358
2007	\$ 8,915,216	1,275,000	-	123,897	11,115,000	1,888,744	-	23,418,857	18.30%	4,069
2008	\$ 8,349,419	1,210,000	-	107,066	10,745,000	1,832,581	-	22,244,086	17.73%	3,745
2009	\$ 9,467,000	1,255,000	-	90,100	10,360,000	1,889,232	-	22,871,332	16.22%	3,920

**City of Mulvane, Kansas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2000	3,758,226	117,710	3,640,516	2.34%	706
2001	4,224,996	117,062	4,107,934	2.63%	800
2002	4,832,839	192,183	4,640,656	2.68%	885
2003	5,883,843	334,464	5,549,379	2.84%	1,011
2004	7,255,627	297,602	6,958,025	3.34%	1,257
2005	6,814,218	274,231	6,539,987	3.01%	1,175
2006	9,184,217	208,429	8,975,788	3.92%	1,611
2007	8,915,216	160,646	8,754,570	3.50%	1,521
2008	8,349,419	180,792	8,168,627	3.28%	1,375
2009	9,467,000	109,690	9,357,310	3.67%	1,604

Source: City's Financials  
Sedgwick County Clerk  
Sumner County Clerk

**City of Mulvane, Kansas**  
**Direct and Estimated Overlapping Governmental Activities Debt**  
**As of December 31, 2009**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>City's % Applicable</u>	<u>City's Amount of Overlapping Debt</u>
Estimated Overlapping Debt:			
Sedgwick County	\$ 73,790,000	0.63%	\$ 464,877
Sumner County	0	3.01%	\$ -
School District #263	<u>12,605,000</u>	<u>53.07%</u>	<u>\$ 6,689,474</u>
Total Estimated Overlapping Debt	86,395,000	8.28%	7,154,351
City's Direct Debt	<u>9,487,000</u>	<u>100.00%</u>	<u>9,487,000</u>
Total Direct and Overlapping Debt	<u><u>\$ 95,882,000</u></u>	<u><u>17.36%</u></u>	<u><u>\$ 16,641,351</u></u>

Source: Triplett, Woolf & Garretson, LLC

City of Mulvane, Kansas  
Legal Debt Margin  
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 7,676,067	\$ 8,284,158	\$ 8,824,786	\$ 9,199,136	\$ 9,582,786	\$ 9,865,747	\$ 10,615,719	\$ 11,405,853	\$ 11,673,038	\$ 11,371,226
Total Net Debt Applicable to Limit	2,813,560	2,896,992	2,899,339	4,938,631	3,277,955	3,080,158	5,682,971	5,409,727	5,109,494	9,487,000
Legal Debt Margin	4,862,487	5,387,166	5,925,447	4,262,505	6,304,834	6,785,589	4,932,745	5,996,228	6,563,544	1,884,228
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	37%	35%	33%	54%	34%	31%	54%	47%	44%	83%

Legal Debt Margin Calculation for 2009

Assessed Value	\$ 30,958,152
Motor-Vehicle K.S.A. 79-5113	6,945,933
Total Assessed Value	<u>\$ 37,904,085</u>
Debt Limit-Approximately 30% of Assessed Value (K.S.A. 10-308)	\$ 11,371,226
Bonded Indebtedness	9,487,000
Less Exempt Debt	<u>4,670,881</u>
Total Amount Applicable to Debt Limit	<u>9,487,000</u>
Legal Debt Margin	<u>\$ 1,884,226</u>

Source: City Financials  
Triplatt, Woolf & Garretson, LLC

City of Mulvane, Kansas  
Pledged-Revenue Coverage - Electric Utility  
Last Ten Fiscal Years

Electric Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2000	2,840,218	2,416,838	423,380	17,991	30,999	48,990	8.64
2001	2,924,460	2,352,458	572,002	19,115	30,261	49,376	11.58
2002	2,981,319	2,353,643	627,676	20,240	137,503	157,743	3.98
2003	3,043,558	2,545,475	498,083	110,000	216,090	326,090	1.53
2004	2,914,427	2,425,213	489,214	115,000	213,890	328,890	1.49
2005	4,032,385	3,054,738	977,647	115,000	211,015	326,015	3.00
2006	4,106,914	3,397,481	709,433	96,063	195,071	291,134	2.44
2007	4,132,963	3,465,207	667,756	145,266	192,189	337,455	1.98
2008	4,349,097	3,761,407	587,690	149,952	187,541	337,493	1.74
2009	3,775,570	3,327,394	448,176	154,638	182,592	337,230	1.33

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) Bond coverage for Electric, Waterworks, and Wastewater Utility System Refunding and Improvement Revenue Bonds, Series 2005 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2009 was 1.34. The revenue bond resolution requirement is 1.25.



**City of Mulvane, Kansas**  
**Pledged-Revenue Coverage - Water Utility**  
**Last Ten Fiscal Years**

<b>Water Revenue Bonds</b>							
<b>Year</b>	<b>Gross Revenues</b>	<b>Less Operating Expenses (1)</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage (2)</b>
2000	744,578	566,637	177,941	31,531	54,329	85,860	2.07
2001	755,075	605,731	149,344	33,502	53,036	86,538	1.73
2002	741,636	690,794	50,842	35,472	51,629	87,101	0.58
2003	760,189	704,887	55,302	—	—	—	—
2004	737,460	666,066	71,394	—	—	—	—
2005	840,364	644,166	196,198	—	—	—	—
2006	911,041	835,863	75,178	—	—	—	—
2007	847,595	734,771	112,824	—	—	—	—
2008	800,447	698,378	102,069	—	—	—	—
2009	795,752	691,736	104,016	—	—	—	—

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) Bond coverage for Electric, Waterworks, and Wastewater Utility System Refunding and Improvement Revenue Bonds, Series 2005 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2009 was 1.34. The revenue bond resolution requirement is 1.25.

City of Mulvane, Kansas  
Pledged-Revenue Coverage - Wastewater Utility  
Last Ten Fiscal Years

Wastewater Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2000	493,723	357,372	136,351	30,478	52,515	82,993	1.64
2001	497,368	285,904	211,464	32,383	51,265	83,648	2.53
2002	489,705	292,778	196,927	49,905	84,193	134,098	1.47
2003	481,653	333,622	148,031	—	—	—	—
2004	493,073	339,430	153,643	—	—	—	—
2005	814,979	319,401	495,578	—	—	—	—
2006	1,495,193	428,752	1,066,441	108,937	221,214	330,151	3.23
2007	1,242,068	468,586	773,482	214,734	300,513	515,247	1.50
2008	1,204,805	563,789	641,016	220,048	293,242	513,290	1.25
2009	1,163,632	604,931	558,701	230,362	285,580	515,942	1.08

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) Bond coverage for Electric, Waterworks, and Wastewater Utility System Refunding and Improvement Revenue Bonds, Series 2005 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2009 was 1.34. The revenue bond resolution requirement is 1.25.

City of Mulvane, Kansas  
Pledged-Revenue Coverage - Storm Water Utility  
Last Ten Fiscal Years

Storm Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2000	4,527	0	4,527	—	—	—	—
2001	27,674	0	27,674	—	—	—	—
2002	28,707	0	28,707	—	—	—	—
2003	29,214	0	29,214	—	—	—	—
2004	29,337	0	29,337	—	—	—	—
2005	33,608	0	33,608	—	—	—	—
2006	35,523	0	35,523	—	—	—	—
2007	36,038	0	36,038	—	—	—	—
2008	35,640	0	35,640	—	—	—	—
2009	32,301	0	32,301	—	—	—	—

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) Bond coverage for Electric, Waterworks, and Wastewater Utility System Refunding and Improvement Revenue Bonds, Series 2005 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2009 was 1.34. The revenue bond resolution requirement is 1.25.

**City of Mulvane, Kansas**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>	
						<u>Sedgwick County</u>	<u>Sumner County</u>
2000	5,155	\$ 100,641	\$ 19,523	34.5	1,942	3.40%	3.80%
2001	5,134	Not Available	Not Available	Not Available	1,929	4.10%	4.20%
2002	5,245	Not Available	Not Available	Not Available	1,972	6.50%	7.40%
2003	5,488	\$ 113,887	\$ 20,752	35	1,934	7.30%	7.70%
2004	5,536	\$ 116,843	\$ 21,106	35	1,935	6.20%	6.40%
2005	5,568	\$ 119,311	\$ 21,428	35	1,924	5.60%	6.10%
2006	5,570	\$ 123,860	\$ 22,237	35	1,920	4.86%	4.85%
2007	5,755	\$ 127,973	\$ 22,237	35	1,902	4.20%	4.20%
2008	5,940	\$ 125,488	\$ 21,126	35	1,878	4.27%	4.31%
2009	5,835	\$ 141,020	\$ 24,168	34.5	1,940	9.90%	8.20%

Source: Kansas Division of Budget  
USD #263  
U.S. Department of Labor  
City Data.com

City of Mulvane, Kansas  
Principal Employers  
Current Year and Nine Years Ago

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Population</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Population</u>
USD #263	300	1	5.14%	332	1	6.44%
City of Mulvane	56	2	0.96%	45	2	0.87%
Carson Bank	39	3	0.67%	Not Available		
Wolfe Machine	26	4	0.45%	8	6	0.16%
Pfaff Chevrolet	22	5	0.38%	25	3	0.48%
Mulvane Coop	17	6	0.29%	22	4	0.43%
Ledford Gage	20	7	0.34%	16	5	0.31%
Cowley County College	8	8	0.14%	Not Available		
First Baptist Church	6	9	0.10%	4	8	0.08%
Dillons	5	10	0.09%	5	7	0.10%
	<u>499</u>		<u>8.55%</u>	<u>457</u>		<u>8.87%</u>

Note: Employment for only the City of Mulvane is not tracked by any City, County or State agency. Employees by employer obtained by direct solicitation from the major employers by City personnel.

City of Mulvane, Kansas  
 Fulltime Equivalent City Government Employees by Function/Program  
 Last Ten Fiscal Years

Function/Program	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Administration	9	9	9	9	9	9	9	9	9	9
Police Officers	8	11	11	11	15	12	12	12	12	12
Police Dispatchers	5	5	5	5	5	5	5	5	5	5
Emergency Services	3	3	3	3	3	3	3	3	3	3
Parks & Recreation	4	4	4	4	4	4	4	4	4	4
Streets	5	5	5	5	5	5	5	5	5	5
Electric	6	8	8	6	8	8	8	8	8	8
Water	3	4	4	4	4	4	4	4	4	4
Wastewater	2	4	4	4	4	4	4	4	4	4
Total	<u>45</u>	<u>53</u>	<u>53</u>	<u>51</u>	<u>57</u>	<u>54</u>	<u>54</u>	<u>54</u>	<u>54</u>	<u>54</u>

Source: City's Annual Report from City's Individual Department Supervisors

City of Mulvane, Kansas  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Calls for Service	2,742	2,802	2,709	3,033	3,202	3,133	3,561	4,398	4,182	3,856
Moving Citations	898	686	827	947	1,208	1,284	864	752	733	639
DUI Arrests	26	28	32	25	26	71	20	22	18	25
Arrests	189	171	178	179	325	314	200	236	224	229
Emergency Services										
Fire & Rescue Calls	257	262	310	258	275	325	311	387	389	383
Ambulance Calls	594	528	555	570	439	481	530	707	743	787
Electric										
New Connections	66	49	37	37	31	21	96	19	11	6
Average Daily Usage (mWh/Day)	106	106	105	107	108	115	116	120	116	117
Peak Daily Usage (kW)	11,200	11,256	10,700	11,746	10,846	11,718	12,959	12,556	12,500	11,900
Water										
New Connections	83	48	48	8	31	41	73	10	1	6
Average Daily Consumption (Gallons)	520,282	521,362	491,375	517,047	481,614	482,093	519,060	442,496	470,847	469,288
Peak Daily Consumption (Gallons)	1,002,000	1,118,000	762,000	973,000	803,000	1,025,000	969,000	925,000	786,000	1,000,000
Wastewater										
Average Daily Sewage Treatment	N/A	N/A	N/A	376,000	380,000	385,000	400,000	421,000	474,000	461,392

Source: City's Annual Report from City's Individual Department Supervisors

City of Mulvane, Kansas  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Station/City Hall	1	1	1	1	1	1	1	1	1	1
Patrol Units	11	11	11	11	11	11	11	11	11	11
Fire/EMS										
Fire Station	1	1	1	1	1	1	1	1	1	1
Fire & Rescue Trucks	9	10	10	10	11	11	11	11	11	11
Ambulances	2	2	2	2	2	2	2	2	2	2
Parks & Recreation										
Acreage	64.8	64.8	64.8	64.8	66.3	70.3	70.3	70.3	70.3	70.3
Neighborhood Parks	14	14	14	14	15	16	16	16	16	16
Sports Complex	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	0	0	1	1	1
Sr. Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Streets										
Streets (Miles)	35	35	35	36	38	38	38	38	38	38
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Electric										
Power Plant	1	1	2	2	2	2	2	2	2	2
Miles of Line	31	32	32	32	33	33	33	33	33	33
Generating Capacity (kw)	6400	6400	15600	15600	15600	16600	16600	16600	16600	16600
Water										
Water Mains (Miles)	33	34	34	34	35	35	35	35	35	35
Fire Hydrants	211	211	215	215	215	220	221	221	221	221
Storage Capacity (kgal)	800	800	800	800	800	800	800	800	800	800
Wastewater										
Sanitary Sewers (Miles)	23	23	24	24	25	26	26	26	26	26
Storm Sewers (Miles)	1	1	1	1	1	1	1	1	1	1
Treatment Capacity (mgd)	0.5	0.5	0.5	0.05	0.05	0.05	1	1	1	1
Lift Stations	5	5	5	5	4	4	4	5	5	5

Source: City's Annual Report from City's Individual Department Supervisors