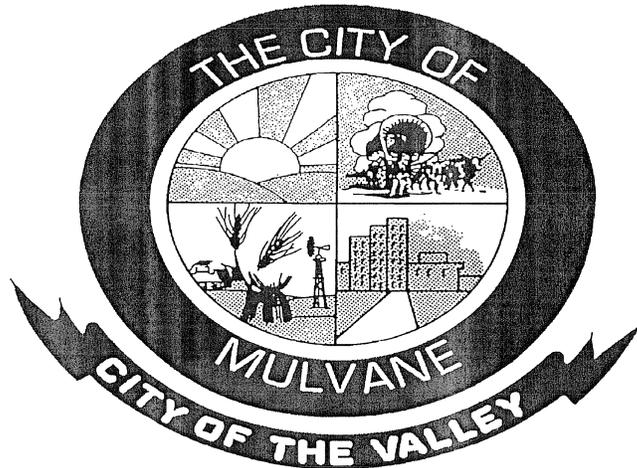


**CITY OF  
MULVANE, KANSAS**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL  
YEAR ENDED  
DECEMBER 31, 2014**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**CITY OF MULVANE, KANSAS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**James P. Ford – Mayor  
Doug Hatfield – Council Member  
Joe Johnson – Council Member  
Jenean Keck – Council Member  
Terry Richardson – Council Member  
Dr. Shelly Steadman – Council Member**

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

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# **INTRODUCTORY SECTION**



June 24, 2015

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, 2014 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 (unless specifically exempted), and (3) that the budget not exceed anticipated revenues including, carry forward balances.

## **Financial Polices & 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 addition, the City follows GFOA recommendations that general purpose governments maintain unrestricted 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. The City Council's policy is to maintain an unrestricted fund balance of no less than three months General Fund operating expenditures and transfers.

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

The predictability of its revenues and the volatility of its expenditures (i.e. higher levels of unrestricted 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 unrestricted fund balance needed in the General Fund, just as deficits in other funds may require that a higher level of unrestricted 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 uncommitted fund balance to compensate for any portion of unreserved fund balance already committed for a specific purpose).

An indicator of the positive impact of these financial policies and practices is that the City has been given an AA- rating by Standard and Poor on the City's 2014, \$2,020,000 General Obligation Bond issue. Mulvane is the smallest city in Kansas to achieve an AA- 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, Mulvane Housing Authority, 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 unmodified 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, activities of the Mulvane Public Building Commission are reported as a special revenue fund and a capital project 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 and the Mulvane Housing Authority are reported as discretely presented component units.

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, 2013.

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 nineteen years.

## **Economic Outlook**

The economic outlook for the Wichita area is flat. The State lags behind the region in job creation. The labor market remains weak. The aircraft industry continues to shed jobs. Most firms remain extremely hesitant to add to their payrolls, particularly in the manufacturing industry. There has been only slight improvement in residential construction over the last year. The State of Kansas experienced a significant decrease in revenues as the recession took hold. The Governor's income tax cut plan has further reduced State revenues and has not created the volume of good paying jobs needed to make up those revenues. The economy is slow to recover and the outlook for the area economy is stable but not improving and that causes much anxiety about the future. The City's assessed valuation will be significantly reduced due to the re-valuation of the Kansas Star Casino. The City must deal with a significant loss of property tax revenue over the next few years.

## **Construction Activity**

The number of building permits issued in 2014 was up from 39 in 2013 to 51. This consisted of all construction activity including additions, remodel and new construction. In 2014, 10 permits were issued for single family dwellings, which is up from the number of 6 issued in 2013. The average size of single family dwellings remained about the same as previous years at 1,600 square feet.

The total construction value for 2014 was \$13,610,000.00. The 2014 valuation of \$13,610,000.00 reflects over a 30% increase over the average per year valuation of 10,736,000. This number is based upon the yearly valuation data on permits issued since 1990.

### **Financial Picture**

The assessed valuation of Mulvane decreased significantly in 2014 from \$91.2 million to \$74.4 million. The Ad Valorem tax revenue collected in 2014 was \$3,797,386 compared to 2013 which was \$2,527,700. The mill levy increased slightly from 41.9 in 2013 to 42.4 in 2014.

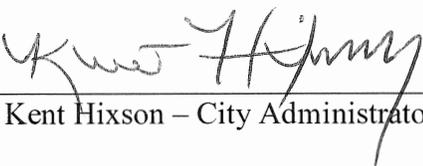
### **Independent Audit**

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 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,

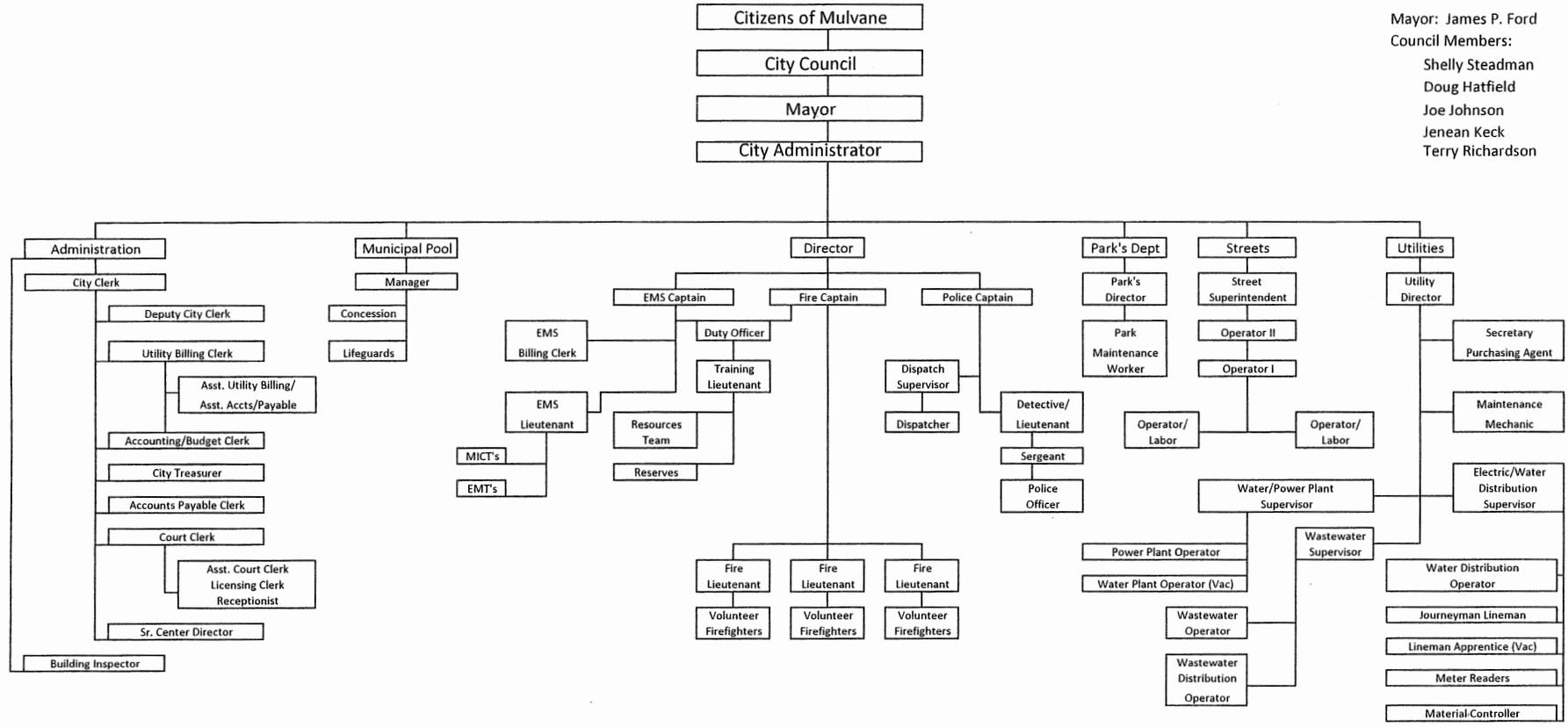
  
Kent Hixson – City Administrator

**CITY OF MULVANE, KANSAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**December 31, 2014**

| <u>Title</u>                    | <u>Name</u>      |
|---------------------------------|------------------|
| Mayor                           | James P. Ford    |
| Council Member                  | Doug Hatfield    |
| Council Member                  | Joe Johnson      |
| Council Member                  | Jenean Keck      |
| Council Member                  | Terry Richardson |
| Council Member                  | Shelly Steadman  |
| 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:  
 Shelly Steadman  
 Doug Hatfield  
 Joe Johnson  
 Jenean Keck  
 Terry Richardson



7



Government Finance Officers Association

**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, 2013**

Executive Director/CEO

# **FINANCIAL SECTION**

# George, Bowerman & Noel, P.A.

*Certified Public Accountants  
Management Consultants  
Tax Advisors*

Paul R. Bowerman  
Gary L. George

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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

### **Report on the Financial Statements**

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express 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 and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly,

we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Mulvane, Kansas, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Employee Benefits Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Wichita, Kansas  
June 15, 2015

## CITY OF MULVANE, KANSAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### For the Year Ended December 31, 2014

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, 2014. 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 and deferred outflows of resources of the City for its governmental and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$56,357,996. Of this amount, \$26,181,008 is the net investment in capital assets, net of related debt and \$24,115,657 is for restricted uses, leaving \$6,061,331 unrestricted.
- The City's total net position increased by \$1,094,157 during the current fiscal year. The net position of the City's business-type activities increased by \$128,356 and the governmental activities net position increased by \$965,801.
- At the end of the current fiscal year, the fund balance for the General Fund was \$3,420,556 or 79% of the total General Fund expenditures and transfers out incurred in the current fiscal year.
- The City's total bonded debt increased by \$2,334,000 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 Position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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 such as 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 21 and 22 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 33 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, Employee Benefits, Debt Service, Water Treatment Plant Improvement fund, and Mulvane Public Building Commission Library Project fund, which are considered major funds. Data for the remaining 28 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, 12 of its 14 special revenue funds, and its Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and the Employee Benefits Fund in the basic financial statements and for the remaining special revenue and debt service funds in the supplementary information.

The basic governmental fund financial statements can be found on pages 23 through 30 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 proprietary funds financial statements can be found on pages 31 through 35 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 36 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 37 through 66 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$56,357,996 as of December 31, 2014.

A large portion of the City's net position (\$26,181,008) 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 POSITION

|                                | <u>Governmental Activities</u> |                   | <u>Business-type Activities</u> |                   | <u>Total Primary Government</u> |                    |
|--------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|--------------------|
|                                | <u>2014</u>                    | <u>2013</u>       | <u>2014</u>                     | <u>2013</u>       | <u>2014</u>                     | <u>2013</u>        |
| Current and other assets       | \$ 33,255,101                  | \$ 38,163,797     | \$ 6,350,733                    | \$ 6,157,044      | \$ 39,605,834                   | \$ 44,320,841      |
| Capital assets                 | <u>34,808,809</u>              | <u>27,349,399</u> | <u>31,868,421</u>               | <u>32,583,329</u> | <u>66,677,230</u>               | <u>59,932,728</u>  |
| Total assets                   | <u>68,063,910</u>              | <u>65,513,196</u> | <u>38,219,154</u>               | <u>38,740,373</u> | <u>106,283,064</u>              | <u>104,253,569</u> |
| Deferred outflows of resources | -                              | -                 | 85,381                          | 99,635            | 85,381                          | 99,635             |
| Long-term liabilities          | 35,944,182                     | 32,787,812        | 9,623,091                       | 10,320,362        | 45,567,273                      | 43,108,174         |
| Other liabilities              | <u>994,748</u>                 | <u>1,894,267</u>  | <u>426,026</u>                  | <u>392,584</u>    | <u>1,420,774</u>                | <u>2,286,851</u>   |
| Total liabilities              | <u>36,938,930</u>              | <u>34,682,079</u> | <u>10,049,117</u>               | <u>10,712,946</u> | <u>46,988,047</u>               | <u>45,395,025</u>  |
| Deferred inflows of resources  | <u>3,022,402</u>               | <u>3,694,340</u>  | -                               | -                 | <u>3,022,402</u>                | <u>3,694,340</u>   |
| Net Position:                  |                                |                   |                                 |                   |                                 |                    |
| Invested in capital assets,    |                                |                   |                                 |                   |                                 |                    |
| Net of related debt            | 3,659,539                      | 1,923,151         | 22,521,469                      | 22,516,919        | 26,181,008                      | 24,440,070         |
| Restricted                     | 21,159,504                     | 21,863,539        | 2,956,153                       | 3,009,366         | 24,115,657                      | 24,872,905         |

|                    | <u>Governmental Activities</u> |               | <u>Business-type Activities</u> |               | <u>Total Primary Government</u> |               |
|--------------------|--------------------------------|---------------|---------------------------------|---------------|---------------------------------|---------------|
|                    | <u>2014</u>                    | <u>2013</u>   | <u>2014</u>                     | <u>2013</u>   | <u>2014</u>                     | <u>2013</u>   |
| Unrestricted       | \$ 3,283,535                   | \$ 3,350,087  | \$ 2,777,796                    | \$ 2,600,777  | \$ 6,061,331                    | \$ 5,950,864  |
| Total net position | \$ 28,102,578                  | \$ 27,136,777 | \$ 28,255,418                   | \$ 28,127,062 | \$ 56,357,996                   | \$ 55,263,839 |

An additional portion of the City's net position (43%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$6,061,331.

**Analysis of the City's operations** – The following table provides a summary of the City's operations for the years ended December 31, 2014 and 2013. The City's net position increased by \$1,094,157, or approximately 1.98%.

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

|   | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                      | <u>Total Primary Government</u> |                      |
|---|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|   | <u>2014</u>                    | <u>2013</u>          | <u>2014</u>                     | <u>2013</u>          | <u>2014</u>                     | <u>2013</u>          |
| <b>Revenues:</b>                          |                                |                      |                                 |                      |                                 |                      |
| Program revenues:                         |                                |                      |                                 |                      |                                 |                      |
| Charges for services                      | \$ 765,440                     | \$ 682,179           | \$ 7,580,828                    | \$ 7,090,113         | \$ 8,346,268                    | \$ 8,010,326         |
| Operating grants and contributions        | 1,298,001                      | 1,987,113            | –                               | –                    | 1,298,001                       | 1,749,079            |
| Capital grants and contributions          | 716,331                        | 204                  | –                               | 1,651                | 716,331                         | 1,855                |
| General revenues:                         |                                |                      |                                 |                      |                                 |                      |
| Property taxes                            | 4,183,534                      | 2,589,335            | –                               | –                    | 4,183,534                       | 2,589,335            |
| Gaming Facility                           | 1,784,165                      | 1,926,430            | –                               | –                    | 1,784,165                       | 1,926,430            |
| Sales taxes                               | 718,740                        | 661,288              | –                               | –                    | 718,740                         | 661,288              |
| Franchise taxes                           | 252,328                        | 244,783              | –                               | –                    | 252,328                         | 244,783              |
| Investment earnings                       | 11,660                         | 10,573               | 6,159                           | 3,173                | 17,819                          | 13,746               |
| Total revenues                            | <u>9,730,199</u>               | <u>8,101,905</u>     | <u>7,586,987</u>                | <u>7,094,937</u>     | <u>17,317,186</u>               | <u>15,196,842</u>    |
| <b>Expenses:</b>                          |                                |                      |                                 |                      |                                 |                      |
| General government                        | 1,297,410                      | 1,120,120            | –                               | –                    | 1,297,410                       | 1,120,120            |
| Public safety                             | 2,880,502                      | 2,846,130            | –                               | –                    | 2,880,502                       | 2,846,130            |
| Highways and streets                      | 2,392,668                      | 1,538,787            | –                               | –                    | 2,392,668                       | 1,538,787            |
| Culture and recreation                    | 881,440                        | 962,253              | –                               | –                    | 881,440                         | 962,253              |
| Health and Sanitation                     | 52,180                         | 45,963               | –                               | –                    | 52,180                          | 45,963               |
| Economic development                      | 219,093                        | 49,927               | –                               | –                    | 219,093                         | 49,927               |
| Environmental protection                  | 1,099                          | 739                  | –                               | –                    | 1,099                           | 739                  |
| Electric system                           | –                              | –                    | 4,995,057                       | 4,268,774            | 4,995,057                       | 4,268,774            |
| Water system                              | –                              | –                    | 1,018,362                       | 914,372              | 1,018,362                       | 914,372              |
| Sewer system                              | –                              | –                    | 1,670,390                       | 1,698,378            | 1,670,390                       | 1,698,378            |
| Interest on long-term indebtedness        | 814,828                        | 875,012              | –                               | –                    | 814,828                         | 875,012              |
| Total expenses                            | <u>8,539,220</u>               | <u>7,438,931</u>     | <u>7,683,809</u>                | <u>6,881,524</u>     | <u>16,223,029</u>               | <u>14,320,455</u>    |
| Increase in net position before transfers | 1,190,979                      | 662,974              | (96,822)                        | 213,413              | 1,094,157                       | 876,387              |
| Transfers in (out)                        | <u>(225,178)</u>               | <u>(4,072,237)</u>   | <u>225,178</u>                  | <u>4,072,237</u>     | <u>–</u>                        | <u>–</u>             |
| Increase (decrease) in net position       | 965,801                        | (3,409,263)          | 128,356                         | 4,285,650            | 1,094,157                       | 876,387              |
| Net position, beginning of year           | <u>27,136,777</u>              | <u>30,546,040</u>    | <u>28,127,062</u>               | <u>23,841,412</u>    | <u>55,263,839</u>               | <u>54,387,452</u>    |
| Net position, end of year                 | <u>\$ 28,102,578</u>           | <u>\$ 27,136,777</u> | <u>\$ 28,255,418</u>            | <u>\$ 28,127,062</u> | <u>\$ 56,357,996</u>            | <u>\$ 55,263,839</u> |

**Governmental Activities** – Governmental activities increased the City’s net position by \$965,801 for the current fiscal year. Total governmental activity revenues increased by \$1,628,294. Positive influences for governmental activity revenues included an increase in property tax revenues of \$1,594,199 for 2014, and on October 1, 2014, the City started collecting a 1% local sales tax, which raised the sales tax collected by \$57,452.

Operating grants and contribution revenues decreased by \$689,112 for 2014 with special assessment contribution reductions contributing to \$419,313 of the decrease and ambulance subsidies being decreased by \$43,703. Capital grants and contributions increased during 2014 by \$716,127. Kansas Department of Revenue KLINK road project reimbursements for 2014 were \$320,216 and the newly transient guest tax added \$263,034 I contributions during 2014. Gamin facility revenues decreased during 2014 by \$142,265 or approximately 7% from the 2013 level.

Total governmental activity expenses increased by \$1,100,289 for 2014, or approximately 15%. General government expenses comprised \$177,290 of the increase and can be attributed almost entirely to salary (\$124,423) and benefit cost (\$76,843) increases. Salaries and benefits continue to be a significant portion of the operating expenses for many functional areas and comprise approximately 51% of total operating expenses for governmental activities. Total wages and benefits increased approximately \$830,900 for 2014 with benefit costs comprising about 37% of the total increase. Highway and street maintenance expenses increased \$853,881 for 2014 with increased road maintenance and repair programs being initiated. Petroleum based supply costs added to the ongoing maintenance costs being incurred for this department. Economic development expenses increased by \$169,166 due to the allocation of the transient guest tax to the Kansas Star Casino under terms of the City’s agreement with the Casino. Debt service costs decreased for 2014 by \$60,184.

**Business-type Activities** – Business-type activities increased the City’s net position by \$128,356 for the current fiscal year. Total business-type activity revenues increased \$492,050, or approximately 7% for 2014. The unusually hot summer months for 2014, as was the case for 2013, are reflected in both the Electric System and Water System revenues and related expenditures. The water and sewer utilities received contributions of capital assets from the governmental activities of \$73,967 and \$125,211, respectively, during 2014.

Expenses for the business-type activities increased by \$802,285, or about 11.7%, for 2014. Purchased electricity costs for 2014 was increased by \$721,669 and water purchases reflected a reduction of \$15,165 for 2014.

## **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, unrestricted 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 a combined ending fund balance of \$11,245,245. This combined ending fund balance is a \$1,758,654 decrease from 2013.

### **General Fund**

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$1,805,946, while the total fund balance was \$3,420,556, which was

\$521,368 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 unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 42% of total General Fund expenditures and transfers out for the current year. The total fund balance of the General Fund represents 79% of total General Fund expenditures and transfers out for the current year.

The City Council has restricted \$205,676 of the fund balance for future self-insurance requirements. In addition, the City Council has committed \$1,408,934 to carryover to fund the 2015 General Fund budget.

### **Employee Benefits Fund**

The Employee Benefits Fund accounts for the City's portion of social security, retirement, worker's compensation insurance, health and dental insurance, and unemployment insurance contributions and is funded from property taxes. Revenues increased \$629,606 and expenses increased \$380,880 for 2014. The result was an increase to fund balance of \$433,068 for 2014 to an ending fund balance of \$903,319. This carryover fund balance equates to about 64% of the benefit expenses incurred for 2014.

### **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 \$603,419, which is an increase of \$251,560 from 2013. Resources for this fund are generated from property taxes, special assessment taxes and interest earnings and decreased by \$39,329 for 2014 and debt service requirements increased by \$611,797 for 2014.

### **Water Treatment Plant Improvements Fund**

The Water Treatment Plant Improvements Fund reflects expenditures of \$5,142,980 for facility improvements. This project encompasses a 1.5 MGD reverse osmosis water treatment plant and other system improvements. Permanent financing for these improvements was provided via the issuance of \$6,011,716 in general obligation bonds during 2013.

### **Mulvane Public Building Commission Library Project Fund**

The Library Project Fund reflects expenditures of \$180,896 for the building of a new library facility. Permanent financing for this improvement was provided via the issuance of \$4,200,000 in Public Building Commission revenue bonds during 2014. These bonds will be paid by the 1% Local Sales Tax that was passed by the voters of the City of Mulvane in August, 2014.

### **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 position of the proprietary funds increased by \$128,356 for 2014. The change in net position by fund includes a decrease in the Electric System Fund of \$107,143, an increase in the Water System Fund of \$155,443, and an increase in the Sewer System Fund of \$80,056.

### **Electric System Fund**

Total net position of the Electric System Fund decreased by \$107,143. Customer consumption for 2014 increased slightly and operating revenues are generally reflective of that situation as operating revenues increased \$498,161, but operating expenses increased by \$705,864. The increase in the operating expenses is due mainly to the increase in the cost of production for the electricity. The increased cost of producing the electricity is being addressed by city staff.

### **Water System Fund**

Total net position of the Water System Fund increased by \$155,443. Operating revenues increased by \$6,179 during 2014. Operating expenses increased \$98,741 for 2014. In the fall of 2014, the City put the new water treatment plant on line. The increase in operating expenses in 2014 is due to the cost of operating this new facility.

### **Sewer System Fund**

The total net position of the Sewer System Fund increased by \$80,056. Operating revenues increased \$17,452, or approximately 1.07%, with operating expenses decreasing \$68,602, or approximately 4.61%.

**General Fund Budgetary Highlights** – The General Fund total actual revenues were 114.94% of the total amount anticipated in the 2014 budget and exceeded the total anticipated revenues by \$610,966. The significant composition of this excess can be attributed to intergovernmental revenues.

General Fund budgetary revenues were \$4,701,111 for 2014. The General Fund revenues were augmented with the collection of \$1,767,440 of gaming facility revenue sharing representing the City's 1% of the gaming facility revenues. General Fund budgetary expenditures totaled \$4,274,653, which represented only 78% of the budgeted expenditures for 2014. Accordingly, the General Fund incurred a favorable variance from its budgeted expenditures of \$1,187,639.

## **CAPITAL ASSETS**

The City's investment in capital assets as of December 31, 2014 amounts to \$66,677,230 (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 net increase in the City's investment in capital assets for the current fiscal year was 11%. Asset additions for 2014 totaled \$10,081,489. Major capital asset events during the current fiscal year included the following:

- Purchase of the Webb Property at a cost of \$82,900.
- Improvements to City Hall, \$16,240.
- New Signal Indicators at the intersection of K15 and Rock Road, \$40,075.
- A new Doosan Air Compressor for the Street and Utility Departments, \$24,714.
- A new Chevrolet Tahoe for the Fire Department at a cost of \$36,263.
- Two new Chevrolet Tahoe's for the Police Department at a cost of \$74,088.
- A new phone system for the Administration and Police Department at a cost of \$5,175.
- Construction in progress for New Water Treatment Plant totaling \$5,215,730.
- Completion of a new EMS Facility totaling \$1,602,054.
- Construction in progress for a new Water Tower totaling \$1,587,718.
- A new Reciprocating Compressor for the Electric Department, \$9,928.
- A new Chevrolet 4WD Pickup for the Electric Department, \$31,735.
- Updating of the Cooling Tower at the Electric Power Plant, \$11,016.
- A new Chevrolet 4WD Pickup for the Water Department, \$27,104.
- A new Chevrolet 4WD Pickup for the Wastewater Department, \$32,778.
- Purchase of and Influent Pump for the Wastewater Department at a cost of \$13,073.
- Construction in progress for Cedar Brook Housing Addition totaling \$335,421.
- Milling and overlay of 2<sup>nd</sup> Street at a cost of \$283,426.

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

|                                      | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                      | <u>Total Primary Government</u> |                      |
|--------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                                      | <u>2014</u>                    | <u>2013</u>          | <u>2014</u>                     | <u>2013</u>          | <u>2014</u>                     | <u>2013</u>          |
| Land                                 | \$ 465,014                     | \$ 382,114           | \$ 758,117                      | \$ 758,117           | \$ 1,223,131                    | \$ 1,140,231         |
| Buildings                            | 3,276,001                      | 1,406,017            | –                               | –                    | 3,276,001                       | 1,406,017            |
| Utility plant                        | –                              | –                    | 20,258,209                      | 20,757,156           | 20,258,209                      | 20,757,156           |
| Improvements other than<br>Buildings | 2,973,661                      | 3,067,750            | 10,211,308                      | 10,412,848           | 13,184,969                      | 13,480,598           |
| Infrastructure                       | 18,360,300                     | 17,906,464           | –                               | –                    | 18,360,300                      | 17,906,464           |
| Machinery and equipment              | 1,477,090                      | 1,668,723            | 640,787                         | 599,470              | 2,117,877                       | 2,268,193            |
| Construction work in progress        | <u>8,256,743</u>               | <u>2,918,331</u>     | <u>–</u>                        | <u>55,738</u>        | <u>8,256,743</u>                | <u>2,974,069</u>     |
| Total                                | <u>\$ 34,808,809</u>           | <u>\$ 27,349,399</u> | <u>\$ 31,868,421</u>            | <u>\$ 32,583,329</u> | <u>\$ 66,677,230</u>            | <u>\$ 59,932,728</u> |

Additional information on the City’s capital assets can be found in Note 3 on pages 50 through 53 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City’s total long-term debt obligations outstanding are \$45,567,216. This amount was comprised of \$35,407,000 of general obligation bonds secured by future tax revenues from governmental activities with \$4,896,953 of such bonds being committed from resources generated by business-type revenues, \$4,450,000 of revenue bonds which are secured by business-type revenue sources, and \$4,975,000 of revenue bonds secured by future revenue sources from governmental activities via lease revenues from the City to the Mulvane Public Building Commission. Unamortized premiums on bond issues totaled \$148,861 at year-end. The remaining long-term debt obligations totaling \$586,355 of the City 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 increased by \$2,459,042, or about 5.71% during the current year. This increase was the result of a new public building commission revenue bond issue totaling \$4,200,000 for a new library, refunding of a general obligation bond totaling \$2,020,000 and bond retirements totaling \$3,904,746.

Additional information on the City’s long-term debt can be found in Note 4 on pages 53 through 60 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 2015 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, but facing 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 decrease in 2015 by \$698,815, or approximately 18.19%. Assessed valuations decreased about 19% resulting in an increased mill levy of .483 mills.

The gaming facility revenue for 2015 has been estimated at \$1,675,000 and comprises approximately 30% of the General Fund's 2015 total resources. The other significant resources for the General Fund are the carryover balance from 2014, the 1% county-wide sales tax for Sedgwick County, and property taxes, which comprise 26%, 12% and 14% respectively, of the total General Fund resources for the 2015 budget.

The City's total property tax rate for the 2015 budget is 42.406 mills with the General Fund's levy at 8.507 mills. The Debt Service Fund and Employee Benefits Fund levies 7.635 mills and 20.495 mills, respectively, of the total City levy rate. The City's total assessed valuation for the 2015 budget was \$74,123,465, which reflects a decrease from the 2014 budget of \$17,522,939 as the result of the Kansas Star Casino facilities tax appeals.

With unemployment remaining relatively high, sales tax revenues still fluctuating, the Kansas Star Casino protesting their assessed value annually, and without any past history to estimate the future gaming facility revenue sharing, the City Council continued to take a very cautious approach to revenue estimating and expenditure appropriations in the 2015 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 POSITION

December 31, 2014

|  | Primary Government         |                                 |                      | Component Units              |                                 |
|--|----------------------------|---------------------------------|----------------------|------------------------------|---------------------------------|
|  | Governmental<br>Activities | Business-<br>Type<br>Activities | Total                | Mulvane<br>Public<br>Library | Mulvane<br>Housing<br>Authority |
| <b>ASSETS</b>                                |                            |                                 |                      |                              |                                 |
| Cash and investments                         | \$ 11,072,133              | \$ 2,027,713                    | \$ 13,099,846        | \$ 185,687                   | \$ 30,899                       |
| Receivables:                                 |                            |                                 |                      |                              |                                 |
| Property taxes                               | 3,022,402                  | —                               | 3,022,402            | —                            | —                               |
| Special assessment taxes                     | 18,401,330                 | —                               | 18,401,330           | —                            | —                               |
| Sales taxes                                  | 126,602                    | —                               | 126,602              | —                            | —                               |
| Franchise fees                               | 36,917                     | —                               | 36,917               | —                            | —                               |
| Gaming facility revenue receivable           | 161,241                    | —                               | 161,241              | —                            | —                               |
| Trade accounts, net                          | 388,223                    | 1,079,139                       | 1,467,362            | —                            | —                               |
| Prepaid items                                | 34,262                     | 30,477                          | 64,739               | —                            | —                               |
| Restricted assets                            | 11,991                     | 3,213,404                       | 3,225,395            | —                            | 14,907                          |
| Capital assets:                              |                            |                                 |                      |                              |                                 |
| Land   | 465,014                    | 758,117                         | 1,223,131            | —                            | 16,000                          |
| Buildings                                    | 4,342,626                  | 27,011,562                      | 31,354,188           | —                            | 597,492                         |
| Improvements other than buildings            | 3,785,323                  | 16,186,890                      | 19,972,213           | —                            | —                               |
| Infrastructure                               | 35,478,579                 | —                               | 35,478,579           | —                            | —                               |
| Machinery and equipment                      | 4,938,726                  | 2,211,230                       | 7,149,956            | 62,171                       | 110,463                         |
| Less accumulated depreciation                | (22,458,202)               | (14,299,378)                    | (36,757,580)         | (33,550)                     | (508,057)                       |
| Construction work in progress                | 8,256,743                  | —                               | 8,256,743            | 22,560                       | —                               |
| Total assets                                 | <u>68,063,910</u>          | <u>38,219,154</u>               | <u>106,283,064</u>   | <u>236,868</u>               | <u>261,704</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>        |                            |                                 |                      |                              |                                 |
| Unamortized deferred costs on bond refunding | —                          | 85,381                          | 85,381               | —                            | —                               |
| <b>LIABILITIES</b>                           |                            |                                 |                      |                              |                                 |
| Accounts payable                             | 202,503                    | 252,357                         | 454,860              | 11,935                       | 3,100                           |
| Accrued payroll payable                      | 32,812                     | 17,044                          | 49,856               | —                            | —                               |
| Accrued interest payable                     | 442,886                    | 156,625                         | 599,511              | —                            | —                               |
| Matured bonds and coupons payable            | 1,316                      | —                               | 1,316                | —                            | —                               |
| Unearned revenue                             | 315,231                    | —                               | 315,231              | —                            | —                               |
| Noncurrent liabilities:                      |                            |                                 |                      |                              |                                 |
| Due within one year                          | 2,644,457                  | 781,132                         | 3,425,589            | —                            | 20,351                          |
| Due in more than one year                    | 33,299,725                 | 8,841,959                       | 42,141,684           | —                            | 167,651                         |
| Total liabilities                            | <u>36,938,930</u>          | <u>10,049,117</u>               | <u>46,988,047</u>    | <u>11,935</u>                | <u>191,102</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>         |                            |                                 |                      |                              |                                 |
| Property taxes receivable                    | 3,022,402                  | —                               | 3,022,402            | —                            | —                               |
| <b>NET POSITION</b>                          |                            |                                 |                      |                              |                                 |
| Net investment in capital assets             | 3,659,539                  | 22,521,469                      | 26,181,008           | 51,181                       | 27,896                          |
| Restricted for:                              |                            |                                 |                      |                              |                                 |
| Debt service                                 | 19,004,749                 | 2,956,153                       | 21,960,902           | —                            | —                               |
| Capital improvements                         | 245,467                    | —                               | 245,467              | —                            | 11,807                          |
| General government                           | 205,676                    | —                               | 205,676              | —                            | —                               |
| Employee Benefits                            | 903,319                    | —                               | 903,319              | —                            | —                               |
| Parks and recreation                         | 287,970                    | —                               | 287,970              | —                            | —                               |
| Economic development                         | 437,536                    | —                               | 437,536              | —                            | —                               |
| Street maintenance and improvement           | 15,414                     | —                               | 15,414               | —                            | —                               |
| Health and welfare                           | 59,373                     | —                               | 59,373               | —                            | —                               |
| Unrestricted                                 | 3,283,535                  | 2,777,796                       | 6,061,331            | 173,752                      | 30,899                          |
| Total net position                           | <u>\$ 28,102,578</u>       | <u>\$ 28,255,418</u>            | <u>\$ 56,357,996</u> | <u>\$ 224,933</u>            | <u>\$ 70,602</u>                |

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

CITY OF MULVANE, KANSAS

STATEMENT OF ACTIVITIES

Year ended December 31, 2014

| Functions/Programs                     | Expenses     | Program Revenues           |   |   | Net (Expense) Revenue and Changes in Net Position |                                 |                |                              |                                 |
|--|--------------|----------------------------|---|---|---|---------------------------------|----------------|------------------------------|---------------------------------|
|  |              | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Primary Government                                |                                 |                | Component Units              |                                 |
|  |              |                            |   |   | Governmental<br>Governmental<br>Activities        | Business-<br>Type<br>Activities | Total          | Mulvane<br>Public<br>Library | Mulvane<br>Housing<br>Authority |
| <b>Governmental Activities:</b>        |              |                            |   |   |   |                                 |                |                              |                                 |
| General government                     | \$ 1,297,410 | \$ 129,915                 | \$ 51,944                                   | \$ -                                      | \$ (1,115,551)                                    | \$ -                            | \$ (1,115,551) | \$ -                         | \$ -                            |
| Public safety                          | 2,880,502    | 535,702                    | 245,234                                     | -   | (2,099,566)                                       | -                               | (2,099,566)    | -                            | -                               |
| Highways and streets                   | 2,392,668    | 38,053                     | 249,279                                     | 332,801                                   | (1,772,535)                                       | -                               | (1,772,535)    | -                            | -                               |
| Health and sanitation                  | 52,180       | -                          | 51,944                                      | 8,609                                     | 8,373   | -                               | 8,373          | -                            | -                               |
| Culture and recreation                 | 881,440      | 61,770                     | 73,923                                      | 111,887                                   | (633,860)   | -                               | (633,860)      | -                            | -                               |
| Economic development                   | 219,093      | -                          | -   | 263,034                                   | 43,941  | -                               | 43,941         | -                            | -                               |
| Environmental protection               | 1,099        | -                          | -   | -   | (1,099)   | -                               | (1,099)        | -                            | -                               |
| Interest on long-term debt             | 814,828      | -                          | 625,677                                     | -   | (189,151)   | -                               | (189,151)      | -                            | -                               |
| Total Governmental Activities          | \$ 8,539,220 | \$ 765,440                 | \$ 1,298,001                                | \$ 716,331                                | (5,759,448)                                       | -                               | (5,759,448)    | -                            | -                               |
| <b>Business-Type Activities:</b>       |              |                            |   |   |   |                                 |                |                              |                                 |
| Electric Utility                       | \$ 4,995,057 | \$ 4,859,153               | \$ -  | \$ -                                      | -   | (135,904)                       | (135,904)      | -                            | -                               |
| Water Utility                          | 1,018,362    | 1,098,460                  | -   | -   | -   | 80,098                          | 80,098         | -                            | -                               |
| Sewer Utility                          | 1,670,390    | 1,623,215                  | -   | -   | -   | (47,175)                        | (47,175)       | -                            | -                               |
| Total Business-Type Activities         | \$ 7,683,809 | \$ 7,580,828               | \$ -  | \$ -                                      | -   | (102,981)                       | (102,981)      | -                            | -                               |
| <b>Component Units:</b>                |              |                            |   |   |   |                                 |                |                              |                                 |
| Mulvane Public Library                 | \$ 255,145   | \$ 4,336                   | \$ 27,829                                   | \$ -                                      | -   | -                               | -              | (222,980)                    | -                               |
| Mulvane Housing Authority              | 86,948       | 75,368                     | 9,051                                       | -   | -   | -                               | -              | -                            | (2,529)                         |
| Total Component Units                  | \$ 342,093   | \$ 79,704                  | \$ 36,880                                   | \$ -                                      | -   | -                               | -              | (222,980)                    | (2,529)                         |
| <b>General Revenues and Transfers:</b> |              |                            |   |   |   |                                 |                |                              |                                 |
| General Revenues:                      |              |                            |   |   |   |                                 |                |                              |                                 |
| Property taxes levied for:             |              |                            |   |   |   |                                 |                |                              |                                 |
| General purposes                       |              |                            |   |   | 3,751,657   | -                               | 3,751,657      | -                            | -                               |
| Debt service                           |              |                            |   |   | 431,877   | -                               | 431,877        | -                            | -                               |
| Gaming facility revenue sharing        |              |                            |   |   | 1,784,165   | -                               | 1,784,165      | -                            | -                               |
| Sales taxes                            |              |                            |   |   | 718,740   | -                               | 718,740        | -                            | -                               |
| Franchise taxes                        |              |                            |   |   | 252,328   | -                               | 252,328        | -                            | -                               |
| Payment from City of Mulvane           |              |                            |   |   | -   | -                               | -              | 300,400                      | -                               |
| Investment earnings                    |              |                            |   |   | 11,660  | 6,159                           | 17,819         | 112                          | 25                              |
| Transfers in (out)                     |              |                            |   |   | (225,178)   | 225,178                         | -              | -                            | -                               |
| Total general revenues and transfers   |              |                            |   |   | 6,725,249   | 231,337                         | 6,956,586      | 300,512                      | 25                              |
| Change in net position                 |              |                            |   |   | 965,801   | 128,356                         | 1,094,157      | 77,532                       | (2,504)                         |
| Net position at beginning of year      |              |                            |   |   | 27,136,777  | 28,127,062                      | 55,263,839     | 147,401                      | 73,106                          |
| Net position at end of year            |              |                            |   |   | \$ 28,102,578                                     | \$ 28,255,418                   | \$ 56,357,996  | \$ 224,933                   | \$ 70,602                       |

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

**FUND FINANCIAL STATEMENTS**

CITY OF MULVANE, KANSAS

BALANCE SHEET – GOVERNMENTAL FUNDS  
(continued on next page)

December 31, 2014

|  | General             | Employee Benefits   | Debt Service        | Water Treatment Plant Improvements | Mulvane Public Building Commission Library Project | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------|------------------------------------|--|--------------------------|--------------------------|
| <b>ASSETS</b>  |                     |                     |                     |                                    |  |                          |                          |
| Cash and short-term investments                        | \$ 3,234,259        | \$ 959,323          | \$ 603,419          | \$ 92,222                          | \$ 4,119,065                                       | \$ 2,063,845             | \$ 11,072,133            |
| Cash with fiscal agent                                 | -                   | -                   | 1,316               | -                                  | -  | -                        | 1,316                    |
| Cash held for appearance bonds                         | 10,675              | -                   | -                   | -                                  | -  | -                        | 10,675                   |
| Property taxes receivable                              | 618,863             | 1,460,708           | 544,165             | -                                  | -  | 398,666                  | 3,022,402                |
| Special assessment taxes receivable                    | -                   | -                   | 18,401,330          | -                                  | -  | -                        | 18,401,330               |
| Due from other funds                                   | -                   | -                   | -                   | -                                  | -  | 799                      | 799                      |
| Accounts receivable, net                               | 315,231             | 414                 | -                   | -                                  | -  | 72,578                   | 388,223                  |
| Gaming facility revenue receivable                     | 161,241             | -                   | -                   | -                                  | -  | -                        | 161,241                  |
| Franchise fees receivable                              | 36,917              | -                   | -                   | -                                  | -  | -                        | 36,917                   |
| Sales tax receivable                                   | 60,224              | -                   | -                   | -                                  | -  | 66,378                   | 126,602                  |
| <b>Total assets</b>                                    | <b>\$ 4,437,410</b> | <b>\$ 2,420,445</b> | <b>\$19,550,230</b> | <b>\$ 92,222</b>                   | <b>\$ 4,119,065</b>                                | <b>\$ 2,602,266</b>      | <b>\$ 33,221,638</b>     |
| <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b> |                     |                     |                     |                                    |  |                          |                          |
| Liabilities:   |                     |                     |                     |                                    |  |                          |                          |
| Accounts payable                                       | \$ 42,508           | \$ 56,418           | \$ -                | \$ -                               | \$ 25,200  | \$ 67,702                | \$ 191,828               |
| Accrued payroll payable                                | 29,577              | -                   | -                   | -                                  | -  | 3,235                    | 32,812                   |
| Due to other funds                                     | -                   | -                   | -                   | -                                  | -  | 799                      | 799                      |
| Matured bonds and coupons payable                      | -                   | -                   | 1,316               | -                                  | -  | -                        | 1,316                    |
| Municipal Court appearance bonds payable               | 10,675              | -                   | -                   | -                                  | -  | -                        | 10,675                   |
| Deferred revenue                                       | 315,231             | -                   | -                   | -                                  | -  | -                        | 315,231                  |
| <b>Total liabilities</b>                               | <b>397,991</b>      | <b>56,418</b>       | <b>1,316</b>        | <b>-</b>                           | <b>25,200</b>                                      | <b>71,736</b>            | <b>552,661</b>           |
| Deferred inflows of resources:                         |                     |                     |                     |                                    |  |                          |                          |
| Property taxes receivable                              | 618,863             | 1,460,708           | 544,165             | -                                  | -  | 398,666                  | 3,022,402                |
| Special assessment taxes receivable                    | -                   | -                   | 18,401,330          | -                                  | -  | -                        | 18,401,330               |
| <b>Total deferred inflows of resources</b>             | <b>618,863</b>      | <b>1,460,708</b>    | <b>18,945,495</b>   | <b>-</b>                           | <b>-</b>   | <b>398,666</b>           | <b>21,423,732</b>        |

**CITY OF MULVANE, KANSAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
(continued from previous page)

**December 31, 2014**

|  | General             | Employee<br>Benefits | Debt<br>Service      | Wastewater<br>Treatment<br>Plant<br>Improvements | Mulvane<br>Public Building<br>Commission<br>Library Project | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------|----------------------|--|---|--------------------------------|--------------------------------|
| Fund balances:   |                     |                      |                      |  |   |                                |                                |
| Restricted:  |                     |                      |                      |  |   |                                |                                |
| Insurance claims   | \$ 205,676          | \$ -                 | \$ -                 | \$ -   | \$ -  | \$ -                           | \$ 205,676                     |
| Debt service   | -                   | -                    | 603,419              | -  | -   | -                              | 603,419                        |
| General government                                       | -                   | 903,319              | -                    | -  | -   | -                              | 903,319                        |
| Recreation   | -                   | -                    | -                    | -  | -   | 287,970                        | 287,970                        |
| Health and welfare                                       | -                   | -                    | -                    | -  | -   | 59,373                         | 59,373                         |
| Economic development                                     | -                   | -                    | -                    | -  | -   | 437,536                        | 437,536                        |
| Street improvements                                      | -                   | -                    | -                    | -  | -   | 15,414                         | 15,414                         |
| Capital improvements                                     | -                   | -                    | -                    | 92,222   | 4,093,865   | 544,075                        | 4,730,162                      |
| Committed:   |                     |                      |                      |  |   |                                |                                |
| Street improvements                                      | -                   | -                    | -                    | -  | -   | 355,445                        | 355,445                        |
| Parks and recreation                                     | -                   | -                    | -                    | -  | -   | 58,786                         | 58,786                         |
| Assigned:  |                     |                      |                      |  |   |                                |                                |
| General government                                       | 1,408,934           | -                    | -                    | -  | -   | -                              | 1,408,934                      |
| Culture and recreation                                   | -                   | -                    | -                    | -  | -   | 2                              | 2                              |
| Capital outlay   | -                   | -                    | -                    | -  | -   | 374,062                        | 374,062                        |
| Unassigned   | <u>1,805,946</u>    | <u>-</u>             | <u>-</u>             | <u>-</u>   | <u>-</u>  | <u>(799)</u>                   | <u>1,805,147</u>               |
| Total fund balances                                      | <u>3,420,556</u>    | <u>903,319</u>       | <u>603,419</u>       | <u>92,222</u>                                    | <u>4,093,865</u>  | <u>2,131,864</u>               | <u>11,245,245</u>              |
| Total liabilities, deferred<br>inflows and fund balances | <u>\$ 4,437,410</u> | <u>\$ 2,420,445</u>  | <u>\$ 19,550,230</u> | <u>\$ 92,222</u>                                 | <u>\$ 4,119,065</u>   | <u>\$ 2,602,266</u>            | <u>\$ 33,221,638</u>           |

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

**CITY OF MULVANE, KANSAS**

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

**December 31, 2014**

|  |                     |                      |
|--|---------------------|----------------------|
| Total Governmental Fund Balances   |                     | \$ 11,245,245        |
| Amounts reported for governmental activities in the statement of net position are different because:   |                     |                      |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (capital assets net of accumulated depreciation): |                     |                      |
| Cost   | \$ 57,267,011       |                      |
| Accumulated depreciation   | <u>(22,458,202)</u> | 34,808,809           |
| Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:  |                     |                      |
| Special assessments receivable   |                     | 18,401,330           |
| Prepaid expenses   |                     | 34,262               |
| 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  | 442,886             |                      |
| Compensated absences payable   | 310,217             |                      |
| Note payable to Mulvane Firemen's Relief Association   |                     |                      |
| General obligation bonds payable   | 30,510,104          |                      |
| Unamortized premium on sale of general obligation bonds and Mulvane Public Building Commission revenue bonds   | 148,861             |                      |
| Mulvane Public Building Commission revenue bonds payable   | <u>4,975,000</u>    | <u>(36,387,068)</u>  |
| Net Position of Governmental Activities  |                     | <u>\$ 28,102,578</u> |

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, 2014

|   | General            | Employee Benefits | Debt Service      | Water Treatment Plant Improvements | Mulvane Public Building Commission Library Project | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|-------------------|-------------------|------------------------------------|--|--------------------------|--------------------------|
| <b>Revenues:</b>  |                    |                   |                   |                                    |  |                          |                          |
| Taxes   | \$ 1,846,691       | \$ 1,839,328      | \$ 431,877        | \$ -                               | \$ -   | \$ 1,238,186             | \$ 5,356,082             |
| Special assessment taxes  | -                  | -                 | 2,059,385         | -                                  | -  | 21,194                   | 2,080,579                |
| Intergovernmental   | 2,108,571          | -                 | -                 | -                                  | -  | 589,247                  | 2,697,818                |
| Licenses and permits  | 334,185            | -                 | -                 | -                                  | -  | 8,700                    | 342,885                  |
| Charges for services  | 247,994            | -                 | -                 | -                                  | -  | 91,123                   | 339,117                  |
| Fines and forfeitures   | 170,708            | -                 | -                 | -                                  | -  | -                        | 170,708                  |
| Use of money and property   | 19,703             | 1,293             | 1,799             | 1,048                              | 311  | 124,892                  | 149,046                  |
| Miscellaneous   | 16,479             | 11,193            | -                 | -                                  | -  | -                        | 27,672                   |
| Total revenues  | <u>4,744,331</u>   | <u>1,851,814</u>  | <u>2,493,061</u>  | <u>1,048</u>                       | <u>311</u>   | <u>2,073,342</u>         | <u>11,163,907</u>        |
| <b>Expenditures:</b>  |                    |                   |                   |                                    |  |                          |                          |
| <b>Current:</b>   |                    |                   |                   |                                    |  |                          |                          |
| General government  | 1,227,501          | 318,205           | 19,995            | -                                  | -  | -                        | 1,565,701                |
| Public safety   | 2,224,871          | 870,638           | -                 | -                                  | -  | -                        | 3,095,509                |
| Highways and streets  | 325,637            | 119,034           | -                 | -                                  | -  | 336,587                  | 781,258                  |
| Culture and recreation  | 311,357            | 110,869           | -                 | -                                  | -  | 516,948                  | 939,174                  |
| Health and welfare  | -                  | -                 | -                 | -                                  | -  | 52,180                   | 52,180                   |
| Environmental protection  | 1,099              | -                 | -                 | -                                  | -  | -                        | 1,099                    |
| Economic development  | 19,093             | -                 | -                 | -                                  | -  | 200,000                  | 219,093                  |
| Capital improvements  | -                  | -                 | -                 | 5,142,980                          | 180,896  | 3,374,648                | 8,698,524                |
| Debt Service  | 18,746             | -                 | 2,900,451         | -                                  | -  | 129,495                  | 3,048,692                |
| Total expenditures  | <u>4,128,304</u>   | <u>1,418,746</u>  | <u>2,920,446</u>  | <u>5,142,980</u>                   | <u>180,896</u>                                     | <u>4,609,858</u>         | <u>18,401,230</u>        |
| Revenues over (under) expenditures                                      | <u>616,027</u>     | <u>433,068</u>    | <u>(427,385)</u>  | <u>(5,141,932)</u>                 | <u>(180,585)</u>                                   | <u>(2,536,516)</u>       | <u>(7,237,323)</u>       |
| <b>Other financing sources (uses):</b>                                  |                    |                   |                   |                                    |  |                          |                          |
| Issuance of general obligation bonds                                    | -                  | -                 | 561,176           | -                                  | -  | 631,871                  | 1,193,047                |
| Premium on issuance of general obligation bonds                         | -                  | -                 | 17,624            | -                                  | -  | 19,548                   | 37,172                   |
| Issuance of Mulvane Public Building Commission revenue bonds            | -                  | -                 | -                 | -                                  | 4,200,000  | -                        | 4,200,000                |
| Premium on issuance of Mulvane Public Building Commission revenue bonds | -                  | -                 | -                 | -                                  | 74,450   | -                        | 74,450                   |
| Transfers in  | 125,172            | -                 | 100,145           | -                                  | -  | 263,831                  | 489,148                  |
| Transfers out   | (219,831)          | -                 | -                 | -                                  | -  | (295,317)                | (515,148)                |
| Total other financing sources (uses)                                    | <u>(94,659)</u>    | <u>-</u>          | <u>678,945</u>    | <u>-</u>                           | <u>4,274,450</u>                                   | <u>619,933</u>           | <u>5,478,669</u>         |
| Net change in fund balance  | 521,368            | 433,068           | 251,560           | (5,141,932)                        | 4,093,865  | (1,916,583)              | (1,758,654)              |
| Fund balances, beginning of year  | <u>2,899,188</u>   | <u>470,251</u>    | <u>351,859</u>    | <u>5,234,154</u>                   | <u>-</u>   | <u>4,048,447</u>         | <u>13,003,899</u>        |
| Fund balances, end of year  | <u>\$3,420,556</u> | <u>\$ 903,319</u> | <u>\$ 603,419</u> | <u>\$ 92,222</u>                   | <u>\$ 4,093,865</u>                                | <u>\$ 2,131,864</u>      | <u>\$ 11,245,245</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, 2014

|  |                    |                   |
|--|--------------------|-------------------|
| Net Change in Fund Balances – Total Governmental Funds   |                    | \$ (1,758,654)    |
| 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  | \$ 8,866,378       |                   |
| Depreciation   | <u>(1,406,968)</u> |                   |
| Excess capital outlays over depreciation   |                    | 7,459,410         |
| In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due   |                    |                   |
|  |                    | (146,525)         |
| The issuance of long-term provides current financial resources in the governmental funds but represent an increase in long-term liabilities in the statement of activities for:  |                    |                   |
| General obligation bonds   | 1,193,047          |                   |
| Mulvane Public Building Commission revenue bonds   | <u>4,200,000</u>   |                   |
| Total issuance of long-term debt   |                    | (5,393,047)       |
| The premium on the issuance of bonded indebtedness provides current financial resources in the governmental funds but represents an increase to the long-term liabilities in the statement of activities for:  |                    |                   |
| General obligation bonds   | 37,172             |                   |
| Mulvane Public Building Commission revenue bonds   | <u>74,450</u>      |                   |
| Total premium received on bonded indebtedness  |                    | (111,622)         |
| 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  | 2,244,590          |                   |
| Mulvane Public Building Commission revenue bond payment  | 95,000             |                   |
| Mulvane Firemen’s Relief Association loan payment  | <u>18,746</u>      |                   |
| Total payments on long-term liabilities  |                    | 2,358,336         |
| 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 |                    |                   |
|  |                    | (1,433,708)       |
| 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  | 1,591              |                   |
| Compensated absences payable   | (32,033)           |                   |
| Amortization of premium on issuance of general obligation bonds  | 10,865             |                   |
| Amortization of premium on issuance of Mulvane Public Building Commission revenue bonds  | <u>11,188</u>      |                   |
| Total  |                    | <u>(8,389)</u>    |
| Change in Net Position of Governmental Activities  |                    | <u>\$ 965,801</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, 2014**

|   | <u>Budgeted Amounts</u> |                      | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|-------------------------|----------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>         |   |   |
| Revenues:                                     |                         |                      |   |   |
| Taxes   | \$1,540,912             | \$1,540,912          | \$1,691,247   | \$ 150,335  |
| Intergovernmental                             | 1,900,783               | 1,900,783            | 2,091,847   | 191,064   |
| Licenses, fees and permits                    | 304,700                 | 304,700              | 338,142   | 33,442  |
| Charges for services                          | 215,000                 | 215,000              | 247,994   | 32,994  |
| Fines and forfeitures                         | 119,250                 | 119,250              | 170,708   | 51,458  |
| Use of money and property                     | 9,000                   | 9,000                | 19,204  | 10,204  |
| Miscellaneous                                 | 500                     | 500                  | 16,797  | 16,297  |
| Transfers in                                  | <u>—</u>                | <u>—</u>             | <u>125,172</u>  | <u>125,172</u>  |
| <br>Total revenues and<br>other sources       | <br><u>4,090,145</u>    | <br><u>4,090,145</u> | <br><u>4,701,111</u>  | <br><u>610,966</u>  |
| Expenditures, encumbrances<br>and other uses: |                         |                      |   |   |
| General government:                           |                         |                      |   |   |
| Administration department                     | 1,553,821               | 1,553,821            | 654,238   | 899,583   |
| Inspection department                         | <u>114,000</u>          | <u>114,000</u>       | <u>87,676</u>   | <u>26,324</u>   |
| <br>Total general<br>government               | <br><u>1,667,821</u>    | <br><u>1,667,821</u> | <br><u>741,914</u>  | <br><u>925,907</u>  |
| Public safety:                                |                         |                      |   |   |
| Police department                             | 1,251,076               | 1,251,076            | 1,193,295   | 57,781  |
| Fire department                               | 269,179                 | 269,179              | 265,595   | 3,584   |
| EMS department                                | 943,612                 | 943,612              | 919,269   | 24,343  |
| Municipal Court                               | 137,850                 | 137,850              | 111,700   | 26,150  |
| Fire District No. 12                          | <u>20,000</u>           | <u>20,000</u>        | <u>13,997</u>   | <u>6,003</u>  |
| <br>Total public safety                       | <br><u>2,621,717</u>    | <br><u>2,621,717</u> | <br><u>2,503,856</u>  | <br><u>117,861</u>  |
| Highways and streets:                         |                         |                      |   |   |
| Street department                             | 299,761                 | 299,761              | 281,696   | 18,065  |
| Street lighting                               | <u>50,000</u>           | <u>50,000</u>        | <u>43,941</u>   | <u>6,059</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, 2014**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|-------------------------|------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>     |   |   |
| Total highways and streets  | \$ 349,761              | \$ 349,761       | \$ 325,637  | \$ 24,124   |
| Culture and recreation:   |                         |                  |   |   |
| Parks department  | 246,420                 | 246,420          | 187,894   | 58,526  |
| Sports Complex  | <u>197,359</u>          | <u>197,359</u>   | <u>123,464</u>  | <u>73,895</u>   |
| Total culture<br>and recreation   | <u>443,779</u>          | <u>443,779</u>   | <u>311,358</u>  | <u>132,421</u>  |
| Economic development:   |                         |                  |   |   |
| Planning department   | <u>48,000</u>           | <u>48,000</u>    | <u>28,462</u>   | <u>19,538</u>   |
| Environmental protection:   |                         |                  |   |   |
| Bindweed department   | <u>1,000</u>            | <u>1,000</u>     | <u>1,099</u>  | <u>(99)</u>   |
| Other:  |                         |                  |   |   |
| Debt service  | 142,731                 | 142,731          | 142,496   | 235   |
| Transfers out   | <u>187,483</u>          | <u>187,483</u>   | <u>219,831</u>  | <u>(32,348)</u>   |
| Total other   | <u>330,214</u>          | <u>330,214</u>   | <u>362,327</u>  | <u>(32,113)</u>   |
| Total expenditures,<br>encumbrances and<br>other uses                                   | <u>5,462,292</u>        | <u>5,462,292</u> | <u>4,274,653</u>  | <u>1,187,639</u>  |
| Revenues and other sources<br>over (under) expenditures,<br>encumbrances and other uses | (1,372,147)             | (1,372,147)      | 426,458   | 1,798,605   |
| Fund balance,<br>beginning of year  | <u>1,372,147</u>        | <u>1,372,147</u> | <u>2,510,049</u>  | <u>1,137,902</u>  |
| Fund balance, end of year   | <u>\$ —</u>             | <u>\$ —</u>      | <u>\$2,936,507</u>  | <u>\$2,936,507</u>  |

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

**CITY OF MULVANE, KANSAS**

**EMPLOYEE BENEFITS FUND**

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

**Year Ended December 31, 2014**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>     |   |   |
| Revenues:                             |                         |                  |   |   |
| Taxes                                 | \$1,763,083             | \$1,763,083      | \$ 1,839,328                                      | \$ 76,245   |
| Use of money and property             | 200                     | 200              | 1,293   | 1,093   |
| Miscellaneous                         | <u>5,000</u>            | <u>5,000</u>     | <u>11,193</u>                                     | <u>6,193</u>  |
| Total revenues                        | <u>1,768,283</u>        | <u>1,768,283</u> | <u>1,851,814</u>                                  | <u>83,531</u>   |
| Expenditures:                         |                         |                  |   |   |
| Administration department             | 579,655                 | 579,655          | 318,205   | 261,450   |
| Street department                     | 134,500                 | 134,500          | 119,034   | 15,466  |
| Police department                     | 486,500                 | 486,500          | 441,313   | 45,187  |
| Fire department                       | 64,000                  | 64,000           | 61,125  | 2,875   |
| Ambulance department                  | 506,000                 | 506,000          | 368,200   | 137,800   |
| Park department                       | <u>141,000</u>          | <u>141,000</u>   | <u>110,869</u>                                    | <u>30,131</u>   |
| Total expenditures                    | <u>1,911,655</u>        | <u>1,911,655</u> | <u>1,418,746</u>                                  | <u>492,909</u>  |
| Revenues over (under)<br>expenditures | (143,372)               | (143,372)        | 433,068   | 576,440   |
| Fund balance,<br>beginning of year    | <u>143,372</u>          | <u>143,372</u>   | <u>470,251</u>                                    | <u>326,879</u>  |
| Fund balance, end of year             | <u>\$ —</u>             | <u>\$ —</u>      | <u>\$ 903,319</u>                                 | <u>\$ 903,319</u>   |

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

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**CITY OF MULVANE, KANSAS**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**December 31, 2014**

|  | Business-Type Activities – Enterprise Funds |                 |                 |                              |
|--|---|-----------------|-----------------|------------------------------|
|  | Electric<br>System                          | Water<br>System | Sewer<br>System | Total<br>Enterprise<br>Funds |
| <b><u>ASSETS</u></b>                               |   |                 |                 |                              |
| Current assets:                                    |   |                 |                 |                              |
| Cash and investments                               | \$ 924,241                                  | \$ 850,811      | \$ 252,661      | \$ 2,027,713                 |
| Trade accounts receivable                          | 667,998                                     | 148,954         | 262,187         | 1,079,139                    |
| Prepaid expenses                                   | 16,820                                      | 3,968           | 9,689           | 30,477                       |
| Restricted assets:                                 |   |                 |                 |                              |
| Cash and investments restricted for:               |   |                 |                 |                              |
| Revenue bond principal and interest                | 22,742                                      | –               | 45,785          | 68,527                       |
| Customer deposits                                  | 135,783                                     | 52,941          | –               | 188,724                      |
| Total current assets                               | 1,767,584                                   | 1,056,674       | 570,322         | 3,394,580                    |
| Noncurrent assets:                                 |   |                 |                 |                              |
| Restricted assets:                                 |   |                 |                 |                              |
| Cash and investments restricted for:               |   |                 |                 |                              |
| Revenue bond principal and interest                | 59,767                                      | –               | 22,084          | 81,851                       |
| Revenue bond reserve                               | 198,005                                     | –               | 383,442         | 581,447                      |
| Revenue bond surplus reserve                       | 1,057,662                                   | –               | 863,719         | 1,921,381                    |
| Replacement reserve                                | 371,474                                     | –               | –               | 371,474                      |
| Total restricted assets                            | 1,686,908                                   | –               | 1,269,245       | 2,956,153                    |
| Property, plant and equipment:                     |   |                 |                 |                              |
| Land   | 419,856                                     | –               | 338,261         | 758,117                      |
| Utility plant                                      | 5,403,265                                   | 779,500         | 20,828,797      | 27,011,562                   |
| Improvements other than buildings                  | 5,223,955                                   | 5,623,466       | 5,339,469       | 16,186,890                   |
| Machinery and equipment                            | 1,316,414                                   | 291,236         | 603,580         | 2,211,230                    |
|  | 12,363,490                                  | 6,694,202       | 27,110,107      | 46,167,799                   |
| Less accumulated depreciation                      | (7,633,930)                                 | (2,271,201)     | (4,394,247)     | (14,299,378)                 |
| Property, plant and equipment, net                 | 4,729,560                                   | 4,423,001       | 22,715,860      | 31,868,421                   |
| Total assets                                       | 8,184,052                                   | 5,479,675       | 24,555,427      | 38,219,154                   |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>       |   |                 |                 |                              |
| Deferred outflows of resources                     |   |                 |                 |                              |
| Unamortized deferred cost on refunding             | 35,308                                      | –               | 50,073          | 85,381                       |
| Total assets and deferred<br>outflows of resources | 8,219,360                                   | 5,479,675       | 24,605,500      | 38,304,535                   |

|   | <u>Business-Type Activities – Enterprise Funds</u> |                         |                         |                                       |
|---|--|-------------------------|-------------------------|---------------------------------------|
|   | <u>Electric<br/>System</u>                         | <u>Water<br/>System</u> | <u>Sewer<br/>System</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
| <b><u>LIABILITIES</u></b>                             |  |                         |                         |                                       |
| Current liabilities:                                  |  |                         |                         |                                       |
| Salaries and wages payable                            | \$ 8,351   | \$ 3,990                | \$ 4,703                | \$ 17,044                             |
| Accounts payable                                      | 27,507   | 16,318                  | 19,808                  | 63,633                                |
| Compensated absences payable                          | 89,975   | 41,230                  | 56,643                  | 187,848                               |
| Current portion of general obligation bonds payable   | 243,975  | 41,572                  | 299,080                 | 584,627                               |
| Accrued interest payable                              | 31,982   | 8,064                   | 56,709                  | 96,755                                |
| Current liabilities payable from restricted assets:   |  |                         |                         |                                       |
| Accrued revenue bond interest payable                 | 22,742   | –                       | 37,128                  | 59,870                                |
| Current portion of:                                   |  |                         |                         |                                       |
| Revenue bonds payable                                 | –  | –                       | 8,657                   | 8,657                                 |
| Customer deposits payable                             | <u>135,783</u>                                     | <u>52,941</u>           | <u>–</u>                | <u>188,724</u>                        |
| Total current liabilities                             | <u>560,315</u>                                     | <u>164,115</u>          | <u>482,728</u>          | <u>1,207,158</u>                      |
| Noncurrent liabilities:                               |  |                         |                         |                                       |
| Long-term portion of compensated absences payable     | 42,289   | 19,378                  | 26,623                  | 88,290                                |
| Long-term portion of general obligation bonds payable | 1,834,445  | 258,341                 | 2,219,540               | 4,312,326                             |
| Long-term portion of revenue bonds payable            | <u>1,483,119</u>                                   | <u>–</u>                | <u>2,958,224</u>        | <u>4,441,343</u>                      |
| Total noncurrent liabilities                          | <u>3,359,853</u>                                   | <u>277,719</u>          | <u>5,204,387</u>        | <u>8,841,959</u>                      |
| Total liabilities                                     | <u>3,920,168</u>                                   | <u>441,834</u>          | <u>5,687,115</u>        | <u>10,049,117</u>                     |
| <b><u>NET POSITION</u></b>                            |  |                         |                         |                                       |
| Net position:   |  |                         |                         |                                       |
| Net investment in capital assets                      | 1,168,021  | 4,123,089               | 17,230,359              | 22,521,469                            |
| Restricted for debt service                           | 1,686,908  | –                       | 1,269,245               | 2,956,153                             |
| Unrestricted  | <u>1,444,263</u>                                   | <u>914,752</u>          | <u>418,781</u>          | <u>2,777,796</u>                      |
| Total net position                                    | <u>\$ 4,299,192</u>                                | <u>\$ 5,037,841</u>     | <u>\$18,918,385</u>     | <u>\$ 28,255,418</u>                  |

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

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

**Year ended December 31, 2014**

|  | Business-Type Activities – Enterprise Funds |                     |                      | Total<br>Enterprise<br>Funds |
|--|---|---------------------|----------------------|------------------------------|
|  | Electric<br>System                          | Water<br>System     | Sewer<br>System      |                              |
| Operating revenues:                              |   |                     |                      |                              |
| Charges for services                             | \$ 4,832,112                                | \$ 1,084,001        | \$ 1,615,515         | \$ 7,531,628                 |
| Miscellaneous                                    | 13,970                                      | 6,473               | 6,674                | 27,117                       |
| Rents and royalties                              | <u>10,270</u>                               | <u>7,986</u>        | <u>–</u>             | <u>18,256</u>                |
| Total operating revenues                         | <u>4,856,352</u>                            | <u>1,098,460</u>    | <u>1,622,189</u>     | <u>7,577,001</u>             |
| Operating expenses:                              |   |                     |                      |                              |
| Production                                       | 3,623,180                                   | –                   | –                    | 3,623,180                    |
| Treatment  | –   | 868,626             | 644,196              | 1,512,822                    |
| Distribution and maintenance                     | 764,597                                     | –                   | –                    | 764,597                      |
| Collection                                       | –   | –                   | 225,108              | 225,108                      |
| Depreciation                                     | <u>452,638</u>                              | <u>132,234</u>      | <u>551,879</u>       | <u>1,136,751</u>             |
| Total operating expenses                         | <u>4,840,415</u>                            | <u>1,000,860</u>    | <u>1,421,183</u>     | <u>7,262,458</u>             |
| Operating income                                 | <u>15,937</u>                               | <u>97,600</u>       | <u>201,006</u>       | <u>314,543</u>               |
| Nonoperating revenues (expense):                 |   |                     |                      |                              |
| Interest income                                  | 2,761                                       | 1,378               | 2,020                | 6,159                        |
| Interest expense                                 | (142,715)                                   | (6,927)             | (228,295)            | (377,937)                    |
| Gain on disposal of assets                       | 2,801                                       | –                   | 1,026                | 3,827                        |
| Bond issuance costs                              | (6,038)                                     | (10,575)            | (12,547)             | (29,160)                     |
| Amortization of deferred refunding costs         | <u>(5,889)</u>                              | <u>–</u>            | <u>(8,365)</u>       | <u>(14,254)</u>              |
| Total nonoperating revenue (expense)             | <u>(149,080)</u>                            | <u>(16,124)</u>     | <u>(246,161)</u>     | <u>(411,365)</u>             |
| Income (loss) before contributions and transfers | (133,143)                                   | 81,476              | (45,155)             | (96,822)                     |
| Contributed capital                              | –   | 73,967              | 125,211              | 199,178                      |
| Transfers from other funds                       | <u>26,000</u>                               | <u>–</u>            | <u>–</u>             | <u>26,000</u>                |
| Change in net position                           | (107,143)                                   | 155,443             | 80,056               | 128,356                      |
| Net position, beginning of year                  | <u>4,406,335</u>                            | <u>4,882,398</u>    | <u>18,838,329</u>    | <u>28,127,062</u>            |
| Net position, end of year                        | <u>\$ 4,299,192</u>                         | <u>\$ 5,037,841</u> | <u>\$ 18,918,385</u> | <u>\$ 28,255,418</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, 2014

|   | <u>Business-Type Activities – Enterprise Funds</u> |                         |                         | <u>Total<br/>Enterprise<br/>Funds</u> |
|---|--|-------------------------|-------------------------|---------------------------------------|
|   | <u>Electric<br/>System</u>                         | <u>Water<br/>System</u> | <u>Sewer<br/>System</u> |                                       |
| Cash flows from operating activities:   |  |                         |                         |                                       |
| Cash received from customers  | \$ 4,808,171                                       | \$1,082,436             | \$ 1,621,735            | \$ 7,512,342                          |
| Cash payments for materials and services  | (3,450,979)  | (454,903)               | (420,467)               | (4,326,349)                           |
| Cash payments to employees for services   | (931,907)  | (396,429)               | (481,916)               | (1,810,252)                           |
| Other cash receipts   | <u>24,240</u>                                      | <u>14,459</u>           | <u>6,674</u>            | <u>45,373</u>                         |
| Net cash provided by<br>(used for) operating activities                             | <u>449,525</u>                                     | <u>245,563</u>          | <u>726,026</u>          | <u>1,421,114</u>                      |
| Cash flows from capital and related financing activities:                           |  |                         |                         |                                       |
| Principal paid on revenue bonds   | –  | –                       | (197,300)               | (197,300)                             |
| Principal paid on general obligation bonds  | (424,203)  | (361,370)               | (675,837)               | (1,461,410)                           |
| Interest paid on debt   | (121,489)  | (2,583)                 | (73,913)                | (197,985)                             |
| Proceeds from sale of refunding general<br>obligation bonds                         | 171,218  | 299,913                 | 355,822                 | 826,953                               |
| Bond issuance costs   | (6,038)  | (10,575)                | (12,548)                | (29,161)                              |
| Proceeds from disposal of capital assets  | 2,801  | –                       | 1,026                   | 3,827                                 |
| Acquisition and construction of capital assets                                      | <u>(96,661)</u>                                    | <u>(27,104)</u>         | <u>(98,900)</u>         | <u>(222,665)</u>                      |
| Net cash provided (used) by capital<br>and related financing activities             | <u>(474,372)</u>                                   | <u>(101,719)</u>        | <u>(701,650)</u>        | <u>(1,277,741)</u>                    |
| Cash flows from noncapital financing activities:                                    |  |                         |                         |                                       |
| Transfers from other funds  | <u>26,000</u>                                      | <u>–</u>                | <u>–</u>                | <u>26,000</u>                         |
| Cash flows from investing activities:   |  |                         |                         |                                       |
| Interest received   | <u>2,761</u>                                       | <u>1,378</u>            | <u>2,020</u>            | <u>6,159</u>                          |
| Net increase in cash and cash equivalents   | 3,914  | 145,222                 | 26,396                  | 175,532                               |
| Cash and cash equivalents, beginning of year  | <u>2,765,760</u>                                   | <u>758,530</u>          | <u>1,541,295</u>        | <u>5,065,585</u>                      |
| Cash and cash equivalents, end of year  | <u>\$ 2,769,674</u>                                | <u>\$ 903,752</u>       | <u>\$ 1,567,691</u>     | <u>\$ 5,241,117</u>                   |
|   |  |                         |                         |                                       |
| Cash and cash equivalents   | \$ 924,241   | \$ 850,811              | \$ 252,661              | \$ 2,027,713                          |
| Restricted cash and cash equivalents included<br>in restricted cash and investments | <u>1,845,433</u>                                   | <u>52,941</u>           | <u>1,315,030</u>        | <u>3,213,404</u>                      |
| Cash and cash equivalents, end of year  | <u>\$ 2,769,674</u>                                | <u>\$ 903,752</u>       | <u>\$ 1,567,691</u>     | <u>\$ 5,241,117</u>                   |

**CITY OF MULVANE, KANSAS**

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
(continued from previous page)

**Year ended December 31, 2014**

|   | Business-Type Activities – Enterprise Funds |                   |                   | Total<br>Enterprise<br>Funds |
|---|---|-------------------|-------------------|------------------------------|
|   | Electric<br>System                          | Water<br>System   | Sewer<br>System   |                              |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: |   |                   |                   |                              |
| Operating income (loss)   | \$ 15,937                                   | \$ 97,600         | \$ 201,006        | \$ 314,543                   |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:    |   |                   |                   |                              |
| Depreciation expense  | 452,638                                     | 132,234           | 551,879           | 1,136,751                    |
| Changes in assets and liabilities:  |   |                   |                   |                              |
| Decrease (increase) in accounts receivable  | (22,897)                                    | (1,366)           | 6,220             | (18,043)                     |
| Decrease (increase) in prepaid expenses   | 1,293                                       | (804)             | (603)             | (114)                        |
| Increase (decrease) in salaries and wages payable   | 2,479                                       | 2,040             | 640               | 5,159                        |
| Increase in accounts payable  | 9,852                                       | (7,154)           | (40,822)          | (38,124)                     |
| Increase (decrease) in compensated absences payable   | (8,732)                                     | 23,212            | 7,706             | 22,186                       |
| Increase (decrease) in customer deposits payable  | (1,045)                                     | (199)             | –                 | (1,244)                      |
| Net cash provided by (used for) operating activities  | <u>\$ 449,525</u>                           | <u>\$ 245,563</u> | <u>\$ 726,026</u> | <u>\$ 1,421,114</u>          |

**Noncash capital and related financing activities:**

The Water and Sewer System Funds received noncash contributions of assets from the municipality for facility improvements during 2014 in the amounts of \$73,967 and \$125,211, respectively.

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

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

**December 31, 2014**

|                            | <u>Agency<br/>Funds</u> |
|----------------------------|-------------------------|
| Assets:                    |                         |
| Cash including investments | \$234,804               |
| Liabilities:               |                         |
| Accounts payable           | <u>234,804</u>          |
| Net position               | <u>\$ —</u>             |

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

## CITY OF MULVANE, KANSAS

### NOTES TO FINANCIAL STATEMENTS

December 31, 2014

#### 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 units

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 performs or contracts for maintenance of the property. The City provides

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

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.

### **Blended component unit**

The Mulvane Public Building Commission is governed by a six-member board who shall be the same persons as are then serving as the Mayor and Council Members on the Governing Body of the City of Mulvane. 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 Library Project Fund and 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's basic financial statements include both government-wide, including a statement of net position 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 position 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 position 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

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

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.

### **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.

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

The City reports the following major governmental funds:

**General Fund** – The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**Employee Benefits Fund** – The Employee Benefits Fund is used to account for and report the City’s portion of social security taxes, retirement plan contributions, workers compensation insurance premiums and unemployment insurance contributions applicable to the governmental funds’ payrolls. Financing is principally provided by taxes.

**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.

**Water Treatment Plant Improvements Fund** – This project fund is used to account for and report the costs incurred related to construction of a new water treatment plant related to anticipated demands for additional water treatment capacity.

**Mulvane Public Building Commission Library Project Fund** – This project fund is used to account for and report the costs incurred related to the construction of a new public library in the City. The project is funded via the issuance of Mulvane Public Building Commission Revenue Bonds, which were issued pursuant to a lease with the City of Mulvane to mirror the debt service costs. The voters of the City of Mulvane passed a 1% local sales tax in June 2014 for the special purpose of paying the cost of financing, site preparation, acquisition, construction, improvement, installation, furnishing and equipping a new public library within the City. The special sales tax is effective October 1, 2014 and will expire on the 30<sup>th</sup> day of September 2024, or such earlier date as all obligations incurred for said purpose shall have been paid in full.

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.

The City also reports the following fund types:

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds – The capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds.

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 employee's 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. In addition, gaming facility revenues 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.

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

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.

### **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.

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

### Special assessments receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that 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.

### 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. The City defines capital assets as assets with an initial individual cost of \$2,500. 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.

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

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 |
| Buildings                         | 15 – 40 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 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

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

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, if significant. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred amounts bond refundings 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 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, 2014, there were no outstanding or accrued liabilities. Changes in the reported liability since December 31, 2012 is as follows:

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

|      | Beginning<br>of Year<br><u>Liability</u> | Current Year<br>Claims and<br>Changes in<br><u>Estimates</u> | Claim<br><u>Payments</u> | End<br>of Year<br><u>Liability</u> |
|------|--|--|--------------------------|------------------------------------|
| 2013 | \$ –                                     | \$31,892   | \$ 30,313                | \$1,579                            |
| 2014 | 1,579                                    | 69,753   | 53,565                   | 17,767                             |

At December 31, 2014, General Fund cash and short-term investments of \$220,443 were held for purposes of funding the City's future claims liabilities, including \$17,767 at year-end. As a result, \$205,676 of the General Fund balance is restricted for payment of future claims liabilities.

**Deferred Inflows of Resources/Deferred Outflows of Resources**

A deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The City identified certain financial balances that meet the definition of a deferred outflow of resources or a deferred inflow of resources. These items include unamortized deferred costs on bond refundings and property taxes and special assessments receivable.

**Equity Classifications**

In the government-wide financial statements, equity is reflected as net position and classified into three components:

- Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisitions, construction or improvements of those assets.
- Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Governmental fund balance classifications are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be expended. In the governmental funds financial statements, equity is classified into potentially five components:

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

- Nonspendable – Assets that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained in tact.
- Restricted – Assets with externally imposed constraints such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
- Committed – The committed portion of fund balance can only be used for specific purposes and imposed by formal action of the government’s highest level of decision making authority. In the case of the City it is the City Council and the formal action would be an ordinance to modify or rescind the commitment.
- Assigned – The assigned portion of fund balance is comprised of amounts intended to be used by the City for specific purposes that are neither restricted or committed. Intent is expressed by (1) the City Council or (2) a body or official to whom the City Council has delegated the authority to. The City Council has delegated authority to the City Administrator or Department Heads to assign amounts to be used for specific purposes. The portion of fund balance that is appropriated by the City Council for next year’s budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by designated senior staff, are included in the assigned fund balance.
- Unassigned – All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

The City’s fund balance policy states that the General Fund will be managed in such a way as to maintain a minimum unrestricted fund balance equal to at least three-months annual operating expenditures and transfers out.

### **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.

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

**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 and enterprise funds. The JOB Grant, Library Sales Tax, Water Treatment Plant Improvements, Capital Improvement Reserve, Municipal Equipment Reserve, Secondary EMS Facility and Equipment Project, Water Tower Project, Wastewater Treatment Plan Phase II, City Hall Renovations Project, Cedar Brook 4<sup>th</sup> Addition Water Improvements, Cedar Brook 4<sup>th</sup> Addition Sewer Improvements, Cedar Brook 4<sup>th</sup> Addition Street Improvements, Cedar Brook 5<sup>th</sup> Addition Water Improvements, Cedar Brook 5<sup>th</sup> Addition Sewer Improvements, Cedar Brook 5<sup>th</sup> Addition Street Improvements, Cedar Brook 4<sup>th</sup> and 5<sup>th</sup> Addition Storm Sewer Improvements, and Merlin’s Glen Street Drainage Improvements Project funds 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. During 2014, the governing body amended the following funds:

| <u>Fund</u>  | <u>Original<br/>budget</u> | <u>Amended<br/>budget</u> |
|--------------|----------------------------|---------------------------|
| Debt Service | \$ 2,490,738               | \$ 5,119,748              |

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.

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

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, franchise fees and gaming facility revenue sharing 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 that are not subject to legal budgets are maintained by other statutes or by the use of internal spending limits established by management.

## 2. DEPOSITS AND INVESTMENTS

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories that 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, 2014, is as follows:

|              |     |
|--------------|-----|
| Carson Bank  | 90% |
| Emprise Bank | 10% |

### 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

## 2. DEPOSITS AND INVESTMENTS (continued)

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 \$16,323,525, with the bank balances of such accounts being \$16,623,612. Of the bank balances, \$638,015 was covered by federal depository insurance and the remaining balance of \$15,985,597 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks. The fair value of those pledged securities held by the City's custodial investment agencies was \$19,372,152 at December 31, 2014.

The remaining carrying amount of the City's cash and investments at December 31, 2014 consisted of cash on hand and cash held by the City's fiscal agent in the amounts of \$400 and \$1,316, respectively.

The Mulvane Public Library's cash and investments at December 31, 2014 consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$185,687 with the bank balances of such accounts being \$185,787. The bank balances were entirely secured by FDIC insurance at December 31, 2014.

The Mulvane Housing Authority's cash and investments at December 31, 2014 consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$45,806 with the bank balances of such accounts being \$45,938. The bank balances were entirely secured by FDIC insurance at December 31, 2014.

## 3. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

|  | Balance<br>January 1,<br><u>2014</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br>December 31,<br><u>2014</u> |
|--|--------------------------------------|------------------|------------------|--|
| <u>Governmental Activities:</u>          |                                      |                  |                  |  |
| Capital assets not<br>being depreciated: |                                      |                  |                  |  |
| Land                                     | \$ 382,114                           | \$ 82,900        | \$ -             | \$ 465,014                             |
| Construction<br>work in<br>progress      | <u>2,918,331</u>                     | <u>6,037,727</u> | <u>699,315</u>   | <u>8,256,743</u>                       |
|  | <u>3,300,445</u>                     | <u>6,120,627</u> | <u>699,315</u>   | <u>8,721,757</u>                       |

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

|   | Balance<br>January 1,<br><u>2014</u> | <u>Additions</u>    | <u>Deletions</u>  | Balance<br>December 31,<br><u>2014</u> |
|---|--------------------------------------|---------------------|-------------------|--|
| Capital assets being depreciated:           |                                      |                     |                   |  |
| Buildings                                   | \$ 2,362,453                         | \$ 1,980,173        | \$ —              | \$ 4,342,626                           |
| Improvements other than buildings           | 3,785,323                            | —                   | —                 | 3,785,323                              |
| Infrastructure                              | 34,159,546                           | 1,319,033           | —                 | 35,478,579                             |
| Machinery and equipment                     | <u>4,868,422</u>                     | <u>145,860</u>      | <u>75,556</u>     | <u>4,938,726</u>                       |
| Total capital assets being depreciated      | <u>45,175,744</u>                    | <u>3,445,066</u>    | <u>75,556</u>     | <u>48,545,254</u>                      |
| Less accumulated depreciation for:          |                                      |                     |                   |  |
| Buildings                                   | 956,436                              | 110,189             | —                 | 1,066,625                              |
| Improvements other than buildings           | 717,573                              | 94,089              | —                 | 811,662                                |
| Infrastructure                              | 16,253,082                           | 865,197             | —                 | 17,118,279                             |
| Machinery and equipment                     | <u>3,199,699</u>                     | <u>337,493</u>      | <u>75,556</u>     | <u>3,461,636</u>                       |
| Total accumulated depreciation              | <u>21,126,790</u>                    | <u>1,406,968</u>    | <u>75,556</u>     | <u>22,458,202</u>                      |
| Total capital assets being depreciated, net | <u>24,048,954</u>                    | <u>2,038,098</u>    | <u>—</u>          | <u>26,087,052</u>                      |
| Governmental activities capital assets, net | <u>\$ 27,349,399</u>                 | <u>\$ 8,158,725</u> | <u>\$ 699,315</u> | <u>\$ 34,808,809</u>                   |
| <u>Business-Type Activities:</u>            |                                      |                     |                   |  |
| Capital assets, not being depreciated       |                                      |                     |                   |  |
| Land  | \$ 758,117                           | \$ —                | \$ —              | \$ 758,117                             |

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

|   | Balance<br>January 1,<br><u>2014</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br>December 31,<br><u>2014</u> |
|---|--------------------------------------|------------------|------------------|--|
| Construction<br>Work in<br>Progress                 | \$ 55,738                            | \$ 38,215        | \$ 93,953        | \$ —                                   |
| Total capital<br>assets not<br>being<br>depreciated | <u>813,855</u>                       | <u>38,215</u>    | <u>93,953</u>    | <u>758,117</u>                         |
| Capital assets being<br>depreciated:                |                                      |                  |                  |  |
| Utility plant                                       | 26,886,474                           | 125,088          | —                | 27,011,562                             |
| Improvements<br>other than<br>buildings             | 15,970,181                           | 216,709          | —                | 16,186,890                             |
| Machinery and<br>equipment                          | <u>2,132,028</u>                     | <u>135,784</u>   | <u>56,582</u>    | <u>2,211,230</u>                       |
| Total capital<br>assets being<br>depreciated        | <u>44,988,683</u>                    | <u>477,581</u>   | <u>56,582</u>    | <u>45,409,682</u>                      |
| Less accumulated<br>depreciation for:               |                                      |                  |                  |  |
| Utility plant                                       | 6,129,318                            | 624,035          | —                | 6,753,353                              |
| Improvements<br>other than<br>buildings             | 5,557,333                            | 418,248          | —                | 5,975,581                              |
| Machinery and<br>equipment                          | <u>1,532,558</u>                     | <u>94,468</u>    | <u>56,582</u>    | <u>1,570,444</u>                       |
| Total accumu-<br>lated<br>depreciation              | <u>13,219,209</u>                    | <u>1,136,751</u> | <u>56,582</u>    | <u>14,299,378</u>                      |
| Total capital<br>assets being<br>depreciated, net   | <u>31,769,474</u>                    | <u>(659,170)</u> | <u>—</u>         | <u>31,110,304</u>                      |

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

|  | Balance<br>January 1,<br><u>2014</u> | <u>Additions</u>    | <u>Deletions</u> | Balance<br>December 31,<br><u>2014</u> |
|--|--------------------------------------|---------------------|------------------|--|
| Business-type<br>activities capital<br>assets, net | \$ <u>32,583,329</u>                 | \$ <u>(620,955)</u> | \$ <u>93,953</u> | \$ <u>31,868,421</u>                   |

Depreciation expense was charged to function/programs of the primary government as follows:

|   |  |                     |
|---|--|---------------------|
| Governmental activities:  |  |                     |
| General government  |  | \$ 41,787           |
| Public safety   |  | 305,927             |
| Highways and streets (including depreciation<br>of infrastructure assets) |  | 928,319             |
| Culture and recreation  |  | <u>130,935</u>      |
| Total depreciation expense – governmental activities                      |  | <u>\$ 1,406,968</u> |
| Business-type activities:   |  |                     |
| Electric System   |  | \$ 452,638          |
| Water System  |  | 132,234             |
| Sewer System  |  | <u>551,879</u>      |
| Total depreciation expense – business-type activities                     |  | <u>\$ 1,136,751</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, 2014:

|  | Outstanding<br>January 1,<br><u>2014</u> | <u>Additions</u> | <u>Deletions</u> | Outstanding<br>December 31,<br><u>2014</u> | Due<br>Within<br><u>One Year</u> |
|--|--|------------------|------------------|--|----------------------------------|
| <u>Governmental activities</u>   |  |                  |                  |  |                                  |
| General obligation bonds<br>Mulvane Public Building<br>Commission Revenue<br>bonds | \$31,561,590                             | \$ 1,193,047     | \$2,244,590      | \$ 30,510,047                              | \$1,921,373                      |
| Note payable to Mulvane<br>Firemen's Relief<br>Association                         | 870,000                                  | 4,200,000        | 95,000           | 4,975,000                                  | 490,000                          |
|  | 18,746                                   | –                | 18,746           | –  | –                                |

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

|  | Outstanding<br>January 1,<br><u>2014</u> | <u>Additions</u>    | <u>Deletions</u>    | Outstanding<br>December 31,<br><u>2014</u> | Due<br>Within<br><u>One Year</u> |
|--|--|---------------------|---------------------|--|----------------------------------|
| Premium on issuance of<br>general obligation<br>bonds                            | \$ 59,292                                | \$ 37,172           | \$ 10,865           | \$ 85,599                                  | \$ 10,866                        |
| Premium on issuance of<br>Mulvane Public<br>Building Commission<br>revenue bonds | –  | 74,450              | 11,188              | 63,262                                     | 11,187                           |
| Compensated absences   | <u>278,184</u>                           | <u>220,203</u>      | <u>188,170</u>      | <u>310,217</u>                             | <u>211,031</u>                   |
| Total long-term liabilities –<br>Governmental activities                         | <u>\$32,787,812</u>                      | <u>\$ 5,724,872</u> | <u>\$ 2,568,559</u> | <u>\$ 35,944,125</u>                       | <u>\$2,644,457</u>               |
| <u>Business-type activities</u>  |  |                     |                     |  |                                  |
| Revenue bonds  | \$ 4,535,000                             | \$ –                | \$ 85,000           | \$ 4,450,000                               | \$ 8,657                         |
| General obligation bonds   | 5,531,410                                | 826,953             | 1,461,410           | 4,896,953                                  | 584,627                          |
| Compensated absences   | <u>253,952</u>                           | <u>196,012</u>      | <u>173,826</u>      | <u>276,138</u>                             | <u>187,848</u>                   |
| Total long-term liabilities<br>– Business-Type<br>activities                     | <u>\$10,320,362</u>                      | <u>\$ 1,022,965</u> | <u>\$ 1,720,236</u> | <u>\$ 9,623,091</u>                        | <u>\$ 781,132</u>                |

#### General obligation bonds

General obligation bonds payable are serial bonds to be retired through calendar year 2034. At December 31, 2014 the bonds consist of the following:

|   | <u>Interest<br/>rates</u> | <u>Bonds<br/>outstanding</u> |
|---|---------------------------|------------------------------|
| General Obligation Internal Improvement<br>Bonds, Series B, 2003      | 2.00 – 5.00               | \$ 12,000                    |
| General Obligation Internal Improvement<br>Bonds, Series A, 2006      | 4.25 – 4.50               | 35,000                       |
| General Obligation Internal Improvement<br>Bonds, Series B, 2006      | 4.45 – 5.50               | 2,545,000                    |
| General Obligation Bonds, Series A, 2007                              | 3.90 – 4.35               | 145,000                      |
| General Obligation Refunding Bonds,<br>Series A, 2010                 | 2.00 – 3.00               | 440,000                      |
| General Obligation Refunding and<br>Improvement Bonds, Series B, 2010 | 1.00 – 3.60               | 560,000                      |
| General Obligation Refunding Bonds,<br>Series A, 2011                 | 1.00 – 3.35               | 4,070,000                    |
| General Obligation Bonds, Series A, 2011                              | 2.00 – 3.50               | 12,815,000                   |

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

|   | <u>Interest<br/>rates</u> | <u>Bonds<br/>outstanding</u> |
|---|---------------------------|------------------------------|
| General Obligation Refunding and<br>Improvement Bonds, Series B, 2012 | 1.00 – 2.75               | \$ 4,540,000                 |
| General Obligation Bonds, Series A, 2013                              | 2.00 – 4.00               | 8,225,000                    |
| General Obligation Refunding and<br>Improvement Bonds, Series A, 2014 | 2.00 – 3.50               | <u>2,020,000</u>             |
| Total general obligation bonds outstanding                            |                           | 35,407,000                   |
| Less debt service from enterprise funds                               |                           | <u>(4,896,953)</u>           |
| Total general obligation bonds payable from debt service fund         |                           | <u>\$ 30,510,047</u>         |

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>         |
|-------------|---------------------|---------------------|----------------------|
| 2015        | \$ 1,921,373        | \$ 1,108,761        | \$ 3,030,134         |
| 2016        | 2,134,857           | 847,845             | 2,982,702            |
| 2017        | 2,112,810           | 803,510             | 2,916,320            |
| 2018        | 2,091,763           | 757,529             | 2,849,292            |
| 2019        | 2,073,842           | 713,284             | 2,787,126            |
| 2020        | 1,898,624           | 663,069             | 2,561,693            |
| 2021        | 1,854,624           | 609,434             | 2,464,058            |
| 2022        | 1,908,624           | 556,312             | 2,464,936            |
| 2023        | 1,948,625           | 498,132             | 2,446,757            |
| 2024        | 2,023,625           | 434,334             | 2,457,959            |
| 2025        | 2,101,578           | 369,985             | 2,471,563            |
| 2026        | 2,171,578           | 301,097             | 2,472,675            |
| 2027        | 2,259,531           | 226,562             | 2,486,093            |
| 2028        | 814,531             | 146,101             | 960,632              |
| 2029        | 499,531             | 120,067             | 619,598              |
| 2030        | 519,531             | 102,583             | 622,114              |
| 2031        | 510,000             | 84,400              | 594,400              |
| 2032        | 530,000             | 65,275              | 595,275              |
| 2033        | 555,000             | 45,400              | 600,400              |
| 2034        | <u>580,000</u>      | <u>23,200</u>       | <u>603,200</u>       |
|             | <u>\$30,510,047</u> | <u>\$ 8,476,880</u> | <u>\$ 38,986,927</u> |

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

##### Note payable

The City's note payable consisted of a note payable to the Mulvane Firemen's Relief Association with a stated interest rate of 2%. The note required quarterly payments in the amount of \$4,745, including interest, and is secured by a fire truck. The debt payments were made from the City's General Fund and the note payable was fully retired during 2014.

##### 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:

| Year | Electric Utility    |                   |                     | Water Utility     |                  |                   |
|------|---------------------|-------------------|---------------------|-------------------|------------------|-------------------|
|      | Principal           | Interest          | Total               | Principal         | Interest         | Total             |
| 2015 | \$ 243,975          | \$ 52,938         | \$ 296,913          | \$ 41,572         | \$ 6,781         | \$ 48,353         |
| 2016 | 253,323             | 49,086            | 302,409             | 49,738            | 5,820            | 55,558            |
| 2017 | 256,090             | 44,582            | 300,672             | 50,480            | 4,825            | 55,305            |
| 2018 | 263,543             | 39,119            | 302,662             | 51,223            | 3,816            | 55,039            |
| 2019 | 258,481             | 32,677            | 291,158             | 34,148            | 2,791            | 36,939            |
| 2020 | 249,405             | 25,595            | 275,000             | 5,939             | 2,108            | 8,047             |
| 2021 | 256,434             | 18,024            | 274,458             | 5,939             | 1,990            | 7,929             |
| 2022 | 265,806             | 9,859             | 275,665             | 5,939             | 1,871            | 7,810             |
| 2023 | 3,390               | 1,000             | 4,390               | 5,939             | 1,752            | 7,691             |
| 2024 | 3,390               | 924               | 4,314               | 5,939             | 1,618            | 7,557             |
| 2025 | 3,814               | 822               | 4,636               | 6,681             | 1,440            | 8,121             |
| 2026 | 3,814               | 708               | 4,522               | 6,681             | 1,240            | 7,921             |
| 2027 | 4,239               | 593               | 4,832               | 7,424             | 1,039            | 8,463             |
| 2028 | 4,239               | 445               | 4,684               | 7,424             | 779              | 8,203             |
| 2029 | 4,239               | 297               | 4,536               | 7,424             | 520              | 7,944             |
| 2030 | 4,238               | 149               | 4,387               | 7,423             | 260              | 7,683             |
|      | <u>\$ 2,078,420</u> | <u>\$ 276,818</u> | <u>\$ 2,355,238</u> | <u>\$ 299,913</u> | <u>\$ 38,650</u> | <u>\$ 338,563</u> |

| Year | Sewer Utility |           |            | Total Utilities |            |            |
|------|---------------|-----------|------------|-----------------|------------|------------|
|      | Principal     | Interest  | Total      | Principal       | Interest   | Total      |
| 2015 | \$ 299,080    | \$ 63,688 | \$ 362,768 | \$ 584,627      | \$ 123,407 | \$ 708,034 |
| 2016 | 314,082       | 58,802    | 372,884    | 617,143         | 113,708    | 730,851    |
| 2017 | 317,620       | 53,157    | 370,777    | 624,190         | 102,564    | 726,754    |
| 2018 | 326,471       | 46,419    | 372,890    | 641,237         | 89,354     | 730,591    |
| 2019 | 311,528       | 38,561    | 350,089    | 604,157         | 74,029     | 678,186    |
| 2020 | 286,031       | 30,162    | 316,193    | 541,375         | 57,865     | 599,240    |

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

| Year | Sewer Utility      |                   |                    | Total Utilities     |                   |                     |
|------|--------------------|-------------------|--------------------|---------------------|-------------------|---------------------|
|      | Principal          | Interest          | Total              | Principal           | Interest          | Total               |
| 2021 | \$ 294,002         | \$ 21,512         | \$ 315,514         | \$ 556,375          | \$ 41,526         | \$ 597,901          |
| 2022 | 304,630            | 12,189            | 316,819            | 576,375             | 23,919            | 600,294             |
| 2023 | 7,047              | 2,079             | 9,126              | 16,376              | 4,831             | 21,207              |
| 2024 | 7,047              | 1,920             | 8,967              | 16,376              | 4,462             | 20,838              |
| 2025 | 7,927              | 1,709             | 9,636              | 18,422              | 3,971             | 22,393              |
| 2026 | 7,927              | 1,471             | 9,398              | 18,422              | 3,419             | 21,841              |
| 2027 | 8,807              | 1,233             | 10,040             | 20,470              | 2,865             | 23,335              |
| 2028 | 8,807              | 925               | 9,732              | 20,470              | 2,149             | 22,619              |
| 2029 | 8,807              | 616               | 9,423              | 20,470              | 1,433             | 21,903              |
| 2030 | 8,807              | 307               | 9,114              | 20,468              | 716               | 21,184              |
|      | <u>\$2,518,620</u> | <u>\$ 334,750</u> | <u>\$2,853,370</u> | <u>\$ 4,896,953</u> | <u>\$ 650,218</u> | <u>\$ 5,547,171</u> |

#### Revenue bonds

Outstanding revenue bonds, secured by revenues derived from the operations of the Electric, Water and Sewer Utility funds, consist of \$3,165,000 of outstanding Series 2005, 3.00% – 4.60%, Electric, Waterworks and Sewer Utility System Refunding and Improvement Revenue Bonds and \$1,370,000 of outstanding Series 2010, 1.25% – 4.00%, Electric, Waterworks and Sewer Utility System Refunding Revenue Bonds. The proceeds of the Series 2010 issue were utilized to refund \$1,470,000 of outstanding Electric, Waterworks and Sewer Utility Revenue Bonds, Series 2006. Proceeds from the General Obligation Refunding Bonds, Series A 2011, were utilized to refund \$4,690,000 of the outstanding Series 2005 Electric, Waterworks and Sewer Utility System Refunding and Improvement Bonds. Annual debt service requirements for the outstanding revenue bonds to be paid from the Electric and Sewer Utility Funds are as follows:

| Year | Electric Utility |           |           | Sewer Utility |            |            |
|------|------------------|-----------|-----------|---------------|------------|------------|
|      | Principal        | Interest  | Total     | Principal     | Interest   | Total      |
| 2015 | \$ –             | \$ 68,223 | \$ 68,223 | \$ 85,000     | \$ 122,717 | \$ 207,717 |
| 2016 | –                | 68,223    | 68,223    | 85,000        | 120,804    | 205,804    |
| 2017 | –                | 68,223    | 68,223    | 90,000        | 118,679    | 208,679    |
| 2018 | –                | 68,223    | 68,223    | 95,000        | 116,204    | 211,204    |
| 2019 | –                | 68,223    | 68,223    | 95,000        | 113,354    | 208,354    |
| 2020 | –                | 68,223    | 68,223    | 100,000       | 110,267    | 210,267    |
| 2021 | –                | 68,223    | 68,223    | 100,000       | 106,767    | 206,767    |
| 2022 | –                | 68,223    | 68,223    | 105,000       | 102,766    | 207,766    |
| 2023 | 271,788          | 68,223    | 340,011   | 408,212       | 98,567     | 506,779    |
| 2024 | 281,160          | 55,721    | 336,881   | 428,840       | 80,389     | 509,229    |

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

| Year | Electric Utility    |                   |                     | Sewer Utility       |                     |                     |
|------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|      | Principal           | Interest          | Total               | Principal           | Interest            | Total               |
| 2025 | \$ 297,561          | \$ 42,788         | \$ 340,349          | \$ 452,439          | \$ 61,322           | \$ 513,761          |
| 2026 | 309,276             | 29,100            | 338,376             | 450,724             | 41,200              | 491,924             |
| 2027 | <u>323,334</u>      | <u>14,873</u>     | <u>338,207</u>      | <u>471,666</u>      | <u>21,067</u>       | <u>492,733</u>      |
|      | <u>\$ 1,483,119</u> | <u>\$ 756,489</u> | <u>\$ 2,239,608</u> | <u>\$ 2,966,881</u> | <u>\$ 1,214,103</u> | <u>\$ 4,180,984</u> |

| Year | Totals              |                     |                     |
|------|---------------------|---------------------|---------------------|
|      | Principal           | Interest            | Total               |
| 2015 | \$ 85,000           | \$ 190,940          | \$ 275,940          |
| 2016 | 85,000              | 189,027             | 274,027             |
| 2017 | 90,000              | 186,902             | 276,902             |
| 2018 | 95,000              | 184,427             | 279,427             |
| 2019 | 95,000              | 181,577             | 276,577             |
| 2020 | 100,000             | 178,490             | 278,490             |
| 2021 | 100,000             | 174,990             | 274,990             |
| 2022 | 105,000             | 170,989             | 275,989             |
| 2023 | 680,000             | 166,790             | 846,790             |
| 2024 | 710,000             | 136,110             | 846,110             |
| 2025 | 750,000             | 104,110             | 854,110             |
| 2026 | 760,000             | 70,300              | 830,300             |
| 2027 | <u>795,000</u>      | <u>35,940</u>       | <u>830,940</u>      |
|      | <u>\$ 4,450,000</u> | <u>\$ 1,970,592</u> | <u>\$ 6,420,592</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 \$581,447, 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 operation, maintenance and repair, improving, extending or enlarging the system or to redeem prior to maturity outstanding bonds of the system. The revenue bond resolution 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, 2014, the City was in compliance with the reserve requirements and the 125% of the debt service requirement of the revenue bond resolution.

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

##### Mulvane Public Building Commission revenue bonds

The Mulvane Public Building Commission revenue bonds are serial bonds to be retired through calendar year 2024. At December 31, 2014 the bonds consist of the following:

|   | <u>Interest<br/>rates</u> | <u>Bonds<br/>outstanding</u> |
|---|---------------------------|------------------------------|
| Mulvane Public Building Commission<br>Refunding Revenue Bonds, Series 2009<br>(Fire/EMS Facility) | 1.25 – 4.00               | \$ 775,000                   |
| Mulvane Public Building Commission<br>Revenue Bonds, Series A 2014<br>(Public Library)            | 2.00 – 2.125              | <u>4,200,000</u>             |
|   |                           | <u>\$ 4,975,000</u>          |

Remaining debt service requirements for the Mulvane Public Building Commission Series 2009 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. The remaining debt service requirements for the Mulvane Public Building Commission Series 2014 revenue bonds will be paid from the lease payments received from the City of Mulvane. It is anticipated that the lease payments will be made from the proceeds of a 1% City-wide sales tax for the special purpose of paying the cost of financing, site preparation, acquisition, construction, improvement, installation, furnishing and equipment a new public library within the City. Annual debt service requirements to maturity for the revenue bonds are as follows:

| Year | <u>Series 2009 Revenue Bonds</u> |                   |                   | <u>Series 2014 Revenue Bonds</u> |                   |                     |
|------|----------------------------------|-------------------|-------------------|----------------------------------|-------------------|---------------------|
|      | <u>Principal</u>                 | <u>Interest</u>   | <u>Total</u>      | <u>Principal</u>                 | <u>Interest</u>   | <u>Total</u>        |
| 2015 | \$ 100,000                       | \$ 26,470         | \$ 126,470        | \$ 390,000                       | \$ 91,858         | \$ 481,858          |
| 2016 | 100,000                          | 23,770            | 123,770           | 395,000                          | 76,775            | 471,775             |
| 2017 | 105,000                          | 20,770            | 125,770           | 400,000                          | 68,875            | 468,875             |
| 2018 | 115,000                          | 17,410            | 132,410           | 405,000                          | 60,875            | 465,875             |
| 2019 | 115,000                          | 13,500            | 128,500           | 410,000                          | 52,775            | 462,775             |
| 2020 | 120,000                          | 9,360             | 129,360           | 420,000                          | 44,575            | 464,575             |
| 2021 | 120,000                          | 4,800             | 124,800           | 430,000                          | 36,175            | 466,175             |
| 2022 | –                                | –                 | –                 | 440,000                          | 27,575            | 467,575             |
| 2023 | –                                | –                 | –                 | 450,000                          | 18,775            | 468,775             |
| 2024 | –                                | –                 | –                 | 460,000                          | 9,775             | 469,775             |
|      | <u>\$ 775,000</u>                | <u>\$ 116,080</u> | <u>\$ 891,080</u> | <u>\$ 4,200,000</u>              | <u>\$ 488,033</u> | <u>\$ 4,688,033</u> |

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

##### 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, 2014:

|   | <u>Outstanding<br/>January 1,<br/>2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Outstanding<br/>December 31,<br/>2014</u> |
|---|--|------------------|------------------|--|
| Villa Maria, Inc. Health<br>Care Facility Refunding<br>Revenue Bonds,<br>Bonds, Series 2004 | \$ 2,565,000                               | \$ —             | \$ 245,000       | \$ 2,320,000                                 |

##### Compensated absences

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

#### 5. TEMPORARY NOTES

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds or paid through other resources available to the City. Prior to the issuance of the temporary notes, the governing body must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. During 2014, the City retired \$715,000 of temporary notes. At December 31, 2014 the City had no outstanding temporary notes.

During 2014, the temporary note activity for the various capital improvement projects were as follows:

| <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|------------------------------|------------------|------------------|---------------------------|
| \$ 715,000                   | \$ —             | \$ 715,000       | \$ —                      |

## 6. CAPITAL PROJECT FUND AUTHORIZATIONS

At December 31, 2014, individual project authorizations compared with project expenditures from inception which are reported within the Capital Projects Fund are as follows:

| <u>Project</u>   | <u>Project<br/>authorizations</u> | <u>Expenditures<br/>project<br/>inception to<br/>December 31, 2014</u> |
|--|-----------------------------------|--|
| Water Treatment Plant Improvements   | \$ 7,000,000                      | \$ 6,094,501   |
| Secondary EMS Facility & Equipment   | 1,819,800                         | 1,819,800  |
| Water Tower  | 2,881,000                         | 2,276,561  |
| Wastewater Treatment Plant Phase II<br>Improvements                                  | 5,762,000                         | 4,459,380  |
| City Hall Renovations  | 500,000                           | 443,867  |
| Cedar Brook 4 <sup>th</sup> Addition Water<br>Improvements                           | 112,230                           | 73,967   |
| Cedar Brook 4 <sup>th</sup> Addition Sewer<br>Improvements                           | 129,000                           | 105,091  |
| Cedar Brook 4 <sup>th</sup> Addition Street<br>Improvements                          | 410,400                           | 337,865  |
| Cedar Brook 5 <sup>th</sup> Addition Water<br>Improvements                           | 100,620                           | 159  |
| Cedar Brook 5 <sup>th</sup> Addition Sewer<br>Improvements                           | 98,040                            | 159  |
| Cedar Brook 5 <sup>th</sup> Addition Street<br>Improvements                          | 300,570                           | 159  |
| Cedar Brook 4 <sup>th</sup> and 5 <sup>th</sup> Addition<br>Storm Sewer Improvements | 269,610                           | 154,654  |
| Merlin's Glen Street Drainage<br>Improvements  | 62,975                            | 322  |
| Mulvane Public Building Commission<br>Library Project                                | 4,200,000                         | 344,083  |

## 7. 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

## 7. PENSION PLAN (continued)

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 5% of covered salary for participants employed prior to July 1, 2009 and 6% for new participants employed July 1, 2009 and thereafter. 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, 2014 to December 31, 2014 was 9.69%. Included in this rate is the contribution for Group Death and Disability Insurance of .85%. The City's contributions to KPERS for the years ending December 31, 2014, 2013 and 2012 were \$392,087, \$301,708 and \$243,976, respectively, equal to the statutory required contributions for each year.

## 8. 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<br/>Fund</u> | <u>Employee<br/>Benefits<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Other<br/>Nonmajor<br/>Govern-<br/>mental<br/>Funds</u> |
|---|-------------------------|---------------------------------------|----------------------------------|--|
| GAAP Fund Balance at<br>December 31, 2014             | \$ 3,420,556            | \$ 903,319                            | \$ 603,419                       | \$ 2,131,864   |
| Adjustments:  |                         |                                       |                                  |  |
| Reserved for self-insurance                           | (205,676)               | -                                     | -                                | -  |
| Accrued sales tax revenues                            | (60,224)                | -                                     | -                                | -  |
| Accrued franchise fee revenues                        | (36,917)                | -                                     | -                                | -  |
| Accrued gaming facility revenues                      | (161,241)               | -                                     | -                                | -  |
| Other receivables                                     | -                       | -                                     | -                                | (14,214)   |
| Accrued unbilled receivables                          | -                       | -                                     | -                                | (3,651)  |
| Reserved for encumbrances –<br>budgeted funds         | (19,991)                | -                                     | -                                | (80,018)   |
| Fund balances of nonbudgeted<br>special revenue funds | -                       | -                                     | -                                | (1,054,225)  |
| Budgetary Fund Balance at<br>December 31, 2014        | <u>\$ 2,936,507</u>     | <u>\$ 903,319</u>                     | <u>\$ 603,419</u>                | <u>\$ 979,756</u>  |

## 9. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables (due to/ from other funds) at December 31, 2014 were as follows:

| <u>Fund</u>  | <u>Due To</u> | <u>Due From</u> |
|--|---------------|-----------------|
| Capital Improvement Reserve                              | \$ 799        | -               |
| Cedar Brook 5 <sup>th</sup> Addition Water Improvements  | -             | 159             |
| Cedar Brook 5 <sup>th</sup> Addition Sewer Improvements  | -             | 159             |
| Cedar Brook 5 <sup>th</sup> Addition Street Improvements | -             | 159             |
| Merlin's Glen Street Drainage Improvements               | -             | <u>322</u>      |
|  | <u>\$ 799</u> | <u>\$ 799</u>   |

The amounts due to the Capital Improvement Reserve Fund are the result of cash deficiencies incurred at year-end by other project funds for which temporary or permanent financing had been authorized by the governing body but not yet issued at year-end.

## 10. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2014 is as follows:

| <u>Fund</u>                          | <u>Transfers<br/>in</u> | <u>Transfers<br/>out</u> |
|--------------------------------------|-------------------------|--------------------------|
| Major Funds:                         |                         |                          |
| General                              | \$ 125,172              | \$ 219,831               |
| Debt Service                         | 100,145                 | -                        |
| Electric System                      | <u>26,000</u>           | <u>-</u>                 |
|                                      | <u>251,317</u>          | <u>219,831</u>           |
| Nonmajor Funds:                      |                         |                          |
| Senior Citizen                       | 12,550                  | -                        |
| Special Highway                      | -                       | 70,000                   |
| Swimming Pool                        | 109,000                 | -                        |
| Capital Improvement Reserve          | -                       | 125,172                  |
| Municipal Equipment Reserve          | 120,755                 | -                        |
| Secondary EMS Facility and Equipment | 11,076                  | -                        |
| Water Treatment Plant Phase I        | -                       | 100,145                  |
| City Hall Renovations                | <u>10,450</u>           | <u>-</u>                 |
|                                      | <u>263,831</u>          | <u>295,317</u>           |
|                                      | <u>\$ 515,148</u>       | <u>\$ 515,148</u>        |

## **10. INTERFUND TRANSFERS (continued)**

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 (\$50,755) 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 (\$109,000) and also to the Senior Citizens Fund (\$12,550) to support operations.

The non-routine transfers from the General Fund to the Secondary EMS Facility and Equipment and City Hall Renovations Project funds in the amounts of \$11,076 and \$10,450, respectively, reflect municipality commitments to the projects. The transfer from the Water Treatment Plant Phase I Fund of \$100,145 to the Debt Service Fund was the result of excess resources after completion of the project that is available for debt service. The Capital Improvement Reserve Fund transfer to the General Fund of \$125,172 was to reimburse the General Fund for advanced funds provided in the prior year to assist in funding the City's portion of the State of Kansas KLINK project to resurface highway K-53 from the East City limits to the West City limits.

The Special Highway Fund made a nonroutine transfer in the amount of \$70,000 to the Municipal Equipment Reserve Fund to fund future equipment replacements for the Street Department.

## **11. FUND DEFICITS**

At December 31, 2014, the Cedar Brook 5<sup>th</sup> Addition Water Improvements, Cedar Brook 5<sup>th</sup> Addition Sewer Improvements, Cedar Brook 5<sup>th</sup> Addition Street Improvements and the Merlin's Glen Street Drainage Improvements Funds had incurred fund deficits in the amount of \$159, \$159, \$159 and \$322, respectively. These fund deficits will be financed through the sale of bonds authorized by the City Council, not yet sold at December 31, 2014, or through other revenue sources available to the City.

## **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 September 24, 2014, the City entered into a current refunding transaction whereby it issued \$2,020,000 of General Obligation Refunding and Improvement Bonds, Series A, 2014, with interest rates from 2.00% to 3.50%, of which \$1,388,562 was utilized to currently refund \$1,385,000 of outstanding General Obligation Refunding Bonds, Series A 2009 with interest rates from 2.80% to 3.60%. Proceeds from the Series A 2014 Bonds in the amount of \$1,388,562 were placed with the City's paying agent, the Kansas State Treasurer, to provide for the principal amount and interest to the call date, September 30, 2014, to currently refund the General Obligation Refunding Bonds, Series A 2009 maturing on September 1, 2015 to September 1, 2019.

The City entered into the refunding transaction for the Series A 2014 General Obligation Refunding and Improvement Bonds to reduce its total debt service payments over the next 5 years by \$46,139 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$48,330.

### **14. COMMITMENTS AND CONTINGENCIES**

#### **Casino Operations and Commitments**

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 built in the County leaving only certain sites in Sumner County.

On October 19, 2010 the Kansas Lottery Commission executed a Lottery Gaming Facility Management Contract (Management Contract) with Peninsula Gaming Partners, LLC and on December 15, 2010 the Lottery Gaming Review Board selected the Management Contract proposed by Peninsula Gaming Partners, LLC and on January 14, 2011 the Kansas Racing and Gaming Commission approved the Management Contract. On January 31, 2011, Peninsula Gaming Partners, LLC assigned the Management Contract to Kansas Star Casino, LLC. The governing body of the City of Mulvane entered into a Developer's Agreement with Kansas Star Casino, LLC on March 7, 2011. The development site is located at Exit 33 of the Kansas Turnpike and is located within the corporate limits of the City.

The facility is being constructed in phases with the temporary casino being opened in December 2011. The second phase of the development included an expanded gaming center, a 300-room hotel, a 40-space recreational vehicle park, a 4,200-seat events center and a 24-acre Equine Center. The expanded gaming center and hotel was completed during 2012 with the remaining portions of the facility currently being developed. Under the terms of the Developer's Agreement, the City contracted for an architectural and engineering firm to perform a utility needs assessment to provide the City with recommendations concerning the modifications and necessary additions to the current

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

utilities being operated by the City. The City has installed sanitary sewer, water and electrical improvements as requested by the Kansas Star Casino, LLC with the entire cost of such improvements being assessed against the Kansas Star site.

Peninsula Gaming Partners, LLC was purchased by Boyd Gaming Corporation in May 2012. Boyd Gaming Corporation assumed the Peninsula Gaming Partners, LLC Management Contract with the Kansas Lottery Commission.

##### **Water System Plant Commitments**

The City Council approved certain water system improvements including a 1.5 MGD reverse osmosis water treatment plant and other system improvements by authorizing the City to issue general obligation bonds not to exceed \$7,000,000 for such improvements. At December 31, 2014 the City had outstanding commitments for construction and engineering services related to this project of \$53,482.

The City Council approved the design and construction of a new water tower facility with an estimated cost of approximately \$2,300,000. The City had outstanding commitments for engineering and construction services of \$223,133 related to this project at December 31, 2014.

##### **Library Project**

The City Council approved submitting to the voters of the City, and they approved, a 1% local sales tax for the special purpose of paying the cost of financing, site preparation, acquisition, construction, improvement, installation, furnishing and equipping a new public library within the City. The 1% Citywide sales tax was effective October 1, 2014 and will expire on September 30, 2024, or such earlier date as all obligations incurred for said purpose have been paid in full. The Mulvane Public Building Commission issued \$4,200,000 of Mulvane Public Building Commission Revenue Bonds and simultaneously entered into a lease agreement with the City of Mulvane which provides for rentals under the lease in an amount necessary to pay debt service on the Mulvane Public Building Commission Revenue Bonds, Series A 2014. At December 31, 2014, the Mulvane Public Building Commission had outstanding commitments related to the construction of the new library facility in the amount of \$163,188.

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

Management has evaluated subsequent events through June 15, 2015, the date on which the financial statements were available to be issued.

**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:

**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.

**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.

**Special Alcohol** – to account for alcohol abuse services for City residents. Financing is provided through a statewide alcoholic liquor tax.

**JOBS (Joint Opportunities for Building Success) Grant** – to account for the resources provided through a grant from the Federal Home Loan Bank to be utilized for downtown redevelopment programs.

**Library Sales Tax** – to account for the resources provided by a City-wide 1% sales tax to be utilized for a special purpose of paying the cost of financing, site preparation, acquisition, construction, improvement, installation, furnishing and equipping a new public library within the City.

**Transient Guest Tax** – to account for the administration of the Transient Guest Tax received by the City. All moneys are to be expended for convention and tourism promotion per 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:

**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 Reserve** – 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.

**Secondary EMS Facility and Equipment** – to account for and report the resources provided by the Kansas Star Casino which are restricted for constructing and equipping a new EMS facility located in the casino development area.

**Water Tower Project** – to account for the costs of constructing a new water tower.

**Wastewater Treatment Plant Phase II** – to account for and report the costs incurred related to expansion of the wastewater treatment plant related to expanding capacity to meet requirements placed on the system due to the addition of the casino facility.

**City Hall Renovations Project** – to account for and report the costs incurred related to renovations of the City Hall building.

**Cedar Brook 4<sup>th</sup> Addition Water Improvements** – to account for the construction of water improvements to the Cedar Brook Addition Phase 4 residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 4<sup>th</sup> Addition Sewer Improvements** – to account for the construction of sewer improvements to the Cedar Brook Addition Phase 4 residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 4<sup>th</sup> Addition Street Improvements** – to account for the construction of street improvements to the Cedar Brook Addition Phase 4 residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 5<sup>th</sup> Addition Water Improvements** – to account for the construction of water improvements to the Cedar Brook Addition Phase 5 residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 5<sup>th</sup> Addition Sewer Improvements** – to account for the construction of sewer improvements to the Cedar Brook Addition Phase 5 residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 5<sup>th</sup> Addition Street Improvements** – to account for the construction of street improvements to the Cedar Brook Addition Phase 5 residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 4<sup>th</sup> and 5<sup>th</sup> Addition Storm Water Improvements** – to account for the construction of storm water drainage improvements to the Cedar Brook Addition Phase 4 and Phase 5 residential housing additions. Financing is provided from long-term debt sources.

**Merlin's Glen Street Drainage Improvements** – to account for the construction of storm water drainage improvements to the Merlin's Glen residential housing addition. Financing is provided through property owner special assessments and other resources available to the City.

**CITY OF MULVANE, KANSAS**

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**

**December 31, 2014**

|   | <u>Special<br/>Revenue<br/>Funds</u> | <u>Capital<br/>Project<br/>Funds</u> | <u>Total</u>        |
|---|--------------------------------------|--------------------------------------|---------------------|
| <b><u>ASSETS</u></b>  |                                      |                                      |                     |
| Cash including short-term investments                             | \$ 1,081,032                         | \$ 982,813                           | \$ 2,063,845        |
| Property tax receivable   | 298,811                              | 99,855                               | 398,666             |
| Accounts receivable   | 72,578                               | –                                    | 72,578              |
| Sales tax receivable  | 66,378                               | –                                    | 66,378              |
| Due from other funds  | <u>–</u>                             | <u>799</u>                           | <u>799</u>          |
| Total   | <u>\$ 1,518,799</u>                  | <u>\$ 1,083,467</u>                  | <u>\$ 2,602,266</u> |
| <b><u>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</u></b> |                                      |                                      |                     |
| Liabilities:  |                                      |                                      |                     |
| Accounts payable  | \$ 2,227                             | \$ 65,475                            | \$ 67,702           |
| Accrued payroll and accrued liabilities                           | 3,235                                | –                                    | 3,235               |
| Due to other funds  | <u>–</u>                             | <u>799</u>                           | <u>799</u>          |
| Total liabilities   | <u>5,462</u>                         | <u>66,274</u>                        | <u>71,736</u>       |
| Deferred inflows of resources:                                    |                                      |                                      |                     |
| Property taxes receivable   | <u>298,811</u>                       | <u>99,855</u>                        | <u>398,666</u>      |
| Fund Balances:  |                                      |                                      |                     |
| Restricted:   |                                      |                                      |                     |
| Recreation  | 287,970                              | –                                    | 287,970             |
| Health and welfare  | 59,373                               | –                                    | 59,373              |
| Economic development  | 437,536                              | –                                    | 437,536             |
| Street improvements   | 15,414                               | –                                    | 15,414              |
| Capital improvements  | –                                    | 544,075                              | 544,075             |
| Committed:  |                                      |                                      |                     |
| Street improvements   | 355,445                              | –                                    | 355,445             |
| Parks and recreation  | 58,786                               | –                                    | 58,786              |
| Assigned:   |                                      |                                      |                     |
| Culture and recreation  | 2                                    | –                                    | 2                   |
| Capital outlay  | –                                    | 374,062                              | 374,062             |
| Unassigned  | <u>–</u>                             | <u>(799)</u>                         | <u>(799)</u>        |
| Total fund balances   | <u>1,214,526</u>                     | <u>917,338</u>                       | <u>2,131,864</u>    |
| Total liabilities, deferred inflows<br>and fund balances          | <u>\$ 1,518,799</u>                  | <u>\$ 1,083,467</u>                  | <u>\$ 2,602,266</u> |

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2014**

|  | <u>Special<br/>Revenue<br/>Funds</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total</u>            |
|--|--------------------------------------|--------------------------------------|-------------------------|
| <b>Revenues:</b>                           |                                      |                                      |                         |
| Taxes                                      | \$ 779,221                           | \$ 458,965                           | \$ 1,238,186            |
| Special assessment taxes                   | -                                    | 21,194                               | 21,194                  |
| Intergovernmental                          | 292,282                              | 296,965                              | 589,247                 |
| Licenses, fees and permits                 | 8,700                                | -                                    | 8,700                   |
| Charges for services                       | 91,123                               | -                                    | 91,123                  |
| Use of money and property                  | <u>123,924</u>                       | <u>968</u>                           | <u>124,892</u>          |
| <br>Total revenues                         | <br><u>1,295,250</u>                 | <br><u>778,092</u>                   | <br><u>2,073,342</u>    |
| <b>Expenditures:</b>                       |                                      |                                      |                         |
| Current:                                   |                                      |                                      |                         |
| Highways and streets                       | 336,587                              | -                                    | 336,587                 |
| Culture and recreation                     | 516,948                              | -                                    | 516,948                 |
| Health and welfare                         | 52,180                               | -                                    | 52,180                  |
| Economic development                       | 200,000                              | -                                    | 200,000                 |
| Capital improvements                       | -                                    | 3,374,648                            | 3,374,648               |
| Debt service:                              |                                      |                                      |                         |
| Principal                                  | 95,000                               | -                                    | 95,000                  |
| Interest and fiscal charges                | <u>28,750</u>                        | <u>5,745</u>                         | <u>34,495</u>           |
| <br>Total expenditures                     | <br><u>1,229,465</u>                 | <br><u>3,380,393</u>                 | <br><u>4,609,858</u>    |
| <br>Expenditures over revenues             | <br><u>65,785</u>                    | <br><u>(2,602,301)</u>               | <br><u>(2,536,516)</u>  |
| <b>Other financing sources (uses):</b>     |                                      |                                      |                         |
| General obligation bonds issued            | -                                    | 631,871                              | 631,871                 |
| Premium on general obligation bonds issued | -                                    | 19,548                               | 19,548                  |
| Transfers in                               | 121,550                              | 142,281                              | 263,831                 |
| Transfers out                              | <u>(70,000)</u>                      | <u>(225,317)</u>                     | <u>(295,317)</u>        |
| <br>Total other financing sources (uses)   | <br><u>51,550</u>                    | <br><u>568,383</u>                   | <br><u>619,933</u>      |
| <br>Net change in fund balances            | <br>117,335                          | <br>(2,033,918)                      | <br>(1,916,583)         |
| Fund balances, beginning of year           | <u>1,097,191</u>                     | <u>2,951,256</u>                     | <u>4,048,447</u>        |
| <br>Fund balances, end of year             | <br><u>\$ 1,214,526</u>              | <br><u>\$ 917,338</u>                | <br><u>\$ 2,131,864</u> |

CITY OF MULVANE, KANSAS  
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
 (continued on next page)

December 31, 2014

|   | <u>Library</u>    | <u>Industrial<br/>Develop-<br/>ment</u> | <u>Senior<br/>Citizens</u> | <u>Special<br/>Highway</u> | <u>Special<br/>Park<br/>and<br/>Recreation</u> | <u>Trans-<br/>portation<br/>Impact<br/>Fee</u> | <u>Storm<br/>Sewer</u> | <u>Park<br/>Impact<br/>Fee</u> |
|---|-------------------|---|----------------------------|----------------------------|--|--|------------------------|--------------------------------|
| <b><u>ASSETS</u></b>  |                   |   |                            |                            |  |  |                        |                                |
| Cash and short-term investments                                   | \$ 13,716         | \$ 170,663                              | \$ 1,464                   | \$ 18,414                  | \$ 162,367                                     | \$ 30,374                                      | \$ 319,659             | \$ 58,624                      |
| Accounts receivable   | -                 | -                                       | -                          | -                          | -  | -  | 5,412                  | -                              |
| Property taxes receivable   | 289,477           | 9,334                                   | -                          | -                          | -  | -  | -                      | -                              |
| Sales tax receivable  | -                 | -                                       | -                          | -                          | -  | -  | -                      | -                              |
|   | <u>-</u>          | <u>-</u>                                | <u>-</u>                   | <u>-</u>                   | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>               | <u>-</u>                       |
| Total assets  | <u>\$ 303,193</u> | <u>\$ 179,997</u>                       | <u>\$ 1,464</u>            | <u>\$ 18,414</u>           | <u>\$ 162,367</u>                              | <u>\$ 30,374</u>                               | <u>\$ 325,071</u>      | <u>\$ 58,624</u>               |
| <b><u>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</u></b> |                   |   |                            |                            |  |  |                        |                                |
| Liabilities:  |                   |   |                            |                            |  |  |                        |                                |
| Accounts payable  | \$ -              | \$ -                                    | \$ 1,171                   | \$ 56                      | \$ -   | \$ -   | \$ -                   | \$ -                           |
| Accrued payroll and taxes   | -                 | -                                       | 291                        | 2,944                      | -  | -  | -                      | -                              |
|   | <u>-</u>          | <u>-</u>                                | <u>1,462</u>               | <u>3,000</u>               | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>               | <u>-</u>                       |
| Total liabilities   | <u>-</u>          | <u>-</u>                                | <u>1,462</u>               | <u>3,000</u>               | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>               | <u>-</u>                       |
| Deferred inflows of resources:                                    |                   |   |                            |                            |  |  |                        |                                |
| Property taxes receivable   | 289,477           | 9,334                                   | -                          | -                          | -  | -  | -                      | -                              |
|   | <u>289,477</u>    | <u>9,334</u>                            | <u>-</u>                   | <u>-</u>                   | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>               | <u>-</u>                       |
| Fund balances:  |                   |   |                            |                            |  |  |                        |                                |
| Restricted:   |                   |   |                            |                            |  |  |                        |                                |
| General government  | -                 | -                                       | -                          | -                          | -  | -  | -                      | -                              |
| Recreation  | 13,716            | -                                       | -                          | -                          | 162,367  | -  | -                      | -                              |
| Health and welfare  | -                 | -                                       | -                          | -                          | -  | -  | -                      | -                              |
| Economic development  | -                 | 170,663                                 | -                          | -                          | -  | -  | -                      | -                              |
| Street improvements   | -                 | -                                       | -                          | 15,414                     | -  | -  | -                      | -                              |
| Committed:  |                   |   |                            |                            |  |  |                        |                                |
| Street improvements   | -                 | -                                       | -                          | -                          | -  | 30,374   | 325,071                | -                              |
| Parks and recreation  | -                 | -                                       | -                          | -                          | -  | -  | -                      | 58,624                         |
| Assigned:   |                   |   |                            |                            |  |  |                        |                                |
| Culture and recreation  | -                 | -                                       | 2                          | -                          | -  | -  | -                      | -                              |
|   | <u>-</u>          | <u>-</u>                                | <u>2</u>                   | <u>-</u>                   | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>               | <u>-</u>                       |
| Total fund balances   | <u>13,716</u>     | <u>170,663</u>                          | <u>2</u>                   | <u>15,414</u>              | <u>162,367</u>                                 | <u>30,374</u>                                  | <u>325,071</u>         | <u>58,624</u>                  |
| Total liabilities, deferred inflows<br>and fund balances          | <u>\$ 303,193</u> | <u>\$ 179,997</u>                       | <u>\$ 1,464</u>            | <u>\$ 18,414</u>           | <u>\$ 162,367</u>                              | <u>\$ 30,374</u>                               | <u>\$ 325,071</u>      | <u>\$ 58,624</u>               |

CITY OF MULVANE, KANSAS

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

December 31, 2014

|  | Swimming<br>Pool | Special<br>Alcohol | Transient<br>Guest<br>Tax | JOBS<br>Grant    | Library<br>Sales<br>Tax | Mulvane<br>Public<br>Building<br>Commission | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--|------------------|--------------------|---------------------------|------------------|-------------------------|---|--|
| <b>ASSETS</b>  |                  |                    |                           |                  |                         |   |  |
| Cash and short-term investments                            | \$ 1,162         | \$ 59,373          | \$ 174,707                | \$ 25,000        | \$ 45,509               | \$ -  | \$ 1,081,032                                     |
| Accounts receivable  | -                | -                  | 67,166                    | -                | -                       | -   | 72,578   |
| Property taxes receivable                                  | -                | -                  | -                         | -                | -                       | -   | 298,811  |
| Sales tax receivable                                       | -                | -                  | -                         | -                | 66,378                  | -   | 66,378   |
| Total assets   | <u>\$ 1,162</u>  | <u>\$ 59,373</u>   | <u>\$ 241,873</u>         | <u>\$ 25,000</u> | <u>\$ 111,887</u>       | <u>\$ -</u>                                 | <u>\$ 1,518,799</u>                              |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</b> |                  |                    |                           |                  |                         |   |  |
| Liabilities:   |                  |                    |                           |                  |                         |   |  |
| Accounts payable   | \$ 1,000         | \$ -               | \$ -                      | \$ -             | \$ -                    | \$ -  | \$ 2,227   |
| Accrued payroll and taxes                                  | -                | -                  | -                         | -                | -                       | -   | 3,235  |
| Total liabilities  | <u>1,000</u>     | <u>-</u>           | <u>-</u>                  | <u>-</u>         | <u>-</u>                | <u>-</u>                                    | <u>5,462</u>                                     |
| Deferred inflows of resources:                             |                  |                    |                           |                  |                         |   |  |
| Property taxes receivable                                  | -                | -                  | -                         | -                | -                       | -   | 298,811  |
| Fund balances:   |                  |                    |                           |                  |                         |   |  |
| Restricted:  |                  |                    |                           |                  |                         |   |  |
| Recreation   | -                | -                  | -                         | -                | 111,887                 | -   | 287,970  |
| Health and welfare   | -                | 59,373             | -                         | -                | -                       | -   | 59,373   |
| Economic development                                       | -                | -                  | 241,873                   | 25,000           | -                       | -   | 437,536  |
| Street improvements  | -                | -                  | -                         | -                | -                       | -   | 15,414   |
| Committed:   |                  |                    |                           |                  |                         |   |  |
| Street improvements  | -                | -                  | -                         | -                | -                       | -   | 355,445  |
| Parks and recreation                                       | 162              | -                  | -                         | -                | -                       | -   | 58,786   |
| Assigned:  |                  |                    |                           |                  |                         |   |  |
| Culture and recreation                                     | -                | -                  | -                         | -                | -                       | -   | 2  |
| Total fund balances  | <u>162</u>       | <u>59,373</u>      | <u>241,873</u>            | <u>25,000</u>    | <u>111,887</u>          | <u>-</u>                                    | <u>1,214,526</u>                                 |
| Total liabilities, deferred inflows<br>and fund balances   | <u>\$ 1,162</u>  | <u>\$ 59,373</u>   | <u>\$ 241,873</u>         | <u>\$ 25,000</u> | <u>\$ 111,887</u>       | <u>\$ -</u>                                 | <u>\$ 1,518,799</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, 2014

|                                      | Library          | Industrial<br>Develop-<br>ment | Senior<br>Citizens | Special<br>Highway | Special<br>Park<br>and<br>Recreation | Trans-<br>portation<br>Impact<br>Fee | Storm<br>Sewer    | Park<br>Impact<br>Fee |
|--------------------------------------|------------------|--------------------------------|--------------------|--------------------|--------------------------------------|--------------------------------------|-------------------|-----------------------|
| Revenues:                            |                  |                                |                    |                    |                                      |                                      |                   |                       |
| Taxes                                | \$ 309,355       | \$ 16,058                      | \$ -               | \$ -               | \$ 51,943                            | \$ -                                 | \$ -              | \$ -                  |
| Intergovernmental revenues           | -                | -                              | 21,980             | 222,051            | -                                    | 23,251                               | -                 | -                     |
| Licenses, fees and permits           | -                | -                              | -                  | -                  | -                                    | 6,300                                | -                 | 2,400                 |
| Charges for services                 | -                | -                              | 4,191              | -                  | -                                    | -                                    | 31,753            | -                     |
| Use of money and property            | -                | 7                              | -                  | 70                 | 15                                   | -                                    | 60                | -                     |
| Total revenues                       | <u>309,355</u>   | <u>16,065</u>                  | <u>26,171</u>      | <u>222,121</u>     | <u>51,958</u>                        | <u>29,551</u>                        | <u>31,813</u>     | <u>2,400</u>          |
| Expenditures:                        |                  |                                |                    |                    |                                      |                                      |                   |                       |
| Current:                             |                  |                                |                    |                    |                                      |                                      |                   |                       |
| Highway and streets                  | -                | -                              | -                  | 167,439            | -                                    | 143,675                              | 25,473            | -                     |
| Culture and recreation               | 300,400          | -                              | 41,676             | -                  | 9,907                                | -                                    | -                 | -                     |
| Health and welfare                   | -                | 15,000                         | -                  | -                  | -                                    | -                                    | -                 | -                     |
| Economic development                 | -                | -                              | -                  | -                  | -                                    | -                                    | -                 | -                     |
| Debt service:                        |                  |                                |                    |                    |                                      |                                      |                   |                       |
| Principal                            | -                | -                              | -                  | -                  | -                                    | -                                    | -                 | -                     |
| Interest and fiscal charges          | -                | -                              | -                  | -                  | -                                    | -                                    | -                 | -                     |
| Total expenditures                   | <u>300,400</u>   | <u>15,000</u>                  | <u>41,676</u>      | <u>167,439</u>     | <u>9,907</u>                         | <u>143,675</u>                       | <u>25,473</u>     | <u>-</u>              |
| Revenues over (under) expenditures   | <u>8,955</u>     | <u>1,065</u>                   | <u>(15,505)</u>    | <u>54,682</u>      | <u>42,051</u>                        | <u>(114,124)</u>                     | <u>6,340</u>      | <u>2,400</u>          |
| Other financing sources:             |                  |                                |                    |                    |                                      |                                      |                   |                       |
| Operating transfers in               | -                | -                              | 12,550             | -                  | -                                    | -                                    | -                 | -                     |
| Operating transfers out              | -                | -                              | -                  | (70,000)           | -                                    | -                                    | -                 | -                     |
| Total other financing sources (uses) | <u>-</u>         | <u>-</u>                       | <u>12,550</u>      | <u>(70,000)</u>    | <u>-</u>                             | <u>-</u>                             | <u>-</u>          | <u>-</u>              |
| Net change in fund balance           | 8,955            | 1,065                          | (2,955)            | (15,318)           | 42,051                               | (114,124)                            | 6,340             | 2,400                 |
| Fund balances, beginning of year     | <u>4,761</u>     | <u>169,598</u>                 | <u>2,957</u>       | <u>30,732</u>      | <u>120,316</u>                       | <u>144,498</u>                       | <u>318,731</u>    | <u>56,224</u>         |
| Fund balances, end of year           | <u>\$ 13,716</u> | <u>\$ 170,663</u>              | <u>\$ 2</u>        | <u>\$ 15,414</u>   | <u>\$ 162,367</u>                    | <u>\$ 30,374</u>                     | <u>\$ 325,071</u> | <u>\$ 58,624</u>      |

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, 2014

|                                      | Swimming<br>Pool | Special<br>Alcohol | Transient<br>Guest<br>Tax | JOBS<br>Grant    | Library<br>Sales<br>Tax | Mulvane<br>Public<br>Building<br>Commission | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--------------------------------------|------------------|--------------------|---------------------------|------------------|-------------------------|---|--|
| Revenues:                            |                  |                    |                           |                  |                         |   |  |
| Taxes                                | \$ -             | \$ 51,944          | \$ 238,034                | \$ -             | \$ 111,887              | \$ -  | \$ 779,221                                       |
| Intergovernmental revenues           | -                | -                  | -                         | 25,000           | -                       | -   | 292,282  |
| Licenses, fees and permits           | -                | -                  | -                         | -                | -                       | -   | 8,700  |
| Charges for services                 | 55,179           | -                  | -                         | -                | -                       | -   | 91,123   |
| Use of money and property            | -                | 22                 | -                         | -                | -                       | 123,750                                     | 123,924  |
| Total revenues                       | <u>55,179</u>    | <u>51,966</u>      | <u>238,034</u>            | <u>25,000</u>    | <u>111,887</u>          | <u>123,750</u>                              | <u>1,295,250</u>                                 |
| Expenditures:                        |                  |                    |                           |                  |                         |   |  |
| Current:                             |                  |                    |                           |                  |                         |   |  |
| Highway and streets                  | -                | -                  | -                         | -                | -                       | -   | 336,587  |
| Culture and recreation               | 164,965          | -                  | -                         | -                | -                       | -   | 516,948  |
| Health and welfare                   | -                | 37,180             | -                         | -                | -                       | -   | 52,180   |
| Economic development                 | -                | -                  | 200,000                   | -                | -                       | -   | 200,000  |
| Debt service:                        |                  |                    |                           |                  |                         |   |  |
| Principal                            | -                | -                  | -                         | -                | -                       | 95,000                                      | 95,000   |
| Interest and fiscal charges          | -                | -                  | -                         | -                | -                       | 28,750                                      | 28,750   |
| Total expenditures                   | <u>164,965</u>   | <u>37,180</u>      | <u>200,000</u>            | <u>-</u>         | <u>-</u>                | <u>123,750</u>                              | <u>1,229,465</u>                                 |
| Revenues over (under) expenditures   | <u>(109,786)</u> | <u>14,786</u>      | <u>38,034</u>             | <u>25,000</u>    | <u>111,887</u>          | <u>-</u>                                    | <u>65,785</u>                                    |
| Other financing sources:             |                  |                    |                           |                  |                         |   |  |
| Operating transfers in               | 109,000          | -                  | -                         | -                | -                       | -   | 121,550  |
| Operating transfers out              | -                | -                  | -                         | -                | -                       | -   | (70,000)   |
| Total other financing sources (uses) | <u>109,000</u>   | <u>-</u>           | <u>-</u>                  | <u>-</u>         | <u>-</u>                | <u>-</u>                                    | <u>51,550</u>                                    |
| Net change in fund balance           | (786)            | 14,786             | 38,034                    | 25,000           | 111,887                 | -   | 117,335  |
| Fund balances, beginning of year     | <u>948</u>       | <u>44,587</u>      | <u>203,839</u>            | <u>-</u>         | <u>-</u>                | <u>-</u>                                    | <u>1,097,191</u>                                 |
| Fund balances, end of year           | <u>\$ 162</u>    | <u>\$ 59,373</u>   | <u>\$ 241,873</u>         | <u>\$ 25,000</u> | <u>\$ 111,887</u>       | <u>\$ -</u>                                 | <u>\$ 1,214,526</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, 2014**

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>      |   |   |
| Revenues:                             |                         |                   |   |   |
| Taxes                                 | <u>\$ 293,909</u>       | <u>\$ 293,909</u> | <u>\$ 309,355</u>   | <u>\$ 15,446</u>  |
| Expenditures:                         |                         |                   |   |   |
| Appropriations to<br>Library Board    | 300,400                 | 300,400           | 300,400   | –   |
| Other                                 | <u>107</u>              | <u>107</u>        | <u>–</u>  | <u>107</u>  |
| Total expenditures                    | <u>300,507</u>          | <u>300,507</u>    | <u>300,400</u>  | <u>107</u>  |
| Revenues over (under)<br>expenditures | (6,598)                 | (6,598)           | 8,955   | 15,553  |
| Fund balance,<br>beginning of year    | <u>6,598</u>            | <u>6,598</u>      | <u>4,761</u>  | <u>(1,837)</u>  |
| Fund balance, end of year             | <u>\$ –</u>             | <u>\$ –</u>       | <u>\$ 13,716</u>  | <u>\$ 13,716</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, 2014**

|                                       | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>       |   |   |
| Revenues:                             |                         |                    |   |   |
| Taxes                                 | \$ 15,379               | \$ 15,379          | \$ 16,058   | \$ 679  |
| Use of money and property             | <u>          –</u>      | <u>          –</u> | <u>          7</u>                                | <u>          7</u>  |
| Total revenues                        | 15,379                  | 15,379             | 16,065  | 686   |
| Expenditures:                         |                         |                    |   |   |
| Industrial development                | <u>65,937</u>           | <u>65,937</u>      | <u>15,000</u>                                     | <u>50,937</u>   |
| Revenues over (under)<br>expenditures | (50,558)                | (50,558)           | 1,065   | 51,623  |
| Fund balance,<br>beginning of year    | <u>50,558</u>           | <u>50,558</u>      | <u>169,598</u>                                    | <u>119,040</u>  |
| Fund balance, end of year             | <u><u>\$ –</u></u>      | <u><u>\$ –</u></u> | <u><u>\$ 170,663</u></u>                          | <u><u>\$ 170,663</u></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, 2014**

|   | <u>Budgeted Amounts</u> |               | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|-------------------------|---------------|---|---|
|   | <u>Original</u>         | <u>Final</u>  |   |   |
| Revenues and other sources:                     |                         |               |   |   |
| Intergovernmental                               | \$ 21,600               | \$ 21,600     | \$ 21,980   | \$ 380  |
| Charges for services                            | 4,000                   | 4,000         | 4,191   | 191   |
| Miscellaneous                                   | 500                     | 500           | –   | (500)   |
| Transfers in                                    | <u>40,581</u>           | <u>40,581</u> | <u>12,550</u>   | <u>(28,031)</u>   |
| Total revenues and<br>other sources             | 66,681                  | 66,681        | 38,721  | (27,960)  |
| Expenditures:                                   |                         |               |   |   |
| Operating expenditures                          | <u>66,760</u>           | <u>66,760</u> | <u>41,676</u>   | <u>25,084</u>   |
| Revenues and other sources<br>over expenditures | (79)                    | (79)          | (2,955)   | (2,876)   |
| Fund balance,<br>beginning of year              | <u>79</u>               | <u>79</u>     | <u>2,957</u>  | <u>2,878</u>  |
| Fund balance, end of year                       | <u>\$ –</u>             | <u>\$ –</u>   | <u>\$ 2</u>   | <u>\$ 2</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, 2014**

|                                 | <u>Budgeted Amounts</u> |                | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---------------------------------|-------------------------|----------------|---|---|
|                                 | <u>Original</u>         | <u>Final</u>   |   |   |
| Revenues:                       |                         |                |   |   |
| Intergovernmental               | \$ 220,290              | \$ 220,290     | \$ 222,051  | \$ 1,761  |
| Use of money and property       | <u>100</u>              | <u>100</u>     | <u>70</u>   | <u>(30)</u>   |
| Total revenues                  | <u>220,390</u>          | <u>220,390</u> | <u>222,121</u>  | <u>1,731</u>  |
| Expenditures:                   |                         |                |   |   |
| Street operations               | 241,885                 | 241,885        | 167,439   | 74,446  |
| Transfers out                   | <u>–</u>                | <u>–</u>       | <u>70,000</u>   | <u>(70,000)</u>   |
| Total expenditures              | <u>241,885</u>          | <u>241,885</u> | <u>237,439</u>  | <u>4,446</u>  |
| Revenues over expenditures      | (21,495)                | (21,495)       | (15,318)  | 6,177   |
| Fund balance, beginning of year | <u>21,498</u>           | <u>21,495</u>  | <u>30,732</u>   | <u>9,237</u>  |
| Fund balance, end of year       | <u>\$ –</u>             | <u>\$ –</u>    | <u>\$ 15,414</u>  | <u>\$ 15,414</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, 2014**

|                                       | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>       |   |   |
| Revenues:                             |                         |                    |   |   |
| Liquor tax                            | \$ 39,783               | \$ 39,783          | \$ 51,943   | \$ 12,160   |
| Use of money and property             | <u>          –</u>      | <u>          –</u> | <u>          15</u>                               | <u>          15</u>   |
| Total revenues                        | 39,783                  | 39,783             | 51,958  | 12,175  |
| Expenditures:                         |                         |                    |   |   |
| Capital outlay                        | <u>95,639</u>           | <u>95,639</u>      | <u>9,907</u>                                      | <u>85,732</u>   |
| Revenues over (under)<br>expenditures | (55,856)                | (55,856)           | 42,051  | 97,907  |
| Fund balance,<br>beginning of year    | <u>55,856</u>           | <u>55,856</u>      | <u>120,316</u>                                    | <u>64,460</u>   |
| Fund balance, end of year             | <u>\$       –</u>       | <u>\$       –</u>  | <u>\$162,367</u>                                  | <u>\$162,367</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, 2014**

|                                       | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>  |   |   |
| Revenues:                             |                         |               |   |   |
| Impact fees                           | \$ 2,000                | \$ 2,000      | \$ 6,300  | \$ 4,300  |
| Intergovernmental                     | –                       | –             | 23,251  | 23,251  |
| Use of money and property             | 100                     | 100           | –   | (100)   |
| Miscellaneous                         | <u>–</u>                | <u>–</u>      | <u>1,032</u>                                      | <u>1,032</u>  |
| Total revenues                        | 2,100                   | 2,100         | 30,583  | 28,483  |
| Expenditures:                         |                         |               |   |   |
| Capital outlay                        | <u>23,513</u>           | <u>23,513</u> | <u>909</u>  | <u>22,604</u>   |
| Revenues over (under)<br>expenditures | (21,413)                | (21,413)      | 29,674  | 51,087  |
| Fund balance,<br>beginning of year    | <u>21,413</u>           | <u>21,413</u> | <u>700</u>  | <u>(20,713)</u>   |
| Fund balance, end of year             | <u>\$ –</u>             | <u>\$ –</u>   | <u>\$ 30,374</u>                                  | <u>\$ 30,374</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, 2014**

|                                       | <u>Budgeted Amounts</u> |                | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---------------------------------------|-------------------------|----------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>   |   |   |
| Revenues:                             |                         |                |   |   |
| Charges for services                  | \$ 29,000               | \$ 29,000      | \$ 31,747   | \$ 2,747  |
| Use of money and property             | 200                     | 200            | 60  | (140)   |
| Miscellaneous                         | <u>–</u>                | <u>–</u>       | <u>55</u>   | <u>55</u>   |
| Total revenues                        | 29,200                  | 29,200         | 31,862  | 2,662   |
| Expenditures:                         |                         |                |   |   |
| Capital Outlay                        | <u>246,588</u>          | <u>246,588</u> | <u>100,386</u>  | <u>146,202</u>  |
| Revenues over (under)<br>expenditures | (217,388)               | (217,388)      | (68,524)  | 148,864   |
| Fund balance,<br>beginning of year    | <u>217,388</u>          | <u>217,388</u> | <u>310,926</u>  | <u>93,538</u>   |
| Fund balance, end of year             | <u>\$ –</u>             | <u>\$ –</u>    | <u>\$242,402</u>  | <u>\$ 242,402</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, 2014**

|                                       | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>  |   |   |
| Revenues:                             |                         |               |   |   |
| Impact fees                           | \$ 1,000                | \$ 1,000      | \$ 2,400  | \$ 1,400  |
| Use of money and property             | <u>75</u>               | <u>75</u>     | <u>–</u>  | <u>(75)</u>   |
| Total revenues                        | 1,075                   | 1,075         | 2,400   | 1,325   |
| Expenditures:                         |                         |               |   |   |
| Capital outlay                        | <u>11,343</u>           | <u>11,343</u> | <u>–</u>  | <u>11,343</u>   |
| Revenues over (under)<br>expenditures | (10,268)                | (10,268)      | 2,400   | 12,668  |
| Fund balance,<br>beginning of year    | <u>10,268</u>           | <u>10,268</u> | <u>56,224</u>                                     | <u>45,956</u>   |
| Fund balance, end of year             | <u>\$ –</u>             | <u>\$ –</u>   | <u>\$ 58,624</u>                                  | <u>\$ 58,624</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, 2014**

|                                       | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|----------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>   |   |   |
| Revenues:                             |                         |                |   |   |
| Charges for services                  | \$ 71,500               | \$ 71,500      | \$ 55,179   | \$ (16,321)   |
| Transfers in                          | <u>132,902</u>          | <u>132,902</u> | <u>109,000</u>                                    | <u>(23,902)</u>   |
| Total revenues                        | 204,402                 | 204,402        | 164,179   | (40,223)  |
| Expenditures:                         |                         |                |   |   |
| Swimming pool operations              | <u>205,459</u>          | <u>205,459</u> | <u>164,965</u>                                    | <u>40,494</u>   |
| Revenues over (under)<br>expenditures | (1,057)                 | (1,057)        | (786)   | 271   |
| Fund balance,<br>beginning of year    | <u>1,151</u>            | <u>1,151</u>   | <u>948</u>  | <u>(203)</u>  |
| Fund balance, end of year             | <u>\$ 94</u>            | <u>\$ 94</u>   | <u>\$ 162</u>                                     | <u>\$ 68</u>  |

**CITY OF MULVANE, KANSAS**

**SPECIAL ALCOHOL FUND**

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

**Year Ended December 31, 2014**

|                           | <u>Budgeted Amounts</u> |                    | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---------------------------|-------------------------|--------------------|---|---|
|                           | <u>Original</u>         | <u>Final</u>       |   |   |
| Revenues:                 |                         |                    |   |   |
| Liquor tax                | \$ 39,783               | \$ 39,783          | \$ 51,944   | \$ 12,161   |
| Use of money and property | <u>        –</u>        | <u>        –</u>   | <u>        22</u>   | <u>        22</u>   |
| Total revenues            | 39,783                  | 39,783             | 51,966  | 12,183  |
| Expenditures:             |                         |                    |   |   |
| Awareness programs        | <u>40,192</u>           | <u>40,192</u>      | <u>37,180</u>   | <u>3,012</u>  |
| Revenues over (under)     |                         |                    |   |   |
| expenditures              | (409)                   | (409)              | 14,786  | 15,195  |
| Fund balance,             |                         |                    |   |   |
| beginning of year         | <u>409</u>              | <u>409</u>         | <u>44,587</u>   | <u>44,178</u>   |
| Fund balance, end of year | <u>\$        –</u>      | <u>\$        –</u> | <u>\$ 59,373</u>  | <u>\$ 59,373</u>  |

**CITY OF MULVANE, KANSAS**

**TRANSIENT GUEST TAX FUND**

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

**Year Ended December 31, 2014**

|                                    | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|----------------|---|---|
|                                    | <u>Original</u>         | <u>Final</u>   |   |   |
| Revenues:                          |                         |                |   |   |
| Transient guest tax                | \$ 185,000              | \$ 185,000     | \$ 276,771  | \$ 91,771   |
| Expenditures:                      |                         |                |   |   |
| Contractual services               | <u>205,000</u>          | <u>205,000</u> | <u>200,000</u>                                    | <u>5,000</u>  |
| Revenues over<br>expenditures      | (20,000)                | (20,000)       | 76,771  | 96,771  |
| Fund balance,<br>beginning of year | <u>20,000</u>           | <u>20,000</u>  | <u>150,888</u>                                    | <u>130,888</u>  |
| Fund balance, end of year          | <u>\$ —</u>             | <u>\$ —</u>    | <u>\$ 227,659</u>                                 | <u>\$ 227,659</u>   |

**CITY OF MULVANE, KANSAS**

**DEBT SERVICE FUND**

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

**Year Ended December 31, 2014**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u><br><u>Amounts</u><br><u>Budgetary</u><br><u>Basis</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|--|-------------------------|------------------|---|---|
|  | <u>Original</u>         | <u>Final</u>     |   |   |
| Revenues:  |                         |                  |   |   |
| Taxes  | \$ 404,456              | \$ 428,508       | \$ 431,876  | \$ 3,368  |
| Special assessments                                  | 2,006,036               | 2,059,385        | 2,059,385   | –   |
| Use of money and property                            | 500                     | 2,035            | 1,799   | (236)   |
| Miscellaneous  | –                       | 10               | 17,624  | 17,614  |
| Transfers in   | –                       | 195,013          | 100,145   | (94,868)  |
| Proceeds from refunding<br>bonds                     | <u>–</u>                | <u>2,082,938</u> | <u>561,176</u>  | <u>(1,521,762)</u>  |
| Total revenues                                       | <u>2,410,992</u>        | <u>4,767,889</u> | <u>3,172,005</u>  | <u>(1,595,884)</u>  |
| Expenditures and other uses:                         |                         |                  |   |   |
| Bond Principal                                       | 1,681,035               | 4,241,505        | 1,681,035   | 2,560,470   |
| Bond interest and<br>commission                      | 654,642                 | 659,666          | 654,411   | 5,255   |
| Miscellaneous  | 61                      | 61               | –   | 61  |
| Payment to refunding bond<br>escrow agent            | –                       | –                | 565,004   | (565,004)   |
| Bond issuance costs                                  | –                       | 63,516           | 19,995  | 43,521  |
| Cash basis reserve                                   | <u>155,000</u>          | <u>155,000</u>   | <u>–</u>  | <u>155,000</u>  |
| Total expenditures and<br>other uses                 | <u>2,490,738</u>        | <u>5,119,748</u> | <u>2,920,445</u>  | <u>2,199,303</u>  |
| Revenues over (under)<br>expenditures and other uses | (79,746)                | (351,859)        | 251,560   | 603,419   |
| Fund balance, beginning<br>of year                   | <u>79,746</u>           | <u>351,859</u>   | <u>351,859</u>  | <u>–</u>  |
| Fund balance, end of year                            | <u>\$ –</u>             | <u>\$ –</u>      | <u>\$ 603,419</u>   | <u>\$ 603,419</u>   |

CITY OF MULVANE, KANSAS

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2014

|  | Capital<br>Improvement<br>Reserve | Municipal<br>Equipment<br>Reserve | Secondary<br>EMS Facility<br>And<br>Equipment | Water<br>Tower<br>Project | Wastewater<br>Treatment<br>Plant Phase II | City Hall<br>Renovations<br>Project | Cedar Brook<br>4 <sup>th</sup> Addition<br>Water<br>Improvements | Cedar Brook<br>4 <sup>th</sup> Addition<br>Sewer<br>Improvements | Cedar Brook<br>4 <sup>th</sup> Addition<br>Street<br>Improvements |
|--|-----------------------------------|-----------------------------------|---|---------------------------|---|-------------------------------------|--|--|---|
| <b>ASSETS</b>  |                                   |                                   |   |                           |   |                                     |  |  |   |
| Cash and short-term investments                            | \$ 310,143                        | \$ 374,062                        | \$ -  | \$ 298,608                | \$ -                                      | \$ -                                | \$ -   | \$ -   | \$ -  |
| Taxes receivable   | 99,855                            | -                                 | -   | -                         | -   | -                                   | -  | -  | -   |
| Due from other funds                                       | 799                               | -                                 | -   | -                         | -   | -                                   | -  | -  | -   |
| Total assets   | <u>\$ 410,797</u>                 | <u>\$ 374,062</u>                 | <u>\$ -</u>                                   | <u>\$ 298,608</u>         | <u>\$ -</u>                               | <u>\$ -</u>                         | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</b> |                                   |                                   |   |                           |   |                                     |  |  |   |
| Liabilities:   |                                   |                                   |   |                           |   |                                     |  |  |   |
| Accounts payable   | \$ -                              | \$ -                              | \$ -  | \$ 65,475                 | \$ -                                      | \$ -                                | \$ -   | \$ -   | \$ -  |
| Due to other funds   | -                                 | -                                 | -   | -                         | -   | -                                   | -  | -  | -   |
| Total liabilities  | -                                 | -                                 | -   | 65,475                    | -   | -                                   | -  | -  | -   |
| Deferred inflows of resources:                             |                                   |                                   |   |                           |   |                                     |  |  |   |
| Property taxes receivable                                  | 99,855                            | -                                 | -   | -                         | -   | -                                   | -  | -  | -   |
| Fund balances (deficit):                                   |                                   |                                   |   |                           |   |                                     |  |  |   |
| Restricted:  |                                   |                                   |   |                           |   |                                     |  |  |   |
| Capital improvements                                       | 310,942                           | -                                 | -   | 233,133                   | -   | -                                   | -  | -  | -   |
| Assigned:  |                                   |                                   |   |                           |   |                                     |  |  |   |
| Capital outlay   | -                                 | 374,062                           | -   | -                         | -   | -                                   | -  | -  | -   |
| Unassigned   | -                                 | -                                 | -   | -                         | -   | -                                   | -  | -  | -   |
| Total fund balance   | <u>310,942</u>                    | <u>374,062</u>                    | <u>-</u>                                      | <u>233,133</u>            | <u>-</u>                                  | <u>-</u>                            | <u>-</u>   | <u>-</u>   | <u>-</u>  |
| Total liabilities, deferred inflows<br>and fund balances   | <u>\$ 410,797</u>                 | <u>\$ 374,062</u>                 | <u>\$ -</u>                                   | <u>\$ 298,608</u>         | <u>\$ -</u>                               | <u>\$ -</u>                         | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   |

CITY OF MULVANE, KANSAS

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2014

|  | Cedar Brook<br>5 <sup>th</sup> Addition<br>Water<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Sewer<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Street<br>Improvements | Cedar Brook<br>4 <sup>th</sup> & 5 <sup>th</sup> Addition<br>Storm Sewer<br>Improvements | Merlin's Glen<br>Street<br>Drainage<br>Improvements | Totals              |
|--|--|--|---|--|---|---------------------|
| <b>ASSETS</b>  |  |  |   |  |   |                     |
| Cash and short-term investments                            | \$ -   | \$ -   | \$ -  | \$ -   | \$ -  | \$ 982,813          |
| Taxes receivable   | -  | -  | -   | -  | -   | 99,855              |
| Due from other funds                                       | -  | -  | -   | -  | -   | 799                 |
|  | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>  | <u>799</u>          |
| Total assets   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 1,083,467</u> |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</b> |  |  |   |  |   |                     |
| Liabilities:   |  |  |   |  |   |                     |
| Accounts payable   | \$ -   | \$ -   | \$ -  | \$ -   | \$ -  | \$ 65,475           |
| Due to other funds   | 159  | 159  | 159   | -  | 322   | 799                 |
|  | <u>159</u>   | <u>159</u>   | <u>159</u>  | <u>-</u>   | <u>322</u>  | <u>66,274</u>       |
| Total liabilities  | <u>159</u>   | <u>159</u>   | <u>159</u>  | <u>-</u>   | <u>322</u>  | <u>66,274</u>       |
| Deferred inflows of resources:                             |  |  |   |  |   |                     |
| Property taxes receivable                                  | -  | -  | -   | -  | -   | 99,855              |
|  | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>  | <u>99,855</u>       |
| Fund balances (deficit):                                   |  |  |   |  |   |                     |
| Restricted:  |  |  |   |  |   |                     |
| Capital improvements                                       | -  | -  | -   | -  | -   | 544,075             |
| Assigned:  |  |  |   |  |   |                     |
| Capital outlay   | -  | -  | -   | -  | -   | 374,062             |
| Unassigned   | (159)  | (159)  | (159)   | -  | (322)   | (799)               |
|  | <u>(159)</u>   | <u>(159)</u>   | <u>(159)</u>  | <u>-</u>   | <u>(322)</u>  | <u>(799)</u>        |
| Total fund balance   | <u>(159)</u>   | <u>(159)</u>   | <u>(159)</u>  | <u>-</u>   | <u>(322)</u>  | <u>917,338</u>      |
| Total liabilities, deferred inflows<br>and fund balances   | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 1,083,467</u> |

CITY OF MULVANE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

Year ended December 31, 2014

|  | Capital<br>Improvement<br>Reserve | Municipal<br>Equipment<br>Reserve | Secondary<br>EMS Facility<br>and<br>Equipment | Water<br>Tower<br>Project | Wastewater<br>Treatment<br>Plant Phase I | City Hall<br>Renovations<br>Project | Cedar Brook<br>4 <sup>th</sup> Addition<br>Water<br>Improvements | Cedar Brook<br>4 <sup>th</sup> Addition<br>Sewer<br>Improvements | Cedar Brook<br>4 <sup>th</sup> Addition<br>Street<br>Improvements |
|--|-----------------------------------|-----------------------------------|---|---------------------------|--|-------------------------------------|--|--|---|
| Revenues:                                  |                                   |                                   |   |                           |  |                                     |  |  |   |
| Taxes                                      | \$ 458,965                        | \$ -                              | \$ -  | \$ -                      | \$ -                                     | \$ -                                | \$ -   | \$ -   | \$ -  |
| Special assessment taxes                   | -                                 | -                                 | -   | -                         | -  | -                                   | 2,758  | 3,021  | 12,585  |
| Intergovernmental                          | 296,965                           | -                                 | -   | -                         | -  | -                                   | -  | -  | -   |
| Use of money and property                  | 279                               | -                                 | 116   | 424                       | 149                                      | -                                   | -  | -  | -   |
| Total revenues                             | <u>756,209</u>                    | <u>-</u>                          | <u>116</u>                                    | <u>424</u>                | <u>149</u>                               | <u>-</u>                            | <u>2,758</u>   | <u>3,021</u>   | <u>12,585</u>   |
| Expenditures:                              |                                   |                                   |   |                           |  |                                     |  |  |   |
| Capital outlay                             | 655,101                           | 29,344                            | 405,992                                       | 1,616,517                 | 20,120                                   | 229,066                             | 25,114   | 33,208   | 301,987   |
| Interest                                   | -                                 | -                                 | -   | -                         | -  | -                                   | 616  | 911  | 2,921   |
| Total expenditures                         | <u>655,101</u>                    | <u>29,344</u>                     | <u>405,992</u>                                | <u>1,616,517</u>          | <u>20,120</u>                            | <u>229,066</u>                      | <u>25,730</u>  | <u>34,119</u>  | <u>304,908</u>  |
| Revenues over (under) expenditures         | <u>101,108</u>                    | <u>(29,344)</u>                   | <u>(405,876)</u>                              | <u>(1,616,093)</u>        | <u>(19,971)</u>                          | <u>(229,066)</u>                    | <u>(22,972)</u>  | <u>(31,098)</u>  | <u>(292,323)</u>  |
| Other financing sources (uses):            |                                   |                                   |   |                           |  |                                     |  |  |   |
| General obligation bonds issued            | -                                 | -                                 | -   | -                         | -  | -                                   | 69,158   | 99,146   | 315,974   |
| Premium on general obligation bonds issued | -                                 | -                                 | -   | -                         | -  | -                                   | 2,155  | 3,089  | 9,845   |
| Transfers in                               | -                                 | 120,755                           | 11,076  | -                         | -  | 10,450                              | -  | -  | -   |
| Transfers out                              | (125,172)                         | -                                 | -   | -                         | (100,145)                                | -                                   | -  | -  | -   |
| Total other financing sources (uses)       | <u>(125,172)</u>                  | <u>120,755</u>                    | <u>11,076</u>                                 | <u>-</u>                  | <u>(100,145)</u>                         | <u>10,450</u>                       | <u>71,313</u>  | <u>102,235</u>   | <u>325,819</u>  |
| Net change in fund balance                 | (24,064)                          | 91,411                            | (394,800)                                     | (1,616,093)               | (120,116)                                | (218,616)                           | 48,341   | 71,137   | 33,496  |
| Fund balances, beginning of year           | <u>335,006</u>                    | <u>282,651</u>                    | <u>394,800</u>                                | <u>1,849,226</u>          | <u>120,116</u>                           | <u>218,616</u>                      | <u>(48,341)</u>  | <u>(71,137)</u>  | <u>(33,496)</u>   |
| Fund balances (deficit), end of year       | <u>\$ 310,942</u>                 | <u>\$ 374,062</u>                 | <u>\$ -</u>                                   | <u>\$ 233,133</u>         | <u>\$ -</u>                              | <u>\$ -</u>                         | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>   |

CITY OF MULVANE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

Year ended December 31, 2014

|   | Cedar Brook<br>5 <sup>th</sup> Addition<br>Water<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Sewer<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Street<br>Improvements | Cedar Brook<br>4 <sup>th</sup> & 5 <sup>th</sup> Addition<br>Storm Sewer<br>Improvements | Merlin's Glen<br>Street<br>Drainage<br>Improvements | Totals             |
|---|--|--|---|--|---|--------------------|
| <b>Revenues:</b>                            |  |  |   |  |   |                    |
| Taxes                                       | \$ -   | \$ -   | \$ -  | \$ -   | \$ -  | \$ 458,965         |
| Special assessment taxes                    | -  | -  | -   | 2,830  | -   | 21,194             |
| Intergovernmental                           | -  | -  | -   | -  | -   | 296,965            |
| Use of money and property                   | -  | -  | -   | -  | -   | 968                |
| <b>Total revenues</b>                       | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>2,830</u>   | <u>-</u>  | <u>778,092</u>     |
| <b>Expenditures:</b>                        |  |  |   |  |   |                    |
| Capital outlay                              | -  | -  | -   | 57,877   | 322   | 3,374,648          |
| Interest                                    | -  | -  | -   | 1,297  | -   | 5,745              |
| <b>Total expenditures</b>                   | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>59,174</u>  | <u>322</u>  | <u>3,380,393</u>   |
| <b>Revenues over (under) expenditures</b>   | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>(56,344)</u>  | <u>(322)</u>  | <u>(2,602,301)</u> |
| <b>Other financing sources (uses):</b>      |  |  |   |  |   |                    |
| General obligation bonds issued             | -  | -  | -   | 147,593  | -   | 631,871            |
| Premium on general obligation bonds issued  | -  | -  | -   | 4,459  | -   | 19,548             |
| Transfers in                                | -  | -  | -   | -  | -   | 142,281            |
| Transfers out                               | -  | -  | -   | -  | -   | (225,317)          |
| <b>Total other financing sources (uses)</b> | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>152,052</u>   | <u>-</u>  | <u>568,383</u>     |
| <b>Net change in fund balance</b>           | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>95,708</u>  | <u>(322)</u>  | <u>(2,033,918)</u> |
| <b>Fund balances, beginning of year</b>     | <u>(159)</u>   | <u>(159)</u>   | <u>(159)</u>  | <u>(95,708)</u>  | <u>-</u>  | <u>2,951,256</u>   |
| <b>Fund balances (deficit), end of year</b> | <u>\$ (159)</u>  | <u>\$ (159)</u>  | <u>\$ (159)</u>   | <u>\$ -</u>  | <u>\$ (322)</u>                                     | <u>\$ 917,338</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, 2014**

|  | <u>Original</u>    | <u>Final</u>       | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|--|--------------------|--------------------|---|---|
| <b>Revenues:</b>   |                    |                    |   |   |
| Charges for services   | \$5,963,650        | \$5,963,650        | \$4,822,691                                       | \$(1,140,959)   |
| Use of money and property  | 5,200              | 5,200              | 27,190  | 21,990  |
| Miscellaneous  | 5,000              | 5,000              | 13,970  | 8,970   |
| Transfers in   | –                  | –                  | 26,000  | 26,000  |
| Proceeds from refunding<br>bonds   | <u>–</u>           | <u>–</u>           | <u>176,553</u>                                    | <u>176,553</u>  |
| <b>Total revenues</b>  | <u>5,973,850</u>   | <u>5,973,850</u>   | <u>5,066,404</u>                                  | <u>(907,446)</u>  |
| <b>Expenditures, encumbrances<br/>and other uses:</b>                          |                    |                    |   |   |
| Operations   | 4,595,437          | 4,595,437          | 4,368,463   | 226,974   |
| Nonoperating   | 915,500            | 915,500            | 152,407   | 763,093   |
| Debt service   | <u>380,511</u>     | <u>380,511</u>     | <u>551,027</u>                                    | <u>(170,516)</u>  |
| <b>Total expenditures,<br/>encumbrances and<br/>other uses</b>                 | <u>5,891,448</u>   | <u>5,891,448</u>   | <u>5,071,897</u>                                  | <u>819,551</u>  |
| <b>Revenues over (under)<br/>expenditures, encumbrances<br/>and other uses</b> | 82,402             | 82,402             | (5,493)   | (87,895)  |
| <b>Fund balance,<br/>beginning of year</b>                                     | <u>2,614,470</u>   | <u>2,614,470</u>   | <u>2,909,212</u>                                  | <u>294,742</u>  |
| <b>Fund balance, end of year</b>   | <u>\$2,696,872</u> | <u>\$2,696,872</u> | <u>\$2,903,719</u>                                | <u>\$ 206,847</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, 2014**

|   | <u>Original</u>   | <u>Final</u>      | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------|-------------------|---|---|
| Revenues:   |                   |                   |   |   |
| Charges for services  | \$1,528,403       | \$1,528,403       | \$1,081,243                                       | \$(447,160)   |
| Use of money and property                                     | 200               | 200               | 9,364   | 9,164   |
| Miscellaneous   | 1,000             | 1,000             | 6,473   | 5,473   |
| Proceeds from refunding<br>bonds                              | <u>—</u>          | <u>—</u>          | <u>309,257</u>                                    | <u>309,257</u>  |
| Total revenues  | <u>1,529,603</u>  | <u>1,529,603</u>  | <u>1,406,337</u>                                  | <u>(123,266)</u>  |
| Expenditures, encumbrances<br>and other uses:                 |                   |                   |   |   |
| Operations  | 1,323,247         | 1,323,247         | 868,802   | 454,445   |
| Nonoperating  | 40,000            | 40,000            | 40,095  | (95)  |
| Debt service  | <u>74,617</u>     | <u>74,617</u>     | <u>373,298</u>                                    | <u>(298,681)</u>  |
| Total expenditures,<br>encumbrances and<br>other uses         | <u>1,437,864</u>  | <u>1,437,864</u>  | <u>1,282,195</u>                                  | <u>155,669</u>  |
| Revenues over expenditures,<br>encumbrances and other<br>uses | 91,739            | 91,739            | 124,142   | 32,403  |
| Fund balance,<br>beginning of year                            | <u>542,651</u>    | <u>542,651</u>    | <u>751,905</u>                                    | <u>209,254</u>  |
| Fund balance, end of year                                     | <u>\$ 634,390</u> | <u>\$ 634,390</u> | <u>\$ 876,047</u>                                 | <u>\$ 241,657</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, 2014**

|   | <u>Original</u>      | <u>Final</u>         | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------|----------------------|---|---|
| Revenues:   |                      |                      |   |   |
| Charges for services  | \$1,830,000          | \$1,830,000          | \$1,617,717                                       | \$ (212,283)  |
| Use of money and property   | 1,680                | 1,680                | 3,046   | 1,366   |
| Miscellaneous   | –                    | –                    | 6,674   | 6,674   |
| Proceeds from refunding<br>bonds                                      | <u>–</u>             | <u>–</u>             | <u>366,908</u>                                    | <u>366,908</u>  |
| <br>Total revenues  | <br><u>1,831,680</u> | <br><u>1,831,680</u> | <br><u>1,994,345</u>                              | <br><u>162,665</u>  |
| Expenditures, encumbrances<br>and other uses:                         |                      |                      |   |   |
| Operations  | 1,203,476            | 1,203,476            | 890,159   | 313,317   |
| Nonoperating  | 369,727              | 369,727              | 45,786  | 323,941   |
| Debt service  | <u>603,776</u>       | <u>603,776</u>       | <u>958,136</u>                                    | <u>(354,360)</u>  |
| <br>Total expenditures,<br>encumbrances and<br>other uses             | <br><u>2,176,979</u> | <br><u>2,176,979</u> | <br><u>1,894,081</u>                              | <br><u>282,898</u>  |
| Revenues over (under)<br>expenditures, encumbrances<br>and other uses | (345,299)            | (345,299)            | 100,264   | 445,563   |
| Fund balance,<br>beginning of year                                    | <u>1,688,314</u>     | <u>1,688,314</u>     | <u>1,575,974</u>                                  | <u>(112,340)</u>  |
| Fund balance, end of year   | <u>\$1,343,015</u>   | <u>\$1,343,015</u>   | <u>\$1,676,238</u>                                | <u>\$ 333,223</u>   |

## **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.

**Flexible Spending** - to account for moneys held on behalf of City employees' payroll for reimbursement of qualifying medical expenses by City employees.

**CITY OF MULVANE, KANSAS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**Year ended December 31, 2014**

|   | <u>Balance<br/>January 1,<br/>2014</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance<br/>December 31,<br/>2014</u> |
|---|--|---------------------|---------------------|--|
| <b><u>PAYROLL CLEARING FUND</u></b>                   |  |                     |                     |  |
| <b><u>ASSETS</u></b>                                  |  |                     |                     |  |
| Cash and short-term investments                       | <u>\$172,326</u>                       | <u>\$ 5,041,168</u> | <u>\$ 5,016,152</u> | <u>\$197,342</u>                         |
| <b><u>LIABILITIES</u></b>                             |  |                     |                     |  |
| Accrued liabilities payable                           | <u>\$172,326</u>                       | <u>\$ 5,041,168</u> | <u>\$ 5,016,152</u> | <u>\$197,342</u>                         |
| <br><b><u>EMPLOYEE FLEXIBLE<br/>SPENDING FUND</u></b> |  |                     |                     |  |
| <b><u>ASSETS</u></b>                                  |  |                     |                     |  |
| Cash and short-term investments                       | <u>\$ 27,304</u>                       | <u>\$ 525,770</u>   | <u>\$ 515,612</u>   | <u>\$ 37,462</u>                         |
| <b><u>LIABILITIES</u></b>                             |  |                     |                     |  |
| Accrued liabilities payable                           | <u>\$ 27,304</u>                       | <u>\$ 525,770</u>   | <u>\$ 515,612</u>   | <u>\$ 37,462</u>                         |
| <br><b><u>TOTALS</u></b>                              |  |                     |                     |  |
| <b><u>ASSETS</u></b>                                  |  |                     |                     |  |
| Cash and short-term investments                       | <u>\$199,630</u>                       | <u>\$ 5,566,938</u> | <u>\$ 5,531,764</u> | <u>\$234,804</u>                         |
| <b><u>LIABILITIES</u></b>                             |  |                     |                     |  |
| Accrued liabilities payable                           | <u>\$199,630</u>                       | <u>\$ 5,566,938</u> | <u>\$ 5,531,764</u> | <u>\$234,804</u>                         |

## 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, 2014

|  | <u>General</u>   | <u>Special<br/>Grants</u> | <u>Capital<br/>Development<br/>Reserve</u> | <u>Total</u>      |
|--|------------------|---------------------------|--|-------------------|
| <b><u>ASSETS</u></b>   |                  |                           |  |                   |
| Cash and investments   | <u>\$92,196</u>  | <u>\$ 49,565</u>          | <u>\$ 43,926</u>                           | <u>\$ 185,687</u> |
| <b><u>LIABILITIES AND<br/>FUND BALANCES</u></b>              |                  |                           |  |                   |
| Liabilities:   |                  |                           |  |                   |
| Accounts payable   | <u>\$ 11,935</u> | <u>\$ —</u>               | <u>\$ —</u>                                | <u>\$ 11,935</u>  |
| Fund balances:   |                  |                           |  |                   |
| Committed  | <u>—</u>         | <u>49,565</u>             | <u>43,926</u>                              | <u>93,491</u>     |
| Unassigned   | <u>80,261</u>    | <u>—</u>                  | <u>—</u>                                   | <u>80,261</u>     |
| Total fund balances  | <u>80,261</u>    | <u>49,565</u>             | <u>43,926</u>                              | <u>173,752</u>    |
| Total liabilities and fund balances                          | <u>\$92,196</u>  | <u>\$ 49,565</u>          | <u>\$ 43,926</u>                           | <u>\$ 185,687</u> |
| Reconciliation to total net position:                        |                  |                           |  |                   |
| Fund balance per above                                       |                  |                           |  | \$ 173,752        |
| Add long-term capital assets                                 |                  |                           |  | 84,731            |
| Less accumulated depreciation on long-term<br>capital assets |                  |                           |  | <u>(33,550)</u>   |
| Total net position   |                  |                           |  | <u>\$ 224,933</u> |

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2014**

|  | <u>General</u>       | <u>Special<br/>Grants</u> | <u>Capital<br/>Development<br/>Reserve</u> | <u>Total</u>          |
|--|----------------------|---------------------------|--|-----------------------|
| <b>Revenues:</b>                                     |                      |                           |  |                       |
| Appropriations from City of Mulvane                  | \$ 300,400           | \$ –                      | \$ –                                       | \$ 300,400            |
| Intergovernmental                                    | –                    | 27,829                    | –  | 27,829                |
| Fines and fees                                       | –                    | 4,336                     | –  | 4,336                 |
| Use of money and property                            | <u>41</u>            | <u>12</u>                 | <u>59</u>                                  | <u>112</u>            |
| <br>Total revenues                                   | <br><u>300,441</u>   | <br><u>32,177</u>         | <br><u>59</u>                              | <br><u>332,677</u>    |
| <b>Expenditures:</b>                                 |                      |                           |  |                       |
| Personal services                                    | 139,108              | –                         | –  | 139,108               |
| Contractual services                                 | 49,041               | 8,538                     | 20   | 57,599                |
| Commodities  | 57,052               | 5,050                     | –  | 62,102                |
| Capital outlay                                       | <u>–</u>             | <u>5,879</u>              | <u>22,560</u>                              | <u>28,439</u>         |
| <br>Total expenditures                               | <br><u>245,201</u>   | <br><u>19,467</u>         | <br><u>22,580</u>                          | <br><u>287,248</u>    |
| <br>Revenues over (under) expenditures               | <br><u>55,240</u>    | <br><u>12,710</u>         | <br><u>(22,521)</u>                        | <br><u>45,429</u>     |
| <b>Other financing sources (uses):</b>               |                      |                           |  |                       |
| Transfers in   | –                    | –                         | 18,000                                     | 18,000                |
| Transfers out  | <u>(18,000)</u>      | <u>–</u>                  | <u>–</u>                                   | <u>(18,000)</u>       |
| <br>Total other financing sources (uses)             | <br><u>(18,000)</u>  | <br><u>–</u>              | <br><u>18,000</u>                          | <br><u>–</u>          |
| <br>Net change in fund balance                       | <br>37,240           | <br>12,710                | <br>(4,521)                                | <br>45,429            |
| Fund balances, beginning of year                     | <u>43,021</u>        | <u>36,855</u>             | <u>48,447</u>                              | <u>128,323</u>        |
| <br>Fund balances, end of year                       | <br><u>\$ 80,261</u> | <br><u>\$ 49,565</u>      | <br><u>\$ 43,926</u>                       | <br><u>\$ 173,752</u> |
| <br><b>Reconciliation of change in net position:</b> |                      |                           |  |                       |
| Net change in fund balance per above                 |                      |                           |  | \$ 45,429             |
| Add current year capitalized assets                  |                      |                           |  | 41,059                |
| Less current year depreciation on capital assets     |                      |                           |  | <u>(8,956)</u>        |
| <br>Change in net position                           |                      |                           |  | <br><u>\$ 77,532</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.  | 95          |
| <b>Revenue Capacity</b>  |             |
| These schedules contain information to help the reader assess the City's most significant local revenue source.  | 100         |
| <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.                    | 104         |
| <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.   | 112         |
| <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. | 115         |

**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.*

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

|   | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Invested in Capital Assets<br>(Net of related debt) | \$ 18,636,326        | \$ 17,062,117        | \$ 18,844,700        | \$ 18,604,024        | \$ 18,441,345        | \$ 18,060,089        | \$ 18,417,687        | \$ 3,807,377         | \$ 1,923,151         | \$ 3,659,539         |
| Restricted for:                                     | 4,584,125            | 4,239,542            | 4,128,356            | 3,799,446            | 3,386,328            | 3,145,384            |                      |                      |                      |                      |
| Debt Service  | -                    | -                    | -                    | -                    | -                    | -                    | 2,762,968            | 21,080,642           | 20,186,897           | 19,004,749           |
| Capital Improvements                                | -                    | -                    | -                    | -                    | -                    | -                    | 1,801,919            | 1,525,762            | 120,116              | 245,467              |
| General Government                                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 470,251              | 205,676              |
| Employee Benefits                                   | -                    | -                    | -                    | -                    | -                    | -                    | 306,581              | 285,909              | 117,642              | 903,319              |
| Parks and Recreation                                | -                    | -                    | -                    | -                    | -                    | -                    | 60,261               | 139,632              | 394,800              | 287,970              |
| Economic Development                                | -                    | -                    | -                    | -                    | -                    | -                    | 153,253              | 85,430               | 125,077              | 437,536              |
| Street Maintenance                                  | -                    | -                    | -                    | -                    | -                    | -                    | 31,173               | 159,646              | 373,437              | 15,414               |
| Public Safety                                       | -                    | -                    | -                    | -                    | -                    | -                    | 1,873                | 27,925               | 30,732               | -                    |
| Health and Welfare                                  | -                    | -                    | -                    | -                    | -                    | -                    | 6,830                | 39,636               | 44,587               | 59,373               |
| Unrestricted  | 2,868,866            | 4,516,792            | 2,908,285            | 3,063,950            | 3,159,996            | 3,279,893            | (11,277,773)         | 3,394,081            | 3,350,087            | 3,283,535            |
| <b>Total Governmental Activities Net Position</b>   | <b>\$ 26,089,317</b> | <b>\$ 25,818,451</b> | <b>\$ 25,881,341</b> | <b>\$ 25,467,420</b> | <b>\$ 24,987,669</b> | <b>\$ 24,485,366</b> | <b>\$ 12,264,772</b> | <b>\$ 30,546,040</b> | <b>\$ 27,136,777</b> | <b>\$ 28,102,578</b> |
| <b>Business-type Activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Invested in Capital Assets<br>(Net of related debt) | \$ 5,013,568         | \$ 4,468,193         | \$ 4,934,556         | \$ 5,016,061         | \$ 4,934,176         | \$ 4,974,701         | \$ 18,749,118        | \$ 18,669,822        | \$ 22,516,919        | \$ 22,521,469        |
| Restricted for Debt Service                         | 1,692,958            | 3,084,039            | 2,390,773            | 2,662,906            | 2,482,221            | 2,305,666            | 2,237,436            | 2,661,129            | 3,009,366            | 2,956,153            |
| Unrestricted  | 2,485,306            | 2,371,740            | 2,860,860            | 2,446,519            | 2,509,398            | 2,769,107            | 2,524,714            | 2,510,461            | 2,600,777            | 2,777,796            |
| <b>Total Business-type Activities Net Position</b>  | <b>\$ 9,191,832</b>  | <b>\$ 9,923,972</b>  | <b>\$ 10,186,189</b> | <b>\$ 10,125,486</b> | <b>\$ 9,925,795</b>  | <b>\$ 10,049,474</b> | <b>\$ 23,511,268</b> | <b>\$ 23,841,412</b> | <b>\$ 28,127,062</b> | <b>\$ 28,255,418</b> |
| <b>Primary Government</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Invested in Capital Assets<br>(Net of related debt) | \$ 23,649,894        | \$ 21,530,310        | \$ 23,779,256        | \$ 23,620,085        | \$ 23,375,521        | \$ 23,034,790        | \$ 37,166,805        | \$ 22,477,199        | \$ 24,440,070        | \$ 26,181,008        |
| Restricted  | 6,277,083            | 7,323,581            | 6,519,129            | 6,462,352            | 5,868,549            | 5,451,050            | 7,362,294            | 26,005,711           | 24,872,905           | 24,115,657           |
| Unrestricted  | 5,354,172            | 6,888,532            | 5,769,145            | 5,510,469            | 5,669,394            | 6,049,000            | (8,753,059)          | 5,904,542            | 5,950,864            | 6,061,331            |
| <b>Total Primary Government Net Position</b>        | <b>\$ 35,281,149</b> | <b>\$ 35,742,423</b> | <b>\$ 36,067,530</b> | <b>\$ 35,592,906</b> | <b>\$ 34,913,464</b> | <b>\$ 34,534,840</b> | <b>\$ 35,776,040</b> | <b>\$ 54,387,452</b> | <b>\$ 55,263,839</b> | <b>\$ 56,357,996</b> |

**City of Mulvane, Kansas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(Accrual Basis of Accounting)*

|  | <u>2005</u>         | <u>2006</u>         | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          | <u>2013</u>          | <u>2014</u>          |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>  |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities</b>                         |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government                                     | \$ 261,623          | \$ 259,065          | \$ 299,958           | \$ 319,914           | \$ 345,662           | \$ 388,764           | \$ 367,607           | \$ 898,033           | \$ 1,120,120         | \$ 1,297,410         |
| Public Safety  | 1,550,103           | 1,653,301           | 1,830,363            | 1,895,463            | 1,972,712            | 1,967,491            | 2,214,923            | 2,465,933            | 2,846,130            | 2,880,502            |
| Highways and Streets                                   | 1,256,670           | 1,262,543           | 1,287,818            | 1,356,127            | 1,326,646            | 1,402,712            | 1,620,242            | 1,436,490            | 1,538,787            | 2,392,668            |
| Health and Sanitation                                  | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 45,963               | 52,180               |
| Culture and Recreation                                 | 512,808             | 486,649             | 807,939              | 731,410              | 711,336              | 818,353              | 732,029              | 924,244              | 962,253              | 881,440              |
| Economic Development                                   | 91,012              | 5,077               | 7,657                | 42,781               | 9,396                | 11,358               | 91,345               | 26,008               | 49,927               | 219,093              |
| Environmental Protection                               | 1,571               | 3,653               | 734                  | 1,791                | 704                  | 1,600                | 414                  | 829                  | 739                  | 1,099                |
| Interest on Long Term Debt                             | 373,617             | 458,743             | 508,057              | 450,311              | 552,841              | 372,438              | 343,708              | 547,071              | 875,012              | 814,828              |
| <b>Total Governmental Activities Expenses</b>          | <u>\$ 4,047,404</u> | <u>\$ 4,129,031</u> | <u>\$ 4,742,526</u>  | <u>\$ 4,797,797</u>  | <u>\$ 4,919,297</u>  | <u>\$ 4,962,716</u>  | <u>\$ 5,370,268</u>  | <u>\$ 6,298,608</u>  | <u>\$ 7,438,931</u>  | <u>\$ 8,539,220</u>  |
| <b>Business-type Activities</b>                        |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Electric Utility                                       | \$ 3,695,828        | \$ 4,087,728        | \$ 4,142,178         | \$ 4,444,773         | \$ 3,998,986         | \$ 4,264,535         | \$ 4,561,418         | \$ 4,258,246         | \$ 4,268,774         | \$ 4,995,057         |
| Water Utility  | 745,859             | 868,180             | 841,616              | 805,636              | 797,814              | 798,895              | 954,799              | 982,341              | 914,372              | 1,018,362            |
| Wastewater Utility                                     | 487,222             | 859,697             | 1,033,413            | 1,125,643            | 1,149,896            | 1,195,183            | 1,431,809            | 1,483,160            | 1,698,378            | 1,670,390            |
| <b>Total Business-type Activities</b>                  | <u>\$ 4,928,909</u> | <u>\$ 5,815,605</u> | <u>\$ 6,017,207</u>  | <u>\$ 6,376,052</u>  | <u>\$ 5,946,696</u>  | <u>\$ 6,258,613</u>  | <u>\$ 6,948,026</u>  | <u>\$ 6,723,747</u>  | <u>\$ 6,881,524</u>  | <u>\$ 7,683,809</u>  |
| <b>Total Primary Government Expenses</b>               | <u>\$ 8,976,313</u> | <u>\$ 9,944,636</u> | <u>\$ 10,759,733</u> | <u>\$ 11,173,849</u> | <u>\$ 10,865,993</u> | <u>\$ 11,221,329</u> | <u>\$ 12,318,294</u> | <u>\$ 13,022,355</u> | <u>\$ 14,320,455</u> | <u>\$ 16,223,029</u> |
| <b>Program Revenues</b>                                |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities</b>                         |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for Services                                   |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government                                     | \$ 21,306           | \$ 121,343          | \$ 106,040           | \$ 106,069           | \$ 83,793            | \$ 104,906           | \$ 215,240           | \$ 293,070           | \$ 133,536           | \$ 129,915           |
| Public Safety  | 257,556             | 247,644             | 239,674              | 269,079              | 316,185              | 283,306              | 384,999              | 425,312              | 483,626              | 535,702              |
| Highway & Streets                                      | 66,428              | 58,224              | 34,004               | 35,636               | 35,496               | 32,053               | 39,840               | 33,448               | 33,840               | 38,053               |
| Culture and Recreation                                 | 16,165              | 16,688              | 53,048               | 64,488               | 66,874               | 71,648               | 78,722               | 75,617               | 65,372               | 61,770               |
| Economic Development                                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 203,839              | -                    |
| Operating Grants and Contributions                     | 586,839             | 833,775             | 1,108,237            | 751,318              | 771,910              | 769,505              | 686,986              | 19,532,368           | 1,749,079            | 1,298,001            |
| Capital Grants and Contributions                       | 82,930              | 75,043              | 70,406               | 18,941               | 95,443               | 175,986              | 2,312,499            | 58,364               | 204                  | 716,331              |
| <b>Total Governmental Activities Program Revenues</b>  | <u>\$ 1,031,224</u> | <u>\$ 1,352,717</u> | <u>\$ 1,611,409</u>  | <u>\$ 1,245,531</u>  | <u>\$ 1,369,701</u>  | <u>\$ 1,437,404</u>  | <u>\$ 3,718,286</u>  | <u>\$ 20,418,179</u> | <u>\$ 2,669,496</u>  | <u>\$ 2,779,772</u>  |
| <b>Business-type Activities</b>                        |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for Services                                   |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Electric Utility                                       | \$ 3,532,445        | \$ 3,987,772        | \$ 3,989,314         | \$ 4,247,909         | \$ 3,739,283         | \$ 4,072,152         | \$ 4,325,273         | \$ 4,053,466         | \$ 4,358,191         | \$ 4,859,153         |
| Water Utility  | 837,255             | 895,647             | 837,418              | 792,857              | 793,216              | 953,201              | 1,013,865            | 1,138,454            | 1,092,281            | 1,098,460            |
| Wastewater Utility                                     | 802,381             | 1,163,147           | 1,172,076            | 1,156,679            | 1,148,151            | 1,320,646            | 1,373,352            | 1,557,136            | 1,639,641            | 1,623,215            |
| Capital Grants and Contributions                       | 430,061             | 9,452               | -                    | -                    | 9,710                | -                    | -                    | -                    | 1,651                | -                    |
| <b>Total Business-type Activities Program Revenues</b> | <u>\$ 5,602,142</u> | <u>\$ 6,056,018</u> | <u>\$ 5,998,808</u>  | <u>\$ 6,197,445</u>  | <u>\$ 5,690,360</u>  | <u>\$ 6,345,999</u>  | <u>\$ 6,712,490</u>  | <u>\$ 6,749,056</u>  | <u>\$ 7,091,764</u>  | <u>\$ 7,580,828</u>  |
| <b>Total Primary Government Program Revenues</b>       | <u>\$ 6,633,366</u> | <u>\$ 7,408,735</u> | <u>\$ 7,610,217</u>  | <u>\$ 7,442,976</u>  | <u>\$ 7,060,061</u>  | <u>\$ 7,783,403</u>  | <u>\$ 10,430,776</u> | <u>\$ 27,167,235</u> | <u>\$ 9,761,260</u>  | <u>\$ 10,360,600</u> |

Continued on the next page

City of Mulvane, Kansas  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(Accrual Basis of Accounting)*

Continued from the previous page

|   | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                   | 2012                 | 2013                  | 2014                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|----------------------|-----------------------|-----------------------|
| <b>Net (Expense) Revenue</b>                              |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| Governmental Activities                                   | \$ (3,016,180)        | \$ (2,776,314)        | \$ (3,131,117)        | \$ (3,552,266)        | \$ (3,549,596)        | \$ (3,525,312)        | \$ (1,651,982)         | \$ 14,119,571        | \$ (4,769,435)        | \$ (5,759,448)        |
| Business-type Activities                                  | 673,233               | 240,414               | (18,399)              | (178,607)             | (256,336)             | 87,386                | (235,536)              | 25,309               | 210,240               | (102,981)             |
| Total Primary Government Net Expenses                     | <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> | <u>\$ (3,437,926)</u> | <u>\$ (1,887,518)</u>  | <u>\$ 14,144,880</u> | <u>\$ (4,559,195)</u> | <u>\$ (5,862,429)</u> |
| <b>General Revenues and Other Changes In Net Position</b> |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| Governmental Activities                                   |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| Taxes   |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| Property Taxes  |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| General Purposes  | \$ 1,487,332          | \$ 1,381,460          | \$ 1,600,292          | \$ 1,444,462          | \$ 1,651,051          | \$ 1,519,683          | \$ 1,519,802           | \$ 1,637,634         | \$ 2,217,654          | \$ 3,751,657          |
| Debt Service  | 398,856               | 169,390               | 364,678               | 441,259               | 336,907               | 455,327               | 455,327                | 371,681              | 371,681               | 431,877               |
| Gaming Facility Revenue Sharing                           | -                     | -                     | -                     | -                     | -                     | -                     | -                      | 1,892,058            | 1,926,430             | 1,784,165             |
| Sales Taxes   | 603,723               | 639,973               | 679,351               | 703,376               | 658,940               | 661,759               | 691,642                | 725,464              | 661,288               | 718,740               |
| Franchise Taxes   | 346,273               | 390,475               | 365,885               | 379,968               | 380,254               | 388,190               | 425,525                | 193,496              | 244,783               | 252,328               |
| Investment Earnings                                       | 96,666                | 178,040               | 240,599               | 130,280               | 45,034                | 16,795                | 21,932                 | 12,171               | 10,573                | 11,660                |
| Transfers   | 125,189               | (253,890)             | (56,798)              | 39,000                | -                     | (18,745)              | (13,682,840)           | (670,807)            | (4,072,237)           | (225,178)             |
| Total Governmental Activities                             | <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>   | <u>\$ 3,023,009</u>   | <u>\$ (10,568,612)</u> | <u>\$ 4,161,697</u>  | <u>\$ 1,360,172</u>   | <u>\$ 6,725,249</u>   |
| Business Type Activities                                  |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| Investment Earnings                                       | \$ 85,586             | \$ 237,836            | \$ 223,818            | \$ 156,904            | \$ 54,304             | \$ 17,548             | \$ 14,490              | \$ 7,303             | \$ 3,173              | \$ 6,159              |
| Transfers   | (125,189)             | 253,890               | 56,798                | (39,000)              | -                     | 18,745                | 13,682,840             | 670,807              | 4,072,237             | 225,178               |
| Total Business-type Activities                            | <u>\$ (39,603)</u>    | <u>\$ 491,726</u>     | <u>\$ 280,616</u>     | <u>\$ 117,904</u>     | <u>\$ 54,304</u>      | <u>\$ 36,293</u>      | <u>\$ 13,697,330</u>   | <u>\$ 678,110</u>    | <u>\$ 4,075,410</u>   | <u>\$ 231,337</u>     |
| Total Primary Government                                  | <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>   | <u>\$ 3,059,302</u>   | <u>\$ 3,128,718</u>    | <u>\$ 4,839,807</u>  | <u>\$ 5,435,582</u>   | <u>\$ 6,956,586</u>   |
| <b>Change In Net Position</b>                             |                       |                       |                       |                       |                       |                       |                        |                      |                       |                       |
| Governmental Activities                                   | \$ 41,859             | \$ (270,866)          | \$ 62,890             | \$ (413,921)          | \$ (477,410)          | \$ (502,303)          | \$ (12,220,594)        | \$ 18,281,268        | \$ (3,409,263)        | \$ 965,801            |
| Business-type Activities                                  | 633,630               | 732,140               | 262,217               | (60,703)              | (202,032)             | 123,679               | 13,461,794             | 703,419              | 4,285,650             | 128,356               |
| Total Primary Government                                  | <u>\$ 675,489</u>     | <u>\$ 461,274</u>     | <u>\$ 325,107</u>     | <u>\$ (474,624)</u>   | <u>\$ (679,442)</u>   | <u>\$ (378,624)</u>   | <u>\$ 1,241,200</u>    | <u>\$ 18,984,687</u> | <u>\$ 876,387</u>     | <u>\$ 1,094,157</u>   |

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

|   | <u>2005</u>      | <u>2006</u>      | <u>2007</u>      | <u>2008</u>      | <u>2009</u>      | <u>2010</u>      | <u>2011</u>         | <u>2012</u>      | <u>2013</u>       | <u>2014</u>      |
|---|------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|-------------------|------------------|
| General Fund                              |                  |                  |                  |                  |                  |                  |                     |                  |                   |                  |
| Reserved                                  | 3,052            | 97,085           | 130,488          | -                | -                | -                | -                   | -                | -                 | -                |
| Restricted: Insurance Claims              | -                | -                | -                | -                | -                | -                | 160,605             | 139,632          | 117,642           | 205,676          |
| Assigned: General Government              | -                | -                | -                | -                | -                | -                | 746,627             | 2,799,723        | 2,781,546         | 1,408,934        |
| Unreserved Unassigned                     | 1,127,764        | 1,305,430        | 1,484,786        | 1,662,840        | 1,729,665        | 1,631,791        | -                   | -                | -                 | -                |
|   | -                | -                | -                | -                | -                | -                | 699,690             | -                | -                 | 1,805,946        |
| <b>Total General Fund</b>                 | <u>1,127,764</u> | <u>1,305,430</u> | <u>1,484,786</u> | <u>1,662,840</u> | <u>1,729,665</u> | <u>1,631,791</u> | <u>1,606,922</u>    | <u>2,939,355</u> | <u>2,899,188</u>  | <u>3,420,556</u> |
| All Other Governmental Funds              |                  |                  |                  |                  |                  |                  |                     |                  |                   |                  |
| Reserved                                  | 682,690          | 2,035,192        | 27,596           | 7,735            | 179,765          | 131,643          | -                   | -                | -                 | -                |
| Restricted: Debt Service                  | -                | -                | -                | -                | -                | -                | 241,212             | 130,802          | 351,859           | 603,419          |
| EMS Facility & Equipment                  | -                | -                | -                | -                | -                | -                | 1,801,919           | 1,504,299        | 394,800           | -                |
| General Government                        | -                | -                | -                | -                | -                | -                | 306,581             | 285,909          | 470,251           | 903,319          |
| Recreation                                | -                | -                | -                | -                | -                | -                | 60,261              | 85,430           | 125,077           | 287,970          |
| Health and Welfare                        | -                | -                | -                | -                | -                | -                | 6,830               | 39,636           | 44,587            | 59,373           |
| Economic Development                      | -                | -                | -                | -                | -                | -                | 153,253             | 159,646          | 373,437           | 437,536          |
| Street Improvements                       | -                | -                | -                | -                | -                | -                | 31,173              | 27,925           | 30,732            | 15,414           |
| Capital Improvements                      | -                | -                | -                | -                | -                | -                | 1,873               | 21,463           | 157,667           | 4,730,162        |
| Committed: Street Improvements            | -                | -                | -                | -                | -                | -                | 430,201             | 461,980          | 463,229           | 355,445          |
| Parks & Recreation                        | -                | -                | -                | -                | -                | -                | 54,512              | 56,452           | 57,172            | 58,786           |
| Capital Improvements                      | -                | -                | -                | -                | -                | -                | 274,326             | 676,701          | 7,599,451         | -                |
| Assigned: General Government              | -                | -                | -                | -                | -                | -                | -                   | -                | -                 | -                |
| Culture & Recreation                      | -                | -                | -                | -                | -                | -                | 4,987               | 79               | 2,957             | 2                |
| Capital Outlay                            | -                | -                | -                | -                | -                | -                | 373,628             | 468,071          | 282,651           | 374,062          |
| Unassigned                                | -                | -                | -                | -                | -                | -                | (13,786,952)        | (141,277)        | (249,159)         | (799)            |
| Unreserved, reported in:                  |                  |                  |                  |                  |                  |                  |                     |                  |                   |                  |
| Capital Project Funds                     | (691,860)        | (193,001)        | -                | (7,735)          | (168,215)        | 500              | -                   | -                | -                 | -                |
| Debt Service Funds                        | 274,231          | 208,429          | 160,646          | 180,792          | 109,690          | 238,687          | -                   | -                | -                 | -                |
| Special Revenue Funds                     | 1,843,044        | 1,340,582        | 1,482,099        | 1,595,728        | 1,645,787        | 1,746,993        | -                   | -                | -                 | -                |
| <b>Total all other Governmental Funds</b> | <u>1,425,415</u> | <u>1,356,010</u> | <u>1,642,745</u> | <u>1,768,785</u> | <u>1,587,262</u> | <u>1,986,180</u> | <u>(10,046,196)</u> | <u>3,777,116</u> | <u>10,104,711</u> | <u>7,824,689</u> |

Note: 2011 Fund Balance Classifications are the result of the implementation of Governmental Accounting Standards Board Statement Number 54.

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

|   | 2005                | 2006                | 2007                  | 2008                | 2009                | 2010                | 2011                   | 2012                 | 2013                 | 2014                  |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|------------------------|----------------------|----------------------|-----------------------|
| <b>Revenues</b>   |                     |                     |                       |                     |                     |                     |                        |                      |                      |                       |
| Taxes   | \$ 2,297,761        | \$ 2,210,858        | \$ 2,665,558          | \$ 2,604,534        | \$ 2,660,984        | \$ 2,649,199        | \$ 2,676,968           | \$ 2,800,388         | \$ 3,890,550         | \$ 5,356,082          |
| Special Assessment Taxes  | 507,847             | 571,809             | 511,027               | 533,632             | 536,508             | 524,968             | 517,422                | 488,220              | 1,825,520            | 2,080,579             |
| Intergovernmental   | 492,299             | 583,138             | 590,415               | 540,637             | 651,998             | 778,034             | 663,855                | 2,442,513            | 2,528,703            | 2,697,818             |
| Licenses and Permits  | 521,008             | 513,623             | 415,595               | 439,513             | 440,573             | 455,860             | 739,744                | 276,208              | 341,642              | 342,885               |
| Charges for Services  | 95,986              | 148,677             | 205,939               | 234,373             | 290,487             | 274,776             | 260,920                | 503,924              | 304,186              | 339,117               |
| Fines and Forfeitures   | 166,353             | 129,191             | 113,179               | 120,373             | 116,773             | 101,296             | 98,534                 | 88,368               | 149,907              | 170,708               |
| Use of Money & Property   | 97,310              | 187,442             | 245,005               | 135,575             | 54,231              | 24,457              | 45,416                 | 144,472              | 144,397              | 149,046               |
| Other Revenues  | 51,100              | 46,098              | 178,899               | 85,295              | 32,349              | 40,509              | 2,214,596              | 78,506               | 31,802               | 27,672                |
| <b>Total Revenues</b>   | <b>\$ 4,229,664</b> | <b>\$ 4,390,836</b> | <b>\$ 4,925,617</b>   | <b>\$ 4,693,932</b> | <b>\$ 4,783,903</b> | <b>\$ 4,849,099</b> | <b>\$ 7,217,455</b>    | <b>\$ 6,822,599</b>  | <b>\$ 9,216,707</b>  | <b>\$ 11,163,907</b>  |
| <b>Expenditures</b>   |                     |                     |                       |                     |                     |                     |                        |                      |                      |                       |
| General Government  | \$ 237,027          | \$ 258,648          | \$ 405,872            | \$ 350,611          | \$ 322,713          | \$ 348,987          | \$ 343,559             | \$ 420,584           | \$ 1,174,908         | \$ 1,565,701          |
| Public Safety   | 1,475,330           | 1,801,589           | 1,854,597             | 1,804,548           | 2,001,478           | 1,819,700           | 2,061,435              | 2,199,104            | 2,673,387            | 3,095,509             |
| Highways and Streets  | 385,580             | 455,360             | 452,096               | 628,741             | 449,734             | 601,551             | 720,724                | 529,036              | 719,963              | 781,258               |
| Culture and Recreation  | 489,771             | 552,655             | 793,733               | 624,406             | 705,892             | 619,363             | 665,260                | 795,930              | 880,129              | 939,174               |
| Environmental Protection  | 1,571               | 3,653               | 734                   | 1,791               | 704                 | 1,600               | 414                    | 829                  | 46,702               | 53,279                |
| Economic Development  | 91,012              | 5,077               | 7,657                 | 42,781              | 9,396               | 11,358              | 91,345                 | 26,008               | 49,927               | 219,093               |
| Capital Outlay  | 491,061             | 1,739,579           | 2,075,717             | 1,365               | 148,432             | 285,772             | 14,349,717             | 5,314,426            | 3,249,817            | 8,698,524             |
| Debt Service  |                     |                     |                       |                     |                     |                     |                        |                      |                      |                       |
| Principal   | 599,934             | 652,971             | 600,493               | 647,428             | 669,967             | 569,447             | 829,832                | 1,317,945            | 1,548,308            | 2,358,336             |
| Interest  | 293,622             | 333,178             | 505,686               | 477,516             | 500,830             | 370,293             | 344,057                | 325,419              | 905,067              | 690,356               |
| <b>Total Expenditures</b>                                       | <b>\$ 4,064,908</b> | <b>\$ 5,802,710</b> | <b>\$ 6,696,585</b>   | <b>\$ 4,579,187</b> | <b>\$ 4,809,146</b> | <b>\$ 4,628,071</b> | <b>\$ 19,406,343</b>   | <b>\$ 10,929,281</b> | <b>\$ 11,248,208</b> | <b>\$ 18,401,230</b>  |
| Revenues over (under) Expenditures                              | \$ 164,756          | \$ (1,411,874)      | \$ (1,770,968)        | \$ 114,745          | \$ (25,243)         | \$ 221,028          | \$ (12,188,888)        | \$ (4,106,682)       | \$ (2,031,501)       | \$ (7,237,323)        |
| <b>Other Financing Sources (Uses)</b>                           |                     |                     |                       |                     |                     |                     |                        |                      |                      |                       |
| Bond Proceeds   | \$ -                | \$ 2,863,193        | \$ 245,960            | \$ -                | \$ 2,538,769        | \$ 2,938,000        | \$ -                   | \$ 19,275,000        | \$ 8,225,000         | \$ 5,393,047          |
| Premium on GO Bonds Issued                                      | -                   | -                   | -                     | -                   | -                   | -                   | -                      | -                    | \$ 63,929            | \$ 37,172             |
| Premium on PBC Revenue Bonds Issued                             | -                   | -                   | -                     | -                   | -                   | -                   | -                      | -                    | -                    | \$ 74,450             |
| Notes Payable   | -                   | 140,000             | -                     | -                   | -                   | -                   | -                      | -                    | -                    | -                     |
| Payment to Escrow Agent   | -                   | -                   | -                     | -                   | \$ (2,467,744)      | \$ (2,894,556)      | -                      | -                    | -                    | -                     |
| Transfers In  | 736,473             | 1,005,881           | 578,740               | 406,383             | 520,455             | 455,178             | 235,969                | 507,048              | 743,950              | 489,148               |
| Transfers Out   | (611,284)           | (1,042,404)         | (561,834)             | (367,383)           | (520,455)           | (455,178)           | (235,969)              | (519,621)            | (713,950)            | (515,148)             |
| <b>Total Other Financing Sources (Uses)</b>                     | <b>\$ 125,189</b>   | <b>\$ 2,966,670</b> | <b>\$ 262,866</b>     | <b>\$ 39,000</b>    | <b>\$ 71,025</b>    | <b>\$ 43,444</b>    | <b>\$ -</b>            | <b>\$ 19,262,427</b> | <b>\$ 8,318,929</b>  | <b>\$ 5,478,669</b>   |
| <b>Net Change in Fund Balance</b>                               | <b>\$ 289,945</b>   | <b>\$ 1,554,796</b> | <b>\$ (1,508,102)</b> | <b>\$ 153,745</b>   | <b>\$ 45,782</b>    | <b>\$ 264,472</b>   | <b>\$ (12,188,888)</b> | <b>\$ 15,155,745</b> | <b>\$ 6,287,428</b>  | <b>\$ (1,758,654)</b> |
| <b>Debt Service as a Percentage of Non-capital Expenditures</b> | <b>26.30%</b>       | <b>27.70%</b>       | <b>26.97%</b>         | <b>36.31%</b>       | <b>38.33%</b>       | <b>28.96%</b>       | <b>6.32%</b>           | <b>24.61%</b>        | <b>32.25%</b>        | <b>31.97%</b>         |

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

100

| Fiscal Year | Real Property  |                        | Personal Property |                        | Total          |                        | Total Direct Tax Rate | Assessed Value as a % of Estimated Actual Value |
|-------------|----------------|------------------------|-------------------|------------------------|----------------|------------------------|-----------------------|---|
|             | Assessed Value | Estimated Actual Value | Assessed Value    | Estimated Actual Value | Assessed Value | Estimated Actual Value |                       |   |
| 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          | 53.414                | 12.14%  |
| 2010        | \$31,431,189   | \$261,926,575          | \$659,428         | \$2,181,211            | \$32,090,617   | \$264,107,786          | 53.753                | 12.15%  |
| 2011        | \$32,911,846   | \$274,265,383          | \$6,458,564       | \$21,528,547           | \$39,370,410   | \$295,793,930          | 52.759                | 13.31%  |
| 2012        | \$53,799,211   | \$448,326,758          | \$610,836         | \$2,036,120            | \$54,410,047   | \$450,362,878          | 46.531                | 12.08%  |
| 2013        | \$90,689,753   | \$488,497,844          | \$542,529         | \$2,018,951            | \$91,232,282   | \$490,516,795          | 41.923                | 18.60%  |
| 2014        | \$73,772,161   | \$421,192,368          | \$604,247         | \$2,237,952            | \$74,376,408   | \$423,430,320          | 42.406                | 17.57%  |

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 | City Rates |              |                   |         |                        |                      |                   |            | Overlapping Government Rates |        |        |          |          | Total   |
|-------------|------------|--------------|-------------------|---------|------------------------|----------------------|-------------------|------------|------------------------------|--------|--------|----------|----------|---------|
|             | General    | Debt Service | Employee Benefits | Library | Industrial Development | Capital Improvements | Special Liability | Total City | State                        | County | School | Cemetery | Township |         |
| 2005        | 20.593     | 5.976        | 10.374            | 3.653   | 0.954                  | 6.121                | 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                  | 1.932                | 0.815             | 48.411     | 1.500                        | 28.758 | 55.947 | 1.304    | 0.000    | 135.920 |
| 2007        | 27.368     | 11.843       | 11.911            | 3.638   | 0.412                  | 0.725                | 0.767             | 56.664     | 1.500                        | 31.315 | 51.296 | 1.301    | 0.000    | 142.076 |
| 2008        | 22.545     | 12.429       | 11.003            | 3.715   | 0.364                  | 2.607                | 0.668             | 53.331     | 1.500                        | 30.377 | 56.768 | 1.391    | 0.000    | 143.367 |
| 2009        | 22.413     | 12.785       | 13.829            | 4.088   | 0.000                  | 0.000                | 0.299             | 53.414     | 1.500                        | 29.868 | 55.806 | 1.198    | 0.000    | 141.786 |
| 2010        | 22.197     | 12.194       | 14.997            | 3.873   | 0.164                  | 0.164                | 0.164             | 53.753     | 1.500                        | 29.359 | 56.204 | 1.198    | 0.000    | 142.014 |
| 2011        | 22.288     | 9.256        | 16.631            | 4.098   | 0.162                  | 0.162                | 0.162             | 52.759     | 1.500                        | 29.428 | 56.849 | 1.459    | 0.000    | 141.995 |
| 2012        | 9.703      | 11.863       | 20.403            | 4.029   | 0.163                  | 0.207                | 0.163             | 46.531     | 1.500                        | 29.447 | 52.862 | 1.459    | 0.000    | 131.799 |
| 2013        | 9.630      | 3.734        | 18.571            | 3.056   | 0.163                  | 5.048                | 1.721             | 41.923     | 1.500                        | 29.377 | 55.382 | 0.998    | 0.000    | 129.180 |
| 2014        | 8.507      | 7.635        | 20.495            | 4.061   | 0.131                  | 1.401                | 0.176             | 42.406     | 1.500                        | 29.478 | 60.905 | 1.466    | 0.000    | 135.755 |

**Sumner County**

|      |        |        |        |       |       |       |       |        |       |        |        |       |       |         |
|------|--------|--------|--------|-------|-------|-------|-------|--------|-------|--------|--------|-------|-------|---------|
| 2005 | 20.593 | 5.976  | 10.374 | 3.653 | 0.954 | 6.121 | 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 | 1.932 | 0.815 | 48.411 | 1.500 | 55.899 | 55.947 | 1.304 | 0.000 | 163.061 |
| 2007 | 27.368 | 11.843 | 11.911 | 3.638 | 0.412 | 0.725 | 0.767 | 56.664 | 1.500 | 56.439 | 51.296 | 1.301 | 0.000 | 167.200 |
| 2008 | 22.545 | 12.429 | 11.003 | 3.715 | 0.364 | 2.607 | 0.668 | 53.331 | 1.500 | 58.026 | 56.768 | 1.391 | 0.000 | 171.016 |
| 2009 | 22.413 | 12.785 | 13.829 | 4.088 | 0.000 | 0.000 | 0.299 | 53.414 | 1.500 | 58.517 | 55.806 | 1.198 | 0.000 | 170.435 |
| 2010 | 22.197 | 12.194 | 14.997 | 3.873 | 0.164 | 0.164 | 0.164 | 53.753 | 1.500 | 62.444 | 56.205 | 1.198 | 0.000 | 175.100 |
| 2011 | 22.288 | 9.256  | 16.631 | 4.098 | 0.162 | 0.162 | 0.162 | 52.759 | 1.500 | 61.270 | 56.847 | 1.459 | 0.000 | 173.835 |
| 2012 | 9.703  | 11.863 | 20.403 | 4.029 | 0.163 | 0.207 | 0.163 | 46.531 | 1.500 | 42.660 | 52.862 | 1.462 | 0.000 | 145.015 |
| 2013 | 9.630  | 3.734  | 18.571 | 3.056 | 0.163 | 5.048 | 1.721 | 41.923 | 1.500 | 39.948 | 55.382 | 0.998 | 0.000 | 139.751 |
| 2014 | 8.507  | 7.635  | 20.495 | 4.061 | 0.131 | 1.401 | 0.176 | 42.406 | 1.500 | 42.327 | 60.905 | 1.466 | 0.000 | 148.604 |

Source: Sedgwick County Clerk  
 Sumner County Clerk

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

| 2014                          |                               |             |  |
|-------------------------------|-------------------------------|-------------|--|
| <u>Taxpayer</u>               | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
| <b>Sedgwick County:</b>       |                               |             |  |
| Kansas Gas Service            | \$ 290,831                    | 1           | 0.39%  |
| Mulvane Housing Associated LP | 252,701                       | 2           | 0.34%  |
| Fugate J. Larry               | 234,595                       | 3           | 0.32%  |
| Casey's Retail Company        | 178,725                       | 4           | 0.24%  |
| Prairie State Bank            | 166,693                       | 5           | 0.22%  |
| Carr Properties LLC           | 140,550                       | 6           | 0.19%  |
| BNSF                          | 126,309                       | 7           | 0.17%  |
| David & Pamela Schaefer       | 119,001                       | 8           | 0.16%  |
| Antonio Carro MD              | 112,975                       | 9           | 0.15%  |
| Westfall Mini-Storage LLC     | 112,975                       | 10          | 0.15%  |
|                               | <u>\$ 1,735,355</u>           |             | <u>2.33%</u>   |

|                          |                      |   |               |
|--------------------------|----------------------|---|---------------|
| <b>Sumner County:</b>    |                      |   |               |
| Kansas Star Casino       | \$ 38,845,000        | 1 | 52.23%        |
| KSC Lodging, LC          | \$ 2,737,780         | 2 | 3.68%         |
| Brewer, John A           | \$ 236,887           | 2 | 0.32%         |
| Ratzlaff Properties, LLC | 199,618              | 3 | 0.27%         |
| Pearl St Duplex          | 176,823              | 4 | 0.24%         |
| Mulvane State Bank       | 145,707              | 5 | 0.20%         |
| DLK Prop, LLC            | 133,085              | 6 | 0.18%         |
| Mulvane Coop Union       | 129,436              | 7 | 0.17%         |
| Union Pacific            | 126,796              | 8 | 0.17%         |
| BNSF                     | 120,513              | 9 | 0.16%         |
|                          | <u>\$ 42,851,645</u> |   | <u>57.61%</u> |

| 2005                        |                               |             |  |
|-----------------------------|-------------------------------|-------------|--|
| <u>Taxpayer</u>             | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
| <b>Sedgwick County:</b>     |                               |             |  |
| Mulvane Housing Authority   | \$ 213,210                    | 1           | 0.794%   |
| Congleton LLC               | 180,359                       | 2           | 0.671%   |
| Kansas Gas Service          | 165,350                       | 3           | 0.615%   |
| Prairie State Bank          | 142,660                       | 4           | 0.531%   |
| ABR Enterprises No 2 LLC    | 141,975                       | 5           | 0.528%   |
| Branine, Gary F.            | 115,846                       | 6           | 0.431%   |
| BNSF                        | 110,892                       | 7           | 0.413%   |
| Westfall, Ray W & Sharron K | 107,974                       | 8           | 0.402%   |
| Carro, Antonio L MD PA      | 98,775                        | 9           | 0.368%   |
| Cox Communications          | 92,275                        | 10          | 0.343%   |
|                             | <u>\$ 1,369,316</u>           |             | <u>5.097%</u>  |

|                                 |                     |    |               |
|---------------------------------|---------------------|----|---------------|
| <b>Sumner County:</b>           |                     |    |               |
| Southwestern Bell               | \$ 242,931          | 1  | 0.904%        |
| Mulvane Coop Union              | 226,745             | 2  | 0.844%        |
| Mulvane State Bank              | 101,930             | 3  | 0.379%        |
| Gordon Pendergraft              | 97,986              | 4  | 0.365%        |
| Wolfe Machine                   | 93,770              | 5  | 0.349%        |
| Raco Machine Inc.               | 71,204              | 6  | 0.265%        |
| Mary Wolfe                      | 59,775              | 7  | 0.222%        |
| BNSF                            | 56,315              | 8  | 0.210%        |
| Union Pacific                   | 56,178              | 9  | 0.209%        |
| James Patterson/Midwest Fastner | 43,995              | 10 | 0.164%        |
|                                 | <u>\$ 1,050,829</u> |    | <u>3.911%</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<br/>for the Fiscal Year</u> | <u>Collected Within the<br/>Fiscal Year of the Levy</u> |                  | <u>Collections in<br/>Subsequent<br/>Years *</u> | <u>Total Collections to Date</u> |                  |
|--------------------|---|---|------------------|--|----------------------------------|------------------|
|                    |   | <u>Amount</u>   | <u>% of Levy</u> |  | <u>Amount</u>                    | <u>% of Levy</u> |
| 2005               | \$1,278,885                                 | \$1,214,079   | 94.93%           | \$43,878   | \$1,257,957                      | 98.36%           |
| 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               | \$1,703,440                                 | \$1,636,482   | 96.07%           | \$20,431   | \$1,656,913                      | 97.27%           |
| 2010               | \$1,705,517                                 | \$1,648,189   | 96.64%           | \$46,813   | \$1,695,002                      | 99.38%           |
| 2011               | \$1,724,968                                 | \$1,643,752   | 95.29%           | \$31,191   | \$1,674,943                      | 97.10%           |
| 2012               | \$1,736,417                                 | \$1,647,302   | 94.87%           | \$78,429   | \$1,725,731                      | 99.38%           |
| 2013               | \$2,576,349                                 | \$2,527,700   | 98.11%           | \$42,341   | \$2,570,041                      | 99.76%           |
| 2014               | \$3,842,113                                 | \$3,797,386   | 98.84%           | \$81,919   | \$3,879,305                      | 100.97%          |

Source: City Revenue Report  
Sedgwick County Clerk  
Sumner County Clerk

\* County Treasurer's records do not provide a determination of which year the collections in subsequent years is applied to. For this schedule, all collections of delinquent taxes are applied to the year collected.

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

| Fiscal Year | Governmental Activities        |  |                    |                  |                                    | Business Type Activities |  |                   |                                |                            |               |
|-------------|--------------------------------|--|--------------------|------------------|------------------------------------|--------------------------|--|-------------------|--------------------------------|----------------------------|---------------|
|             | General<br>Obligation<br>Bonds | Public Building<br>Commission<br>Revenue Bonds | Temporary<br>Notes | Notes<br>Payable | Unamortized<br>Premium on<br>Bonds | Revenue<br>Bonds         | G.O. Bonds<br>Secured by<br>Enterprise Funds | Capital<br>Leases | Total<br>Primary<br>Government | % of<br>Personal<br>Income | Per<br>Capita |
| 2005        | \$6,814,218                    | \$1,395,000                                    | -                  | \$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                                    | -                  | \$123,697        | -                                  | \$11,115,000             | \$1,989,744                                  | -                 | \$23,418,657                   | 18.30%                     | \$4,069       |
| 2008        | \$8,349,419                    | \$1,210,000                                    | -                  | \$107,066        | -                                  | \$10,745,000             | \$1,832,581                                  | -                 | \$22,244,066                   | 17.73%                     | \$3,745       |
| 2009        | \$9,467,000                    | \$1,255,000                                    | -                  | \$90,100         | -                                  | \$10,360,000             | \$1,699,232                                  | -                 | \$22,871,332                   | 16.22%                     | \$3,920       |
| 2010        | \$8,934,000                    | \$1,155,000                                    | -                  | \$72,792         | -                                  | \$10,080,000             | \$1,515,371                                  | -                 | \$21,757,163                   | 18.24%                     | \$3,560       |
| 2011        | \$6,701,454                    | \$1,060,000                                    | \$10,000,000       | \$55,135         | -                                  | \$4,690,000              | \$6,008,546                                  | -                 | \$28,515,135                   | 18.13%                     | \$4,666       |
| 2012        | \$24,771,522                   | \$965,000                                      | -                  | \$37,122         | -                                  | \$4,620,000              | \$5,842,478                                  | -                 | \$36,236,122                   | 22.97%                     | \$5,914       |
| 2013        | \$31,561,590                   | \$870,000                                      | \$715,000          | \$18,746         | \$59,292                           | \$4,535,000              | \$5,531,410                                  | -                 | \$43,291,038                   | 26.83%                     | \$6,908       |
| 2014        | \$30,510,047                   | \$4,975,000                                    | -                  | -                | \$148,861                          | \$4,450,000              | \$4,896,953                                  | -                 | \$44,980,861                   | 25.71%                     | \$7,155       |

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

| <u>Year</u> | <u>General<br/>Obligation<br/>Bonds</u> | <u>Less Debt<br/>Service<br/>Funds</u> | <u>Net<br/>Bonded<br/>Debt</u> | <u>Ratio of Net<br/>Bonded Debt to<br/>Estimated Actual<br/>Value of Property</u> | <u>Net Bonded<br/>Debt<br/>Per Capita</u> |
|-------------|---|--|--------------------------------|---|---|
| 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                                   |
| 2010        | \$8,934,000                             | \$238,687                              | \$8,695,313                    | 3.29%   | \$1,423                                   |
| 2011        | \$12,710,000                            | \$241,212                              | \$12,468,788                   | 4.22%   | \$2,040                                   |
| 2012        | \$30,614,000                            | \$130,802                              | \$30,483,198                   | 6.77%   | \$4,975                                   |
| 2013        | \$37,093,000                            | \$351,859                              | \$36,741,141                   | 7.49%   | \$5,863                                   |
| 2014        | \$35,407,000                            | \$603,419                              | \$34,803,581                   | 8.22%   | \$5,536                                   |

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, 2014

| <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                   | \$ 64,515,000           | 0.63%                      | \$ 406,445                               |
| Sumner County                     | 12,991,912              | 26.10%                     | \$ 3,390,889                             |
| School District #263              | <u>20,430,000</u>       | <u>75.00%</u>              | <u>\$ 15,322,500</u>                     |
| Total Estimated Overlapping Debt  | 97,936,912              | 19.52%                     | 19,119,834                               |
| City's Direct Debt                | <u>35,633,908</u>       | 100.00%                    | <u>35,633,908</u>                        |
| Total Direct and Overlapping Debt | <u>\$ 133,570,820</u>   | <u>40.99%</u>              | <u>\$ 54,753,742</u>                     |

\* The City's estimated amount of overlapping debt is calculated by the following formula:

$$\frac{\text{Assessed Valuation of Mulvane located in the broader governmental unit}}{\text{Total Assessed Valuation of the broader governmental unit}} \times \text{Outstanding debt of the broader governmental unit}$$

Source: Triplett, Woolf & Garretson, LLC

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

|   | 2005         | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt Limit  | \$ 9,865,747 | \$ 10,615,716 | \$ 11,405,953 | \$ 11,673,038 | \$ 11,371,226 | \$ 11,621,406 | \$ 11,811,123 | \$ 18,406,794 | \$ 29,369,725 | \$ 24,380,456 |
| Total Net Debt Applicable to Limit                                      | 3,080,158    | 5,682,971     | 5,409,727     | 5,109,494     | 4,816,119     | 4,701,264     | 4,353,656     | 4,002,291     | 3,961,945     | 3,667,956     |
| Legal Debt Margin   | 6,785,589    | 4,932,745     | 5,996,226     | 6,563,544     | 6,555,107     | 6,920,142     | 7,457,467     | 14,404,503    | 25,407,780    | 20,712,500    |
| Total Net Debt Applicable to the Limit<br>as a percentage of Debt Limit | 31%          | 54%           | 47%           | 44%           | 42%           | 40%           | 37%           | 22%           | 13%           | 15%           |

**Legal Debt Margin Calculation for 2014**

|   |                      |
|---|----------------------|
| Assessed Value  | \$ 74,376,408        |
| Motor-Vehicle K.S.A. 79-5113                                      | 6,891,780            |
| Total Assessed Value  | <u>\$ 81,268,188</u> |
| Debt Limit-Approximately 30% of Assessed<br>Value (K.S.A. 10-308) | \$ 24,380,456        |
| Bonded Indebtedness   | 35,407,000           |
| Less Exempt Debt  | <u>31,739,044</u>    |
| Total Amount Applicable to Debt Limit                             | <u>3,667,956</u>     |
| Legal Debt Margin   | <u>\$ 20,712,500</u> |

Source: City Financials  
 Triplett, 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) |
| 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         |
| 2010                   | \$4,083,306    | \$3,587,632                 | \$495,674             | \$161,667 | \$177,335 | \$339,002 | 1.46         |
| 2011                   | \$4,330,433    | \$3,919,831                 | \$410,602             | \$166,353 | \$171,676 | \$338,029 | 1.21         |
| 2012                   | \$4,058,302    | \$3,647,053                 | \$411,249             | -         | \$68,223  | \$68,223  | 6.03         |
| 2013                   | \$4,361,774    | \$3,687,100                 | \$674,674             | -         | \$68,223  | \$68,223  | 9.89         |
| 2014                   | \$4,861,914    | \$4,387,777                 | \$474,137             | -         | \$68,223  | \$68,223  | 6.95         |

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 Bonds, Series 2010 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2014 was 5.29. The revenue bond resolution minimum requirement is 1.25.

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

| <b>Water Revenue Bonds</b> |                       |                                    |                              |                  |                 |              |                     |
|----------------------------|-----------------------|------------------------------------|------------------------------|------------------|-----------------|--------------|---------------------|
| <u>Year</u>                | <u>Gross Revenues</u> | <u>Less Operating Expenses (1)</u> | <u>Net Available Revenue</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Coverage (2)</u> |
| 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                    | ---              | ---             | ---          | ---                 |
| 2010                       | \$954,273             | \$709,475                          | \$244,798                    | ---              | ---             | ---          | ---                 |
| 2011                       | \$1,011,981           | \$819,086                          | \$192,895                    | ---              | ---             | ---          | ---                 |
| 2012                       | \$1,139,153           | \$837,650                          | \$301,503                    | ---              | ---             | ---          | ---                 |
| 2013                       | \$1,092,686           | \$773,748                          | \$318,938                    | ---              | ---             | ---          | ---                 |
| 2014                       | \$1,099,838           | \$868,626                          | \$231,212                    | ---              | ---             | ---          | ---                 |

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 Bonds, Series 2010 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2014 was 5.29. The revenue bond resolution minimum requirement is 1.25.

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

| <b>Wastewater Revenue Bonds</b> |                       |                                    |                              |                  |                 |              |                     |
|---------------------------------|-----------------------|------------------------------------|------------------------------|------------------|-----------------|--------------|---------------------|
| <u>Year</u>                     | <u>Gross Revenues</u> | <u>Less Operating Expenses (1)</u> | <u>Net Available Revenue</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Coverage (2)</u> |
| 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                |
| 2010                            | \$1,325,968           | \$635,582                          | \$690,386                    | \$238,333        | \$277,308       | \$515,641    | 1.34                |
| 2011                            | \$1,377,310           | \$713,120                          | \$664,190                    | \$253,647        | \$245,784       | \$499,431    | 1.33                |
| 2012                            | \$1,558,904           | \$802,911                          | \$755,993                    | \$70,000         | \$126,954       | \$196,954    | 3.84                |
| 2013                            | \$1,640,477           | \$945,787                          | \$694,690                    | \$85,000         | \$125,904       | \$210,904    | 3.29                |
| 2014                            | \$1,625,235           | \$869,304                          | \$755,931                    | \$85,000         | \$124,417       | \$209,417    | 3.61                |

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 Bonds, Series 2010 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2014 was 5.29. The revenue bond resolution minimum requirement is 1.25.

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

| <b>Storm Water Revenue Bonds</b> |                       |                                    |                              |                  |                 |              |                     |
|----------------------------------|-----------------------|------------------------------------|------------------------------|------------------|-----------------|--------------|---------------------|
| <u>Year</u>                      | <u>Gross Revenues</u> | <u>Less Operating Expenses (1)</u> | <u>Net Available Revenue</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Coverage (2)</u> |
| 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                     | ---              | ---             | ---          | ---                 |
| 2010                             | \$31,769              | \$0                                | \$31,769                     | ---              | ---             | ---          | ---                 |
| 2011                             | \$31,247              | \$0                                | \$31,247                     | ---              | ---             | ---          | ---                 |
| 2012                             | \$31,531              | \$1,990                            | \$29,541                     | ---              | ---             | ---          | ---                 |
| 2013                             | \$31,880              | \$8,510                            | \$23,370                     | ---              | ---             | ---          | ---                 |
| 2014                             | \$31,813              | \$25,473                           | \$6,340                      | ---              | ---             | ---          | ---                 |

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 Bonds, Series 2010 is computed for the combined utility systems per covenants of the revenue bond resolution. Coverage for the combined utility systems for 2014 was 5.29. The revenue bond resolution minimum requirement is 1.25.

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

| <u>Year</u> | <u>Population</u> | <u>Personal<br/>Income<br/>(thousands)</u> | <u>Per Capita<br/>Income</u> | <u>Median<br/>Age</u> | <u>School<br/>Enrollment</u> | <u>Unemployment Rate</u>   |                          |
|-------------|-------------------|--|------------------------------|-----------------------|------------------------------|----------------------------|--------------------------|
|             |                   |  |                              |                       |                              | <u>Sedgwick<br/>County</u> | <u>Sumner<br/>County</u> |
| 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%                    |
| 2010        | 6,111             | \$ 119,305                                 | \$ 19,523                    | 34.5                  | 2,209                        | 8.50%                      | 7.90%                    |
| 2011        | 6,111             | \$ 157,315                                 | \$ 25,743                    | 34.5                  | 2,203                        | 7.30%                      | 6.20%                    |
| 2012        | 6,127             | \$ 157,727                                 | \$ 25,743                    | 35.1                  | 1,920                        | 6.10%                      | 5.60%                    |
| 2013        | 6,267             | \$ 161,331                                 | \$ 25,743                    | 35.1                  | 1,808                        | 5.30%                      | 4.70%                    |
| 2014        | 6,287             | \$ 174,973                                 | \$ 27,831                    | 35.1                  | 1,821                        | 4.50%                      | 4.10%                    |

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

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

| <u>Employer</u>       | <u>2014</u>      |             |                                   | <u>2005</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> |
| Kansas Star Casino    | 826              | 1           | 13.18%                            | Not Available    | 0           |                                   |
| USD #263              | 323              | 2           | 5.15%                             | 300              | 1           | 5.39%                             |
| Villa Maria Inc       | 102              | 3           | 1.63%                             | Not Available    |             |                                   |
| City of Mulvane       | 76               | 4           | 1.21%                             | 51               | 2           | 0.92%                             |
| Cowley County College | 50               | 5           | 0.80%                             | Not Available    |             |                                   |
| Dillons               | 45               | 6           | 0.72%                             | 20               | 4           | 0.36%                             |
| Carson Bank           | 39               | 7           | 0.62%                             | Not Available    |             |                                   |
| Maria Court           | 25               | 8           | 0.40%                             | Not Available    |             |                                   |
| Wolfe Machine         | 24               | 9           | 0.38%                             | 8                | 5           | 0.14%                             |
| Mulvane Coop          | 20               | 10          | 0.32%                             | 22               | 3           | 0.40%                             |
|                       | <u>1530</u>      |             | <u>24.41%</u>                     | <u>401</u>       |             | <u>7.20%</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>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Administration     | 9           | 9           | 9           | 9           | 9           | 9           | 9           | 9           | 10          | 10          |
| Police Officers    | 12          | 12          | 12          | 12          | 12          | 11          | 11          | 12          | 14          | 14          |
| Police Dispatchers | 5           | 5           | 5           | 5           | 5           | 6           | 6           | 6           | 6           | 6           |
| Emergency Services | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 19          | 19          |
| Parks & Recreation | 4           | 4           | 4           | 4           | 4           | 4           | 5           | 5           | 5           | 5           |
| Streets            | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Electric           | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 8           |
| Water              | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Wastewater         | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Total              | <u>54</u>   | <u>54</u>   | <u>54</u>   | <u>54</u>   | <u>54</u>   | <u>54</u>   | <u>55</u>   | <u>56</u>   | <u>75</u>   | <u>75</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**

| <b>Function/Program</b>             | <b><u>2005</u></b> | <b><u>2006</u></b> | <b><u>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police                              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Calls for Service                   | 3,133              | 3,561              | 4,398              | 4,182              | 3,856              | 3,669              | 3,508              | 3,701              | 3,813              | 3,742              |
| Moving Citations                    | 1,284              | 864                | 752                | 733                | 639                | 517                | 623                | 658                | 721                | 719                |
| DUI Arrests                         | 71                 | 20                 | 22                 | 18                 | 25                 | 17                 | 15                 | 68                 | 51                 | 25                 |
| Arrests                             | 314                | 200                | 236                | 224                | 229                | 214                | 213                | 316                | 348                | 390                |
| Emergency Services                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Fire & Rescue Calls                 | 325                | 311                | 387                | 389                | 383                | 350                | 389                | 436                | 408                | 362                |
| Ambulance Calls                     | 569                | 606                | 707                | 743                | 787                | 762                | 736                | 793                | 853                | 1,003              |
| Electric                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| New Connections                     | 21                 | 96                 | 19                 | 11                 | 6                  | 5                  | 4                  | 39                 | 1                  | 9                  |
| Average Daily Usage (mWh/Day)       | 115                | 116                | 120                | 116                | 117                | 119                | 120                | 117                | 114                | 116                |
| Peak Daily Usage (kW)               | 11,718             | 12,959             | 12,556             | 12,500             | 11,900             | 12,700             | 13,100             | 13,100             | 21,100             | 18,400             |
| Water                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| New Connections                     | 41                 | 73                 | 10                 | 1                  | 6                  | 1                  | 8                  | 32                 | 2                  | 9                  |
| Average Daily Consumption (Gallons) | 482,093            | 519,060            | 442,496            | 470,847            | 469,288            | 483,110            | 494,129            | 561,377            | 530,836            | 544,368            |
| Peak Daily Consumption (Gallons)    | 1,025,000          | 969,000            | 925,000            | 786,000            | 1,000,000          | 835,000            | 916,000            | 1,110,000          | 1,003,000          | 1,235,000          |
| Wastewater                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Average Daily Sewage Treatment      | 385,000            | 400,000            | 421,000            | 474,000            | 461,392            | 417,164            | 377,487            | 401,639            | 438,419            | 451,320            |

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>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</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           | 2           |
| Fire & Rescue Trucks     | 11          | 11          | 11          | 11          | 11          | 11          | 11          | 11          | 12          | 12          |
| Ambulances               | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 3           | 3           | 3           |
| Parks & Recreation       |             |             |             |             |             |             |             |             |             |             |
| Acreage                  | 70.3        | 70.3        | 70.3        | 70.3        | 70.3        | 70.3        | 70.3        | 70.3        | 70.3        | 70.3        |
| Neighborhood Parks       | 16          | 16          | 16          | 16          | 16          | 16          | 16          | 16          | 16          | 16          |
| Sports Complex           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Swimming Pool            | 0           | 0           | 1           | 1           | 1           | 1           | 1           | 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)          | 38          | 38          | 38          | 38          | 38          | 38          | 38          | 38          | 38          | 38          |
| Traffic Signals          | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Electric                 |             |             |             |             |             |             |             |             |             |             |
| Power Plant              | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Miles of Line            | 33          | 33          | 33          | 33          | 33          | 33          | 33          | 33          | 33          | 33          |
| Generating Capacity (kw) | 16600       | 16600       | 16600       | 16600       | 16600       | 16600       | 16600       | 16600       | 16600       | 16600       |
| Water                    |             |             |             |             |             |             |             |             |             |             |
| Water Mains (Miles)      | 35          | 35          | 35          | 35          | 35          | 35          | 39          | 39          | 39          | 39          |
| Fire Hydrants            | 220         | 221         | 221         | 221         | 221         | 221         | 221         | 221         | 221         | 221         |
| Storage Capacity (kgal)  | 800         | 800         | 800         | 800         | 800         | 800         | 800         | 800         | 800         | 800         |
| Wastewater               |             |             |             |             |             |             |             |             |             |             |
| Sanitary Sewers (Miles)  | 26          | 26          | 26          | 26          | 26          | 26          | 34          | 34          | 34          | 34          |
| Storm Sewers (Miles)     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Treatment Capacity (mgd) | 0.05        | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Lift Stations            | 4           | 4           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |

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