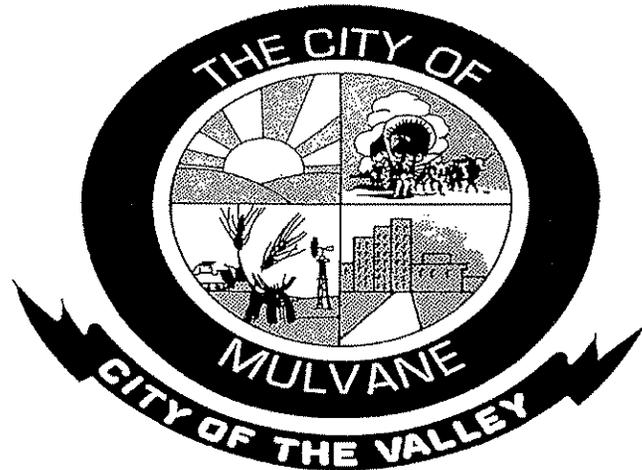


**CITY OF
MULVANE, KANSAS**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

CITY OF MULVANE, KANSAS

FOR THE YEAR ENDED DECEMBER 31, 2015

**Dr. Shelly Steadman – Mayor
Kevin Cardwell – Council Member
Nancy Farber – Council Member
Joe Johnson – Council Member
Jenean Keck – Council Member
Terry Richardson – Council Member**

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

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INTRODUCTORY SECTION



July 26, 2016

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, 2015 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, 2014.

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 twenty years.

Economic Outlook

The economic outlook for the Wichita area is weak. The State lags behind the region in job creation. Construction employment in Kansas fell by 3,400 over the past year, or 5.6 percent. That is worse than all but two states in the nation. In comparison, Kansas' four neighboring states added a combined 20,000 construction jobs. One factor in the drop is the more than \$2 billion in transportation funds the Legislature and Governor have raided to help cover the state's budget shortfalls. The Governor has delayed millions of dollars of construction projects for up to three years. In addition, the Legislature and Governor refuses to allow Kansas to participate in the Federal Medicare program. That has cost the State over a billion dollars and forced hospitals to cut back employment or close.

The aircraft industry seems to have stabilized slightly; however, 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 again be impacted due to the re-valuation of the Kansas Star Casino. The City must deal with a loss of property tax revenue over the next few years.

Construction Activity

The number of building permits issued in 2015 was down from fifty-one in 2014 to forty-five. This consisted of all construction activity including additions, remodel and new construction. In 2015, nineteen permits were issued for single family dwellings, which are up from the number of ten issued in 2014. The average size of single family dwellings remained about the same as previous years at 1,600 square feet.

The total construction value for 2015 was \$13.4 million. This reflects a slight decrease from the 2014 valuation of \$13.6 million.

Financial Picture

The assessed valuation of Mulvane decreased significantly in 2015 from \$91.6 million to \$74.1 million. The Ad Valorem tax revenue collected in 2015 was \$3,112,959 compared to 2014 which was \$3,797,386. The mill levy decreased slightly from 42.406 in 2014 to 42.262 in 2015.

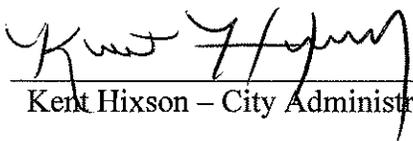
Independent Audit

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,



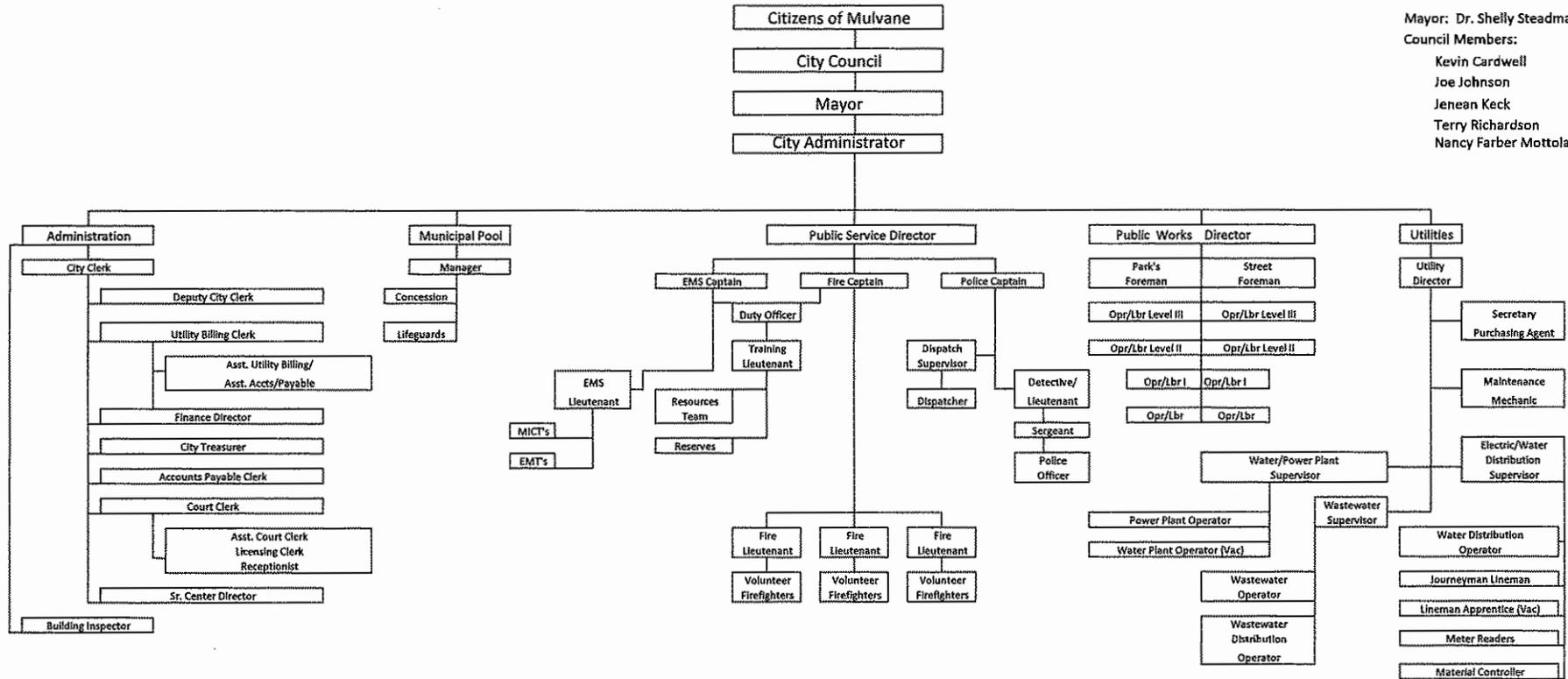
Kent Hixson – City Administrator

CITY OF MULVANE, KANSAS
LIST OF PRINCIPAL OFFICIALS
December 31, 2015

<u>Title</u>	<u>Name</u>
Mayor	Shelly Steadman
Council Member	Kevin Cardwell
Council Member	Joe Johnson
Council Member	Jenean Keck
Council Member	Nancy Mottola
Council Member	Terry Richardson
City Administrator	Kent Hixson
City Clerk	Debbie Parker
City Treasurer	Debbie Plew
Utilities Director	Brad Modlin
Public Safety Director	David Williams
Public Works Director	Kevin Baker
City Attorney	J.T. Klaus
Municipal Judge	Duane Brown
City Prosecutor	Larry Linn

ORGANIZATIONAL CHART

Mayor: Dr. Shelly Steadman
 Council Members:
 Kevin Cardwell
 Joe Johnson
 Jenean Keck
 Terry Richardson
 Nancy Farber Mottola





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, 2014

Executive Director/CEO

FINANCIAL SECTION

George, Bowerman & Noel, P.A.

*Certified Public Accountants
Management Consultants
Tax Advisors*

Paul R. Bowerman
Gary L. George

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

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Notes 1 and 14 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of January 1, 2015. Our opinions are not modified with respect to the matter.

Other Matters

Required Supplementary Information

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
July 21, 2016

CITY OF MULVANE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

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, 2015. 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 \$54,037,781. Of this amount, \$27,352,534 is the net investment in capital assets, and \$20,034,045 is for restricted uses, leaving \$6,651,202 unrestricted.
- The City's total net position increased by \$537,535 during the current fiscal year. The net position of the City's business-type activities increased by \$7,984,450 and the governmental activities net position decreased by \$7,446,915.
- At the end of the current fiscal year, the fund balance for the General Fund was \$3,782,514 or 90% of the total General Fund expenditures and transfers out incurred in the current fiscal year.
- The City's total bonded debt decreased by \$3,082,000 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 20 and 21 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 26 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, and Mulvane Public Building Commission Library Project fund, which are considered major funds. Data for the remaining 22 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, 13 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 22 through 29 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 30 through 34 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 35 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 36 through 69 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 \$54,037,781 as of December 31, 2015.

A large portion of the City's net position (\$27,352,534) 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 30,697,924	\$ 33,255,101	\$ 6,837,591	\$ 6,350,733	\$ 37,535,515	\$ 39,605,834
Capital assets	<u>27,439,234</u>	<u>34,808,809</u>	<u>38,978,925</u>	<u>31,868,421</u>	<u>66,418,159</u>	<u>66,677,230</u>
Total assets	<u>58,137,158</u>	<u>68,063,910</u>	<u>45,816,516</u>	<u>38,219,154</u>	<u>103,953,674</u>	<u>106,283,064</u>
Deferred outflows of resources	<u>522,283</u>	-	<u>251,396</u>	<u>85,381</u>	<u>773,679</u>	<u>85,381</u>
Long-term liabilities	35,900,316	35,944,182	9,769,538	9,623,091	45,669,854	45,567,273
Current and other liabilities	<u>575,387</u>	<u>994,748</u>	<u>829,217</u>	<u>426,026</u>	<u>1,404,604</u>	<u>1,420,774</u>
Total liabilities	<u>36,475,703</u>	<u>36,938,930</u>	<u>10,598,755</u>	<u>10,049,117</u>	<u>47,074,458</u>	<u>46,988,047</u>
Deferred inflows of resources	<u>3,536,398</u>	<u>3,022,402</u>	<u>78,716</u>	-	<u>3,615,114</u>	<u>3,022,402</u>
Net Position						
Net investment in capital assets	(3,125,468)	3,659,539	30,478,002	22,521,469	27,352,534	26,181,008
Restricted	19,900,207	21,159,504	133,838	2,956,153	20,034,045	24,115,657
Unrestricted	<u>\$ 1,872,601</u>	<u>\$ 3,283,535</u>	<u>\$ 4,778,601</u>	<u>\$ 2,777,796</u>	<u>\$ 6,651,202</u>	<u>\$ 6,061,331</u>
Total net position	<u>\$ 18,647,340</u>	<u>\$ 28,102,578</u>	<u>\$ 35,390,441</u>	<u>\$ 28,255,418</u>	<u>\$ 54,037,781</u>	<u>\$ 56,357,996</u>

An additional portion of the City's net position (37%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$6,651,202.

Analysis of the City's operations – The following table provides a summary of the City's operations for the years ended December 31, 2015 and 2014. The City's net position increased by \$537,535, or approximately 1.01%.

CITY OF MULVANE'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,293,493	\$ 765,440	\$ 7,276,249	\$ 7,580,828	\$ 8,569,742	\$ 8,346,268
Operating grants and contributions	1,889,916	1,298,001	-	-	1,889,916	1,298,001
Capital grants and contributions	723,512	716,331	-	-	723,512	716,331
General revenues:						
Property taxes	3,282,922	4,183,534	-	-	3,282,922	4,183,534
Gaming Facility	1,832,260	1,784,165	-	-	1,832,260	1,784,165
Sales taxes	741,498	718,740	-	-	741,498	718,740
Franchise taxes	223,642	252,328	-	-	223,642	252,328
Investment earnings	29,556	11,660	13,152	6,159	42,708	17,819
Total revenues	<u>10,016,799</u>	<u>9,730,199</u>	<u>7,289,401</u>	<u>7,586,987</u>	<u>17,306,200</u>	<u>17,317,186</u>
Expenses:						
General government	1,515,897	1,297,410	-	-	1,515,897	1,297,410
Public safety	3,138,385	2,880,502	-	-	3,138,385	2,880,502
Highways and streets	1,527,136	2,392,668	-	-	1,527,136	2,392,668
Culture and recreation	1,560,950	881,440	-	-	1,560,950	881,440
Health and Sanitation	39,130	52,180	-	-	39,130	52,180
Economic development	291,281	219,093	-	-	291,281	219,093
Environmental protection	233	1,099	-	-	233	1,099
Electric system	-	-	4,738,239	4,995,057	4,738,239	4,995,057
Water system	-	-	1,291,157	1,018,362	1,291,157	1,018,362
Sewer system	-	-	1,593,965	1,670,390	1,593,965	1,670,390
Interest on long-term indebtedness	<u>1,072,292</u>	<u>814,828</u>	<u>-</u>	<u>-</u>	<u>1,072,292</u>	<u>814,828</u>
Total expenses	<u>9,145,304</u>	<u>8,539,220</u>	<u>7,623,361</u>	<u>7,683,809</u>	<u>16,768,665</u>	<u>16,223,029</u>
Increase in net position before transfers in (out)	871,495	1,190,979	(333,960)	(96,822)	537,535	1,094,157
Transfers in (out)	<u>(8,318,410)</u>	<u>(225,178)</u>	<u>8,318,410</u>	<u>225,178</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(7,446,915)</u>	<u>965,801</u>	<u>7,984,450</u>	<u>128,356</u>	<u>537,535</u>	<u>1,094,157</u>
Net position, beginning of year:						
As previously reported	28,102,578	27,136,777	28,255,418	28,127,062	56,357,996	55,263,839
Adjustment Net Pension Liability	<u>(2,008,323)</u>	<u>-</u>	<u>(849,427)</u>	<u>-</u>	<u>(2,857,750)</u>	<u>-</u>
As restated	<u>26,094,255</u>	<u>27,136,777</u>	<u>27,405,991</u>	<u>28,127,062</u>	<u>53,500,246</u>	<u>55,263,839</u>
Net position, end of year	<u>\$ 18,647,340</u>	<u>\$28,102,578</u>	<u>\$ 35,390,441</u>	<u>\$ 28,255,418</u>	<u>\$ 54,037,781</u>	<u>\$ 56,357,996</u>

Governmental Activities – Governmental activities decreased the City's net position by \$7,446,915 for the current fiscal year. Total governmental activity revenues increased by \$286,600. Positive influences for governmental activity revenues included an increase in charges for services of \$528,053 for 2015.

Operating grants and contribution revenues increased by \$591,915 for 2015 with an increase in ambulance subsidies and ambulance equipment grants of \$127,079, and transient guest tax of \$306,661. Capital grants and contributions increased slightly during 2015 by \$7,181. Gaming facility revenues increased during 2015 by \$48,095 or approximately 2.7% from the 2014 level.

Total governmental activity expenses increased by \$606,084 for 2015, or approximately 7.1%. General government expenses comprised \$218,487 of the increase and can be attributed almost entirely to salary and benefit cost increases. Salaries and benefits continue to be a significant portion of the operating expenses for many functional areas and comprise approximately 54% of total expenses (excluding debt service expenses) for governmental activities. Total wages and benefits decreased approximately \$33,694 for 2015. Benefit costs remained constant for 2014 with a minimal increase during 2015. The City had several long time employees retire with replacement employees earning less salary. Economic development expenses increased by \$72,188 due to the allocation of the transient guest tax to the Kansas Star Casino under the terms of the City's agreement with the Casino. Debt service costs increased for 2015 by \$257,464 due to scheduled increases as a result of 2014 bond issues.

Business-type Activities – Business-type activities increased the City's net position by \$7,984,450 for the current fiscal year. During 2015 the City transferred capital assets to the Water Utility System totaling \$8,318,410 related to the newly constructed water treatment plant. Total business-type operating revenues decreased by \$300,752 for 2015 with the Electric Utility decreasing \$414,549 and the Water Utility decreasing by \$2,428. The Sewer Utility reflects an increase of \$116,235 for 2015.

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 \$10,038,656. This combined ending fund balance is a \$1,206,589 decrease from 2014.

General Fund

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance was \$3,782,514, which was \$361,958 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. Assigned fund balance represents 86% of total General Fund expenditures and transfers out for the current year. The total fund balance of the General Fund represents 90% of total General Fund expenditures and transfers out for the current year.

The City Council has restricted \$138,559 of the fund balance for future self-insurance requirements. In addition, the City Council has committed \$3,643,955 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 decreased \$190,426 and expenses decreased \$162,728 for 2015. The result was an increase to fund balance of \$405,370 for 2015 to an ending fund balance of \$1,308,689. This carryover fund balance equates to about 104% of the benefit expenses incurred for 2015.

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 \$147,359, which is a decrease of \$456,060 from 2014. Resources for this fund are generated from property taxes, special assessment taxes and interest earnings and increased by \$209,013 for 2015 and debt service requirements increased by \$286,684 for 2015.

Mulvane Public Building Commission Library Project Fund

The Library Project Fund reflects expenditures of \$1,479,731 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 \$7,984,450 for 2015. The change in net position by fund includes a decrease in the Electric System Fund of \$290,678, an increase in the Water System Fund of \$8,125,724, and an increase in the Sewer System Fund of \$149,404. The Water Utility Fund received contributed assets from the governmental activities of the City of \$8,318,410 during 2015.

Electric System Fund

Total net position of the Electric System Fund decreased by \$290,678. Customer consumption for 2015 decreased slightly and operating revenues are generally reflective of that situation as operating revenues decreased \$414,549, and operating expenses decreased by \$226,341.

Water System Fund

Total net position of the Water System Fund increased by \$8,125,724. Operating revenues decreased by \$2,438 during 2015. Operating expenses increased \$287,263 for 2015. In the fall of 2014, the City put the new water treatment plant on line. The increase in operating expenses in 2015 is due to the cost of operating this new facility.

Sewer System Fund

The total net position of the Sewer System Fund increased by \$149,404. Operating revenues increased \$116,235, or approximately 7.1%, with operating expenses increasing \$3,620, or approximately 0.2%.

General Fund Budgetary Highlights – The General Fund total actual revenues were 113.82% of the total amount anticipated in the 2015 budget and exceeded the total anticipated revenues by \$554,440. The significant composition of this excess can be attributed to intergovernmental revenues.

General Fund budgetary revenues were \$4,566,611 for 2015. The General Fund revenues were augmented with the collection of \$1,832,260 of gaming facility revenue sharing representing the City's 1% of the gaming facility revenues. General Fund budgetary expenditures totaled \$4,202,056, which represented only 77.5% of the budgeted expenditures for 2015. Accordingly, the General Fund incurred a favorable variance from its budgeted expenditures of \$1,219,048.

CAPITAL ASSETS

The City's investment in capital assets as of December 31, 2015 amounts to \$66,418,159 (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 decrease in the City's investment in capital assets for the current fiscal year was 0.4%. Major capital asset events during the current fiscal year included the following:

- Purchase of Tyler Technologies Software, \$155,404.
- Sharp Copier/Scanner for City Hall, \$12,483.
- Cascade System for the Fire Department, \$26,759.
- Chevrolet Tahoe for the Police Department at a cost of \$43,048.
- Well and Sprinkler System for the West EMS Facility, \$14,073.
- Pagers and Portable Radios for the Fire and EMS Departments, \$14,334.
- A new International Slurry Truck for the Street Department, \$194,270.
- Dell Server for City Hall, \$18,704.

Capital Assets at Year-End Net of Accumulated Depreciation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 465,014	\$ 465,014	\$ 867,242	\$ 758,117	\$ 1,332,256	\$ 1,223,131
Buildings	3,205,982	3,276,001	-	-	3,205,982	3,276,001
Utility plant	-	-	27,679,273	20,258,209	27,679,273	20,258,209
Improvements other than						
Buildings	2,899,131	2,973,661	9,799,726	10,211,308	12,698,857	13,184,969
Infrastructure	17,669,191	18,360,300	-	-	17,669,191	18,360,300
Machinery and equipment	1,538,811	1,477,090	632,684	640,787	2,171,495	2,117,877
Construction work in progress	<u>1,661,105</u>	<u>8,256,743</u>	<u>-</u>	<u>-</u>	<u>1,661,105</u>	<u>8,256,743</u>
Total	<u>\$ 27,439,234</u>	<u>\$ 34,808,809</u>	<u>\$ 38,978,925</u>	<u>\$ 31,868,421</u>	<u>\$ 66,418,159</u>	<u>\$ 66,677,230</u>

Additional information on the City's capital assets can be found in Note 3 on pages 49 through 52 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City's total long-term debt obligations outstanding are \$45,669,854. This amount was comprised of \$36,065,000 of general obligation bonds secured by future tax revenues from governmental activities with \$7,353,748 of such bonds being committed from resources generated by business-type revenues, \$1,200,000 of revenue bonds which are secured by business-type revenue sources, and \$4,485,000 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 \$167,225 at year-end. The remaining long-term debt obligations totaling \$3,752,630 of the City pertains to accrued compensated absences in the amount of \$521,688 and net pension liability in the amount of \$3,230,942, and will be liquidated from future resources of governmental activities and business-type activities.

The City's total long-term debt decreased by \$2,755,112, or about 5.7% during the current year. This decrease is principally due to a reduction in outstanding revenue bonds of \$3,740,000, however, there was a net increase in general obligation bonds outstanding of \$657,000 and \$373,192 in the net pension liability pertaining to the City's proportionate share of the unfunded liability of the KPERS retirement plan.

Additional information on the City's long-term debt can be found in Note 4 on pages 52 through 58 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 2016 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 increase in 2016 by \$310,010, or approximately 9.8%. Assessed valuations increased about 11% resulting in a decreased mill levy of .144 mills.

The gaming facility revenue for 2016 has been estimated at \$1,675,000 and comprises approximately 26% of the General Fund's 2016 total resources. The other significant resources for the General Fund are the carryover balance from 2015, the 1% county-wide sales tax for Sedgwick County, and property taxes, which comprise 31%, 11% and 19% respectively, of the total General Fund resources for the 2016 budget.

The City's total property tax rate for the 2016 budget is 42.262 mills with the General Fund's levy at 14.625 mills. The Debt Service Fund and Employee Benefits Fund levies 9.417 mills and 9.276 mills, respectively, of the total City levy rate. The City's total assessed valuation for the 2016 budget is \$81,710,200, which reflects an increase from the 2015 budget of \$7,586,735.

Despite fluctuations in assessed valuation, the City's budgetary performance remains characteristically strong. Due to the uncertainty regarding the Kansas Star's valuations and gaming revenue, the City has worked to build up reserve by underestimating revenues and overestimating expenditures. The City's has proactively built in the use of \$1.5 million to offset the potential loss of revenue in the event the Kansas Star wins its tax appeals within the 2016 year.

The City's budgetary flexibility is very strong with an available fund balance in the General Fund in 2016 of 58% of operating expenditures, or \$3.78 million.

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 2016 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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MULVANE, KANSAS
STATEMENT OF NET POSITION

December 31, 2015

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Mulvane Public Library	Mulvane Housing Authority
<u>ASSETS</u>					
Cash and investments	\$ 9,732,964	\$ 4,156,131	\$ 13,889,095	\$ 238,218	\$ 2,270
Receivables:					
Property taxes	3,352,727	-	3,352,727	-	-
Special assessment taxes	16,888,588	-	16,888,588	-	-
Sales taxes	120,901	-	120,901	-	-
Franchise fees	34,274	-	34,274	-	-
Gaming facility revenue receivable	154,887	-	154,887	-	-
Trade accounts, net	359,252	1,021,765	1,381,017	-	449
Due from other funds	6,404	-	6,404	-	-
Prepaid items	35,175	32,812	67,987	-	-
Restricted assets	12,752	1,626,883	1,639,635	-	34,932
Capital assets:					
Land	465,014	867,242	1,332,256	-	16,000
Buildings	4,381,621	35,220,847	39,602,468	-	597,492
Improvements other than buildings	3,805,027	16,186,890	19,991,917	-	-
Infrastructure	35,651,495	-	35,651,495	-	-
Machinery and equipment	5,233,088	2,308,553	7,541,641	89,938	122,649
Less accumulated depreciation	(23,758,116)	(15,604,607)	(39,362,723)	(46,958)	(530,178)
Construction work in progress	1,661,105	-	1,661,105	22,560	-
	<u>58,137,158</u>	<u>45,816,516</u>	<u>103,953,674</u>	<u>303,758</u>	<u>243,614</u>
Total assets					
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Unamortized deferred costs on bond refundings	58,943	52,825	111,768	-	-
Deferred outflows related to pensions	463,340	198,571	661,911	-	-
	<u>522,283</u>	<u>251,396</u>	<u>773,679</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources					
<u>LIABILITIES</u>					
Accounts payable	72,633	760,841	833,474	-	2,300
Accrued payroll payable	48,245	25,980	74,225	-	-
Accrued interest payable	192,609	42,396	235,005	-	-
Matured bonds and coupons payable	1,316	-	1,316	-	-
Unearned revenue	260,584	-	260,584	-	-
Noncurrent liabilities:					
Due within one year	2,916,856	957,662	3,874,518	-	21,755
Due in more than one year	32,983,460	8,811,876	41,795,336	-	154,034
	<u>36,475,703</u>	<u>10,598,755</u>	<u>47,074,458</u>	<u>-</u>	<u>178,089</u>
Total liabilities					
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Property taxes receivable	3,352,727	-	3,352,727	-	-
Deferred inflows related to pension liabilities	183,671	78,716	262,387	-	-
	<u>3,536,398</u>	<u>78,716</u>	<u>3,615,114</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources					
<u>NET POSITION</u>					
Net investment in capital assets	(3,125,468)	30,478,002	27,352,534	65,540	30,174
Restricted for:					
Debt service	17,035,947	133,838	17,169,785	-	-
Capital improvements	280,568	-	280,568	-	32,631
General government	138,559	-	138,559	-	-
Employee Benefits	1,308,689	-	1,308,689	-	-
Parks and recreation	528,310	-	528,310	-	-
Economic development	488,678	-	488,678	-	-
Street maintenance and improvement	37,791	-	37,791	-	-
Health and welfare	81,665	-	81,665	-	-
Unrestricted	1,872,601	4,778,601	6,651,202	238,218	2,720
	<u>\$ 18,647,340</u>	<u>\$ 35,390,441</u>	<u>\$ 54,037,781</u>	<u>\$ 303,758</u>	<u>\$ 65,525</u>
Total net position					

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

CITY OF MULVANE, KANSAS

STATEMENT OF ACTIVITIES

Year ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Mulvane Public Library	Mulvane Housing Authority
Governmental Activities:									
General government	\$ 1,515,897	\$ 126,761	\$ 58,859	\$ --	\$ (1,330,277)	\$ --	\$ (1,330,277)	\$ --	\$ --
Public safety	3,138,385	1,071,489	372,313	--	(1,694,583)	--	(1,694,583)	--	--
Highways and streets	1,527,136	31,841	251,842	11,900	(1,231,553)	--	(1,231,553)	--	--
Health and sanitation	39,130	--	61,251	7,856	29,977	--	29,977	--	--
Culture and recreation	1,560,950	63,402	83,231	703,756	(710,561)	--	(710,561)	--	--
Economic development	291,281	--	306,661	--	15,380	--	15,380	--	--
Environmental protection	233	--	--	--	(233)	--	(233)	--	--
Interest on long-term debt	1,072,292	--	755,759	--	(316,533)	--	(316,533)	--	--
Total Governmental Activities	\$ 9,145,304	\$ 1,293,493	\$ 1,889,916	\$ 723,512	(5,238,383)	--	(5,238,383)	--	--
Business-Type Activities:									
Electric Utility	\$ 4,738,239	\$ 4,441,803	\$ --	\$ --	--	(296,436)	(296,436)	--	--
Water Utility	1,291,157	1,096,022	--	--	--	(195,135)	(195,135)	--	--
Sewer Utility	1,593,965	1,738,424	--	--	--	144,459	(144,459)	--	--
Total Business-Type Activities	\$ 7,623,361	\$ 7,276,249	\$ --	\$ --	--	(347,112)	(347,112)	--	--
Component Units:									
Mulvane Public Library	\$ 274,337	\$ 9,156	\$ 19,254	\$ --	--	--	--	(245,927)	--
Mulvane Housing Authority	93,136	78,784	9,249	--	--	--	--	--	(5,103)
Total Component Units	\$ 367,473	\$ 87,940	\$ 28,503	\$ --	--	--	--	(245,927)	(5,103)
General Revenues and Transfers:									
General Revenues:									
Property taxes levied for:									
General purposes					2,851,045	--	2,851,045	--	--
Debt service					431,877	--	431,877	--	--
Gaming facility revenue sharing					1,832,260	--	1,832,260	--	--
Sales taxes					741,498	--	741,498	--	--
Franchise taxes					223,642	--	223,642	--	--
Payment from City of Mulvane					--	--	--	324,563	--
Investment earnings					29,556	13,152	42,708	189	26
Transfers in (out)					(8,318,410)	8,318,410	--	--	--
Total general revenues and transfers					(2,208,532)	8,331,562	6,123,030	324,752	26
Change in net position					(7,446,915)	7,984,450	537,535	78,825	(5,077)
Net position at beginning of year:									
As previously reported					28,102,578	28,255,418	56,357,996	224,933	70,602
Restatement for net pension liability					(2,008,323)	(849,427)	(2,857,750)	--	--
As restated					26,094,255	27,405,991	53,500,246	224,933	70,602
Net position at end of year					\$ 18,647,340	\$ 35,390,441	\$ 54,037,781	\$ 303,738	\$ 65,525

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, 2015

	General	Employee Benefits	Debt Service	Mulvane Public Building Commission Library Project	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and short-term investments	\$ 3,601,010	\$ 1,328,213	\$ 148,473	\$ 2,619,101	\$ 2,036,167	\$ 9,732,964
Cash with fiscal agent	-	-	1,316	-	-	1,316
Cash held for appearance bonds	11,436	-	-	-	-	11,436
Property taxes receivable	1,166,904	735,883	747,079	-	702,861	3,352,727
Special assessment taxes receivable	-	-	16,888,588	-	-	16,888,588
Due from other funds	6,404	-	-	-	477	6,881
Accounts receivable, net	264,340	414	-	-	94,498	359,252
Gaming facility revenue receivable	154,887	-	-	-	-	154,887
Franchise fees receivable	34,274	-	-	-	-	34,274
Sales tax receivable	60,474	-	-	-	60,427	120,901
Total assets	<u>\$ 5,299,729</u>	<u>\$ 2,064,510</u>	<u>\$17,785,456</u>	<u>\$ 2,619,101</u>	<u>\$ 2,894,430</u>	<u>\$ 30,663,226</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 35,225	\$ 19,938	\$ 1,114	\$ -	\$ 4,920	\$ 61,197
Accrued payroll payable	43,066	-	-	-	5,179	48,245
Due to other funds	-	-	-	-	477	477
Matured bonds and coupons payable	-	-	1,316	-	-	1,316
Municipal Court appearance bonds payable	11,436	-	-	-	-	11,436
Unearned revenue	260,584	-	-	-	-	260,584
Total liabilities	<u>350,311</u>	<u>19,938</u>	<u>2,430</u>	<u>-</u>	<u>10,576</u>	<u>383,255</u>
Deferred inflows of resources:						
Property taxes receivable	1,166,904	735,883	747,079	-	702,861	3,352,727
Special assessment taxes receivable	-	-	16,888,588	-	-	16,888,588
Total deferred inflows of resources	<u>1,166,904</u>	<u>735,883</u>	<u>17,635,667</u>	<u>-</u>	<u>702,861</u>	<u>20,241,315</u>

CITY OF MULVANE, KANSAS

BALANCE SHEET – GOVERNMENTAL FUNDS
(continued from previous page)

December 31, 2015

	General	Employee Benefits	Debt Service	Mulvane Public Building Commission Library Project	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Restricted:						
Insurance claims	\$ 138,559	\$ -	\$ -	\$ -	\$ -	\$ 138,559
Debt service	-	-	147,359	-	-	147,359
General government	-	1,308,689	-	-	-	1,308,689
Recreation	-	-	-	-	528,310	528,310
Health and welfare	-	-	-	-	81,665	81,665
Economic development	-	-	-	-	488,678	488,678
Street improvements	-	-	-	-	37,791	37,791
Capital improvements	-	-	-	2,619,101	379,287	2,998,388
Committed:						
Street improvements	-	-	-	-	306,441	306,441
Parks and recreation	-	-	-	-	68,437	68,437
Assigned:						
General government	3,643,955	-	-	-	-	3,643,955
Culture and recreation	-	-	-	-	4,202	4,202
Capital outlay	-	-	-	-	286,659	286,659
Unassigned	-	-	-	-	(477)	(477)
Total fund balances	<u>3,782,514</u>	<u>1,308,689</u>	<u>147,359</u>	<u>2,619,101</u>	<u>2,180,993</u>	<u>10,038,656</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,299,729</u>	<u>\$ 2,064,510</u>	<u>\$17,785,456</u>	<u>\$ 2,619,101</u>	<u>\$ 2,894,430</u>	<u>\$ 30,663,226</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, 2015

Total Governmental Fund Balances		\$ 10,038,656
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	\$ 51,197,350	
Accumulated depreciation	<u>(23,758,116)</u>	27,439,234
Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:		
Special assessments receivable		16,888,588
Prepaid expenses		35,175
Deferred refunding bond costs resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements		
		58,943
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	192,609	
Compensated absences payable	297,191	
General obligation bonds payable	28,711,251	
Unamortized premium on sale of general obligation bonds and Mulvane Public Building Commission revenue bonds payable	145,214	
Mulvane Public Building Commission revenue bonds payable	4,485,000	
Net pension liability for Kansas Public Employee's Retirement System Plan including deferred outflows of resources and deferred inflows related to pensions	<u>1,981,991</u>	<u>(35,813,256)</u>
Net Position of Governmental Activities		<u>\$ 18,647,340</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, 2015

	<u>General</u>	<u>Employee Benefits</u>	<u>Debt Service</u>	<u>Mulvane Public Building Commission Library Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 1,471,115	\$ 1,649,225	\$ 992,012	\$ -	\$ 1,605,122	\$ 5,717,474
Special assessment taxes	-	-	1,708,366	-	7,856	1,716,222
Intergovernmental	2,290,660	-	-	-	246,594	2,537,254
Licenses and permits	313,161	-	-	-	17,000	330,161
Charges for services	253,547	-	-	-	90,131	343,678
Fines and forfeitures	209,614	-	-	-	-	209,614
Use of money and property	17,766	2,863	1,693	4,955	610,607	637,884
Miscellaneous	27,939	9,300	3	12	-	37,254
Total revenues	<u>4,583,802</u>	<u>1,661,388</u>	<u>2,702,074</u>	<u>4,967</u>	<u>2,577,310</u>	<u>11,529,541</u>
Expenditures:						
Current:						
General government	1,226,135	313,091	45,628	-	-	1,584,854
Public safety	2,184,044	732,037	-	-	-	2,916,081
Highways and streets	312,315	118,466	-	-	295,213	725,994
Culture and recreation	300,258	92,424	-	-	1,060,636	1,453,318
Health and welfare	-	-	-	-	39,130	39,130
Environmental protection	233	-	-	-	-	233
Economic development	24,352	-	-	-	266,929	291,281
Capital improvements	-	-	-	1,479,731	571,496	2,051,227
Debt Service	-	-	3,161,502	-	608,328	3,769,830
Total expenditures	<u>4,047,337</u>	<u>1,256,018</u>	<u>3,207,130</u>	<u>1,479,731</u>	<u>2,841,732</u>	<u>12,831,948</u>
Revenues over (under) expenditures	<u>536,465</u>	<u>405,370</u>	<u>(505,056)</u>	<u>(1,474,764)</u>	<u>(264,422)</u>	<u>(1,302,407)</u>
Other financing sources (uses):						
Issuance of general obligation bonds	-	-	2,488,830	-	54,746	2,543,576
Premium on issuance of general obligation bonds	-	-	20,727	-	456	21,183
Payment to refunding bond escrow agent	-	-	(2,468,941)	-	-	(2,468,941)
Transfers in	-	-	8,380	-	174,507	182,887
Transfers out	(174,507)	-	-	-	(8,380)	(182,887)
Total other financing sources (uses)	<u>(174,507)</u>	<u>-</u>	<u>48,996</u>	<u>-</u>	<u>221,329</u>	<u>95,818</u>
Net change in fund balance	361,958	405,370	(456,060)	(1,474,764)	(43,093)	(1,206,589)
Fund balances, beginning of year	<u>3,420,556</u>	<u>903,319</u>	<u>603,419</u>	<u>4,093,865</u>	<u>2,224,086</u>	<u>11,245,245</u>
Fund balances, end of year	<u>\$3,782,514</u>	<u>\$ 1,308,689</u>	<u>\$ 147,359</u>	<u>\$ 2,619,101</u>	<u>\$ 2,180,993</u>	<u>\$ 10,038,656</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, 2015

Net Change in Fund Balances – Total Governmental Funds		\$ (1,206,589)
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	\$ 2,370,749	
Depreciation	<u>(1,421,914)</u>	
Excess capital outlays over depreciation		948,835
The capital assets constructed from resources in the governmental funds statements are reported as expenditures however, these costs have been accumulated as assets in the statement of net position and the transfer of these assets to proprietary funds are reflected as a reduction of capital assets		
		(8,318,410)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		
		250,277
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		(2,543,576)
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		(21,183)
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	4,342,429	
Mulvane Public Building Commission revenue bond payment	<u>490,000</u>	
Total payments on long-term liabilities		4,832,429
In the statement of activities the deferred refunding costs increases deferred outflows of resources but does not provide current resources to the governmental funds. Amortization of the deferred refunding costs is reflected in the statement of activities but is not reported as expenditures in the governmental funds:		
Deferred refunding costs	67,830	
Amortization of deferred refunding costs	<u>(8,887)</u>	
Net deferred refunding costs		58,943
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		
		(1,512,742)
Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for pensions are only recorded in the statement of activities.		
		26,332
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	913	
Compensated absences payable	13,026	
Amortization of premium on issuance of general obligation bonds	13,643	
Amortization of premium on issuance of Mulvane Public Building Commission revenue bonds	<u>11,187</u>	
Total		<u>38,769</u>
Change in Net Position of Governmental Activities		<u>\$ (7,446,915)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$1,351,903	\$1,351,903	\$1,445,927	\$ 94,024
Intergovernmental	1,990,318	1,990,318	2,299,406	309,088
Licenses, fees and permits	287,700	287,700	313,161	25,461
Charges for services	215,000	215,000	253,547	38,547
Fines and forfeitures	128,250	128,250	209,614	81,364
Use of money and property	8,500	8,500	17,017	8,517
Miscellaneous	<u>30,500</u>	<u>30,500</u>	<u>27,939</u>	<u>(2,561)</u>
Total revenues and other sources	<u>4,012,171</u>	<u>4,012,171</u>	<u>4,566,611</u>	<u>554,440</u>
Expenditures, encumbrances and other uses:				
General government:				
Administration department	1,379,837	1,379,837	699,644	680,193
Inspection department	<u>110,175</u>	<u>110,175</u>	<u>82,824</u>	<u>27,351</u>
Total general government	<u>1,490,012</u>	<u>1,490,012</u>	<u>782,468</u>	<u>707,544</u>
Public safety:				
Police department	1,224,412	1,224,412	1,200,362	24,050
Fire department	257,822	257,822	274,784	(16,962)
EMS department	985,651	985,651	871,642	114,009
Municipal Court	168,050	168,050	137,993	30,057
Fire District No. 12	<u>20,000</u>	<u>20,000</u>	<u>16,664</u>	<u>3,336</u>
Total public safety	<u>2,655,935</u>	<u>2,655,935</u>	<u>2,501,445</u>	<u>154,490</u>
Highways and streets:				
Street department	<u>358,405</u>	<u>358,405</u>	<u>312,315</u>	<u>46,090</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Budgetary</u>	<u>Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
Culture and recreation:				
Parks department	\$ 240,750	\$ 240,750	\$ 186,093	\$ 54,657
Sports Complex	<u>182,380</u>	<u>182,380</u>	<u>114,165</u>	<u>68,215</u>
Total culture and recreation	<u>423,130</u>	<u>423,130</u>	<u>300,258</u>	<u>122,872</u>
Economic development:				
Planning department	<u>47,000</u>	<u>47,000</u>	<u>4,360</u>	<u>42,640</u>
Environmental protection:				
Bindweed department	<u>1,000</u>	<u>1,000</u>	<u>233</u>	<u>767</u>
Other:				
Debt service	126,470	126,470	126,470	–
Transfers out	<u>319,152</u>	<u>319,152</u>	<u>174,507</u>	<u>144,645</u>
Total other	<u>445,622</u>	<u>445,622</u>	<u>300,977</u>	<u>144,645</u>
Total expenditures, encumbrances and other uses	<u>5,421,104</u>	<u>5,421,104</u>	<u>4,202,056</u>	<u>1,219,048</u>
Revenues and other sources over (under) expenditures, encumbrances and other uses	(1,408,933)	(1,408,933)	364,555	1,773,488
Fund balance, beginning of year	<u>1,408,933</u>	<u>1,408,933</u>	<u>2,936,507</u>	<u>1,527,574</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$3,301,062</u>	<u>\$3,301,062</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$1,583,343	\$1,583,343	\$ 1,649,225	\$ 65,882
Use of money and property	200	200	2,863	2,663
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>9,300</u>	<u>4,300</u>
Total revenues	<u>1,588,543</u>	<u>1,588,543</u>	<u>1,661,388</u>	<u>72,845</u>
Expenditures:				
Administration department	609,200	609,200	308,196	301,004
Street department	132,850	132,850	118,466	14,384
Police department	512,750	512,750	397,690	115,060
Fire department	77,750	77,750	61,448	16,302
Ambulance department	523,000	523,000	272,899	250,101
Park department	139,000	139,000	92,424	46,576
Inspection department	-	-	4,895	(4,895)
Miscellaneous	<u>1,331</u>	<u>1,331</u>	<u>-</u>	<u>1,331</u>
Total expenditures	<u>1,995,881</u>	<u>1,995,881</u>	<u>1,256,018</u>	<u>739,863</u>
Revenues over (under) expenditures	(407,338)	(407,338)	405,370	812,708
Fund balance, beginning of year	<u>407,338</u>	<u>407,338</u>	<u>903,319</u>	<u>495,981</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,308,689</u>	<u>\$1,308,689</u>

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

CITY OF MULVANE, KANSAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities – Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 3,006,861	\$ 906,620	\$ 242,650	\$ 4,156,131
Trade accounts receivable	601,271	139,706	280,788	1,021,765
Prepaid expenses	17,183	6,137	9,492	32,812
Restricted assets:				
Cash and investments restricted for:				
Revenue bond principal and interest	–	–	35,988	35,988
Customer deposits	141,998	55,487	–	197,485
Total current assets	<u>3,767,313</u>	<u>1,107,950</u>	<u>568,918</u>	<u>5,444,181</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments restricted for:				
Revenue bond reserve	–	–	133,838	133,838
Revenue bond surplus reserve	–	–	1,259,572	1,259,572
Total restricted assets	<u>–</u>	<u>–</u>	<u>1,393,410</u>	<u>1,393,410</u>
Property, plant and equipment:				
Land	419,856	109,125	338,261	867,242
Utility plant	5,403,265	8,988,785	20,828,797	35,220,847
Improvements other than buildings	5,223,955	5,623,466	5,339,469	16,186,890
Machinery and equipment	1,334,021	303,749	670,783	2,308,553
	12,381,097	15,025,125	27,177,310	54,583,532
Less accumulated depreciation	<u>(8,082,608)</u>	<u>(2,568,625)</u>	<u>(4,953,374)</u>	<u>(15,604,607)</u>
Property, plant and equipment, net	<u>4,298,489</u>	<u>12,456,500</u>	<u>22,223,936</u>	<u>38,978,925</u>
Total assets	<u>8,065,802</u>	<u>13,564,450</u>	<u>24,186,264</u>	<u>45,816,516</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows of resources				
Unamortized deferred cost on refunding	20,782	–	32,043	52,825
Deferred outflows of resources related to pensions	99,286	46,333	52,952	198,571
Total deferred outflows of resources	<u>120,068</u>	<u>46,333</u>	<u>84,995</u>	<u>251,396</u>
Total assets and deferred outflows of resources	<u>8,185,870</u>	<u>13,610,783</u>	<u>24,271,259</u>	<u>46,067,912</u>

	<u>Business-Type Activities – Enterprise Funds</u>			
	<u>Electric System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Total Enterprise Funds</u>
<u>LIABILITIES</u>				
Current liabilities:				
Salaries and wages payable	\$ 12,859	\$ 6,285	\$ 6,836	\$ 25,980
Accounts payable	519,570	32,804	10,982	563,356
Compensated absences payable	81,889	29,579	41,190	152,658
Current portion of general obligation bonds payable	299,178	49,738	366,088	715,004
Accrued interest payable	13,248	4,470	13,819	31,537
Current liabilities payable from restricted assets:				
Accrued revenue bond interest payable	–	–	10,859	10,859
Current portion of:				
Revenue bonds payable	–	–	90,000	90,000
Customer deposits payable	<u>141,998</u>	<u>55,487</u>	<u>–</u>	<u>197,485</u>
Total current liabilities	<u>1,068,742</u>	<u>178,363</u>	<u>539,774</u>	<u>1,786,879</u>
Noncurrent liabilities:				
Unamortized premium on general obligation bonds	10,314	–	11,697	22,011
Net pension liability	484,641	226,165	258,476	969,282
Long-term portion of compensated absences payable	38,536	13,920	19,383	71,839
Long-term portion of general obligation bonds payable	2,960,478	208,602	3,469,664	6,638,744
Long-term portion of revenue bonds payable	<u>–</u>	<u>–</u>	<u>1,110,000</u>	<u>1,110,000</u>
Total noncurrent liabilities	<u>3,493,969</u>	<u>448,687</u>	<u>4,869,220</u>	<u>8,811,876</u>
Total liabilities	<u>4,562,711</u>	<u>627,050</u>	<u>5,408,994</u>	<u>10,598,755</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows of resources related to pensions	<u>39,358</u>	<u>18,367</u>	<u>20,991</u>	<u>78,716</u>
<u>NET POSITION</u>				
Net position:				
Net investment in capital assets	1,059,615	12,198,160	17,220,227	30,478,002
Restricted for debt service	–	–	133,838	133,838
Unrestricted	<u>2,524,186</u>	<u>767,206</u>	<u>1,487,209</u>	<u>4,778,601</u>
Total net position	<u>\$ 3,583,801</u>	<u>\$ 12,965,366</u>	<u>\$ 18,841,274</u>	<u>\$ 35,390,441</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, 2015

	Business-Type Activities – Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
Operating revenues:				
Charges for services	\$ 4,366,367	\$ 1,076,794	\$ 1,724,740	\$ 7,167,901
Miscellaneous	69,586	11,242	13,684	94,512
Rents and royalties	<u>5,850</u>	<u>7,986</u>	<u>–</u>	<u>13,836</u>
Total operating revenues	<u>4,441,803</u>	<u>1,096,022</u>	<u>1,738,424</u>	<u>7,276,249</u>
Operating expenses:				
Production	3,340,010	–	–	3,340,010
Treatment	–	990,699	635,455	1,626,154
Distribution and maintenance	825,386	–	–	825,386
Collection	–	–	230,221	230,221
Depreciation	<u>448,678</u>	<u>297,424</u>	<u>559,127</u>	<u>1,305,229</u>
Total operating expenses	<u>4,614,074</u>	<u>1,288,123</u>	<u>1,424,803</u>	<u>7,327,000</u>
Operating income (loss)	<u>(172,271)</u>	<u>(192,101)</u>	<u>313,621</u>	<u>(50,751)</u>
Nonoperating revenues (expense):				
Interest income	4,203	2,449	3,181	9,833
Interest expense	(95,719)	(3,034)	(135,250)	(234,003)
Accretion of premium on general obligation bonds	1,555	–	1,764	3,319
Bond issuance costs	(24,356)	–	(27,720)	(52,076)
Amortization of deferred refunding costs	<u>(4,090)</u>	<u>–</u>	<u>(6,192)</u>	<u>(10,282)</u>
Total nonoperating revenue (expense)	<u>(118,407)</u>	<u>(585)</u>	<u>(164,217)</u>	<u>(283,209)</u>
Income (loss) before contributions	(290,678)	(192,686)	149,404	(333,960)
Contributed capital	<u>–</u>	<u>8,318,410</u>	<u>–</u>	<u>8,318,410</u>
Change in net position	<u>(290,678)</u>	<u>8,125,724</u>	<u>149,404</u>	<u>7,984,450</u>
Net position, beginning of year:				
As previously reported	4,299,192	5,037,841	18,918,385	28,255,418
Restatement for net pension liability	<u>(424,713)</u>	<u>(198,199)</u>	<u>(226,515)</u>	<u>(849,427)</u>
As restated	<u>3,874,479</u>	<u>4,839,642</u>	<u>18,691,870</u>	<u>27,405,991</u>
Net position, end of year	<u>\$ 3,583,801</u>	<u>\$12,965,366</u>	<u>\$18,841,274</u>	<u>\$ 35,390,441</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, 2015

	Business-Type Activities – Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Cash flows from operating activities:				
Cash received from customers	\$ 4,439,308	\$1,088,588	\$ 1,706,239	\$ 7,234,135
Cash payments for materials and services	(2,836,942)	(573,575)	(428,029)	(3,838,546)
Cash payments to employees for services	(844,084)	(417,621)	(466,935)	(1,728,640)
Other cash receipts	<u>75,436</u>	<u>19,228</u>	<u>13,684</u>	<u>108,348</u>
Net cash provided by operating activities	<u>833,718</u>	<u>116,620</u>	<u>824,959</u>	<u>1,775,297</u>
Cash flows from capital and related financing activities:				
Principal paid on revenue bonds	(1,483,119)	–	(1,766,881)	(3,250,000)
Principal paid on general obligation bonds	(243,975)	(41,573)	(299,080)	(584,628)
Interest paid on debt	(126,759)	(6,628)	(192,670)	(326,057)
Proceeds from sale of refunding general obligation bonds	1,425,211	–	1,616,212	3,041,423
Bond issuance costs	(24,356)	–	(27,620)	(51,976)
Premium on sale of general obligation bonds	11,869	–	13,459	25,328
Acquisition and construction of capital assets	<u>(17,607)</u>	<u>(12,513)</u>	<u>(67,203)</u>	<u>(97,323)</u>
Net cash provided (used) by capital and related financing activities	<u>(458,736)</u>	<u>(60,714)</u>	<u>(723,783)</u>	<u>(1,243,233)</u>
Cash flows from investing activities:				
Interest received	<u>4,203</u>	<u>2,449</u>	<u>3,181</u>	<u>9,833</u>
Net increase in cash and cash equivalents	379,185	58,355	104,357	541,897
Cash and cash equivalents, beginning 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, end of year	<u>\$ 3,148,859</u>	<u>\$ 962,107</u>	<u>\$ 1,672,048</u>	<u>\$ 5,783,014</u>
Cash and cash equivalents	\$ 3,006,861	\$ 906,620	\$ 242,650	\$ 4,156,131
Restricted cash and cash equivalents included in restricted cash and investments	<u>141,998</u>	<u>55,487</u>	<u>1,429,398</u>	<u>1,626,883</u>
Cash and cash equivalents, end of year	<u>\$ 3,148,859</u>	<u>\$ 962,107</u>	<u>\$ 1,672,048</u>	<u>\$ 5,783,014</u>

CITY OF MULVANE, KANSAS

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

Year ended December 31, 2015

	<u>Business-Type Activities – Enterprise Funds</u>			<u>Total Enterprise Funds</u>
	<u>Electric System</u>	<u>Water System</u>	<u>Sewer System</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (172,271)	\$ (192,101)	\$ 313,622	\$ (50,750)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	448,678	297,424	559,127	1,305,229
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	66,727	9,248	(18,601)	57,374
Decrease (increase) in prepaid expenses	(363)	(2,169)	197	(2,335)
Increase (decrease) in salaries and wages payable	4,508	2,295	2,133	8,936
Increase in accounts payable	492,063	16,486	(8,826)	499,723
Increase (decrease) in compensated absences payable	(11,839)	(17,109)	(22,693)	(51,641)
Increase (decrease) in customer deposits payable	<u>6,215</u>	<u>2,546</u>	<u>–</u>	<u>8,761</u>
Net cash provided by (used for) operating activities	<u>\$ 833,718</u>	<u>\$ 116,620</u>	<u>\$ 824,959</u>	<u>\$ 1,775,297</u>

Noncash capital and related financing activities:

The Water System Fund received noncash contributions of assets from the municipality for facility improvements during 2015 in the amount of \$8,318,410.

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, 2015

	<u>Agency Funds</u>
Assets:	
Cash including investments	\$ 44,112
Due from employees	<u>12,818</u>
	<u>\$ 56,930</u>
Liabilities:	
Accounts payable	50,526
Due to other funds	<u>6,404</u>
	<u>56,930</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, 2015

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.

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As of January 1, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report costs and obligations associated with pensions in their financial statements. Employers are required to recognize pension amounts for all benefits provided through the Kansas Public Employees' Retirement System of the State of Kansas (KPERS), which includes the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 6 and the additional disclosures required by these standards are included in Note 14.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities of the current period. For this purpose, the City considers property tax revenues to be available in the period for which levied and other revenues if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The City reports the following major governmental funds:

General Fund – The General Fund is 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.

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 became effective October 1, 2014 and will expire on the 30th 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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)

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:

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 Funds include the cost of

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 cash flows investments 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Special assessments receivable

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs, sidewalks, and similar items), are reported in the applicable governmental 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

be paid for any accumulated sick leave up to the maximum at the rate of 50% of the normal rate of pay for the employee. The liabilities are based on current salary costs and the vested portion of accumulated benefits. The liability for accrued compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee termination or retirement.

Accrued liabilities and long-term debt

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

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

Deferred amounts on 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 as 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2015, there were no outstanding or accrued liabilities. Changes in the reported liability since December 31, 2013 is as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim Payments	End of Year <u>Liability</u>
2014	\$1,579	\$69,753	\$53,565	\$17,767
2015	17,767	93,054	110,821	-

At December 31, 2015, General Fund cash and short-term investments of \$138,559 were held for purposes of funding the City's future claims liabilities, including \$-0- at year-end. As a result, \$138,559 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. Items identified as deferred outflows of resources include unamortized deferred costs on bond refundings and deferred outflows of resources related to pensions. Deferred inflows of resources include property taxes receivable 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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:

- 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 in which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 Capital Improvement Reserve, Municipal Equipment Reserve, Water Treatment Plan Improvements, Water Tower Project, Cedar Brook 5th Addition Water Improvements, Cedar Brook 5th Addition Sewer Improvements, Cedar Brook 5th Addition Street 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 2015, the governing body amended the following funds:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
Library	\$ 318,264	\$ 324,563
JOB Grant	–	25,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
Debt Service	\$ 2,986,336	\$ 5,807,421
Electric System	6,819,284	8,361,976
Sewer System	2,242,061	3,973,931

Kansas statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management has the authority to revise line items within a department however, changes to total appropriations at the department level must be approved by the City Council.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, encumbrances of the budgeted governmental fund types, representing purchase orders, contracts and other commitments, are reported as a charge to the current year budget. All unencumbered appropriations lapse at the end of the year. In addition, revenues for sales taxes, 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.

2. DEPOSITS AND INVESTMENTS (continued)

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, 2015, is as follows:

Carson Bank	89%
Emprise Bank	11%

Custodial credit risk – deposits

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

At year-end, the carrying amount of the City's deposits was \$15,527,014, with the bank balances of such accounts being \$15,770,681. Of the bank balances, \$662,391 was covered by federal depository insurance and the remaining balance of \$15,108,290 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 \$20,152,967 at December 31, 2015.

The remaining carrying amount of the City's cash and investments at December 31, 2015 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, 2015 consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$238,218 with the bank balances of such accounts being \$238,227. The bank balances were entirely secured by FDIC insurance at December 31, 2015.

The Mulvane Housing Authority's cash and investments at December 31, 2015 consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$37,202 with the bank balances of such accounts being \$37,320. The bank balances were entirely secured by FDIC insurance at December 31, 2015.

3. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

3. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 465,014	\$ -	\$ -	\$ 465,014
Construction work in progress	<u>8,256,743</u>	<u>1,722,812</u>	<u>8,318,450</u>	<u>1,661,105</u>
	<u>8,721,757</u>	<u>1,722,812</u>	<u>8,318,450</u>	<u>2,126,119</u>
Capital assets being depreciated:				
Buildings	4,342,626	38,995	-	4,381,621
Improvements other than buildings	3,785,323	19,704	-	3,805,027
Infrastructure	35,478,579	172,916	-	35,651,495
Machinery and equipment	<u>4,938,726</u>	<u>416,362</u>	<u>122,000</u>	<u>5,233,088</u>
Total capital assets being depreciated	<u>48,545,254</u>	<u>647,977</u>	<u>122,000</u>	<u>49,071,231</u>
Less accumulated depreciation for:				
Buildings	1,066,625	109,014	-	1,175,639
Improvements other than buildings	811,662	94,234	-	905,896
Infrastructure	17,118,279	864,025	-	17,982,304
Machinery and equipment	<u>3,461,636</u>	<u>354,641</u>	<u>122,000</u>	<u>3,694,277</u>
Total accumu- lated depreciation	<u>22,458,202</u>	<u>1,421,914</u>	<u>122,000</u>	<u>23,758,116</u>

3. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Total capital assets being depreciated, net	\$ 26,087,052	\$ (773,937)	\$ —	\$ 25,313,115
Governmental activities capital assets, net	<u>\$ 34,808,809</u>	<u>\$ 948,875</u>	<u>\$ 8,318,450</u>	<u>\$ 27,439,234</u>
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 758,117	\$ 109,125	\$ —	\$ 867,242
Capital assets being depreciated:				
Utility plant	27,011,562	8,209,285	—	35,220,847
Improvements other than buildings	16,186,890	—	—	16,186,890
Machinery and equipment	<u>2,211,230</u>	<u>97,323</u>	<u>—</u>	<u>2,308,553</u>
Total capital assets being depreciated	<u>45,409,682</u>	<u>8,306,608</u>	<u>—</u>	<u>53,716,290</u>
Less accumulated depreciation for:				
Utility plant	6,753,353	788,221	—	7,541,574
Improvements other than buildings	5,975,581	411,583	—	6,387,164
Machinery and equipment	<u>1,570,444</u>	<u>105,425</u>	<u>—</u>	<u>1,675,869</u>
Total accumu- lated depreciation	<u>14,299,378</u>	<u>1,305,229</u>	<u>—</u>	<u>15,604,607</u>

3. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Total capital assets being depreciated, net	\$ 31,110,304	\$ 7,001,379	\$ —	\$ 38,111,683
Business-type activities capital assets, net	\$ 31,868,421	\$ 7,110,504	\$ —	\$ 38,978,925

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

Governmental activities:		
General government		\$ 66,750
Public safety		293,450
Highways and streets (including depreciation of infrastructure assets)		946,688
Culture and recreation		<u>115,026</u>
Total depreciation expense – governmental activities		<u>\$ 1,421,914</u>
Business-type activities:		
Electric System		\$ 448,678
Water System		297,424
Sewer System		<u>559,127</u>
Total depreciation expense – business-type activities		<u>\$ 1,305,229</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, 2015:

	Outstanding January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2015</u>	Due Within <u>One Year</u>
<u>Governmental activities</u>					
General obligation bonds	\$30,510,047	\$ 2,543,577	\$4,342,373	\$ 28,711,251	\$2,196,997

4. LONG-TERM DEBT (continued)

	Outstanding January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2015</u>	Due Within <u>One Year</u>
Mulvane Public Building Commission Revenue bonds	\$ 4,975,000	\$ -	\$ 490,000	\$ 4,485,000	\$ 495,000
Net pension liability	2,008,323	461,413	208,076	2,261,660	-
Premium on issuance of general obligation bonds	85,599	21,181	13,641	93,139	12,620
Premium on issuance of Mulvane Public Building Commission revenue bonds	63,262	-	11,187	52,075	10,149
Compensated absences	<u>310,217</u>	<u>255,058</u>	<u>268,084</u>	<u>297,191</u>	<u>202,090</u>
Total long-term liabilities – Governmental activities	<u>\$37,952,448</u>	<u>\$ 3,281,229</u>	<u>\$ 5,333,361</u>	<u>\$ 35,900,316</u>	<u>\$2,916,856</u>
<u>Business-type activities</u>					
Revenue bonds	\$ 4,450,000	\$ -	\$ 3,250,000	\$ 1,200,000	\$ 90,000
General obligation bonds	4,896,953	3,041,423	584,628	7,353,748	715,004
Premium on issuance of general obligation bonds	-	25,330	3,319	22,011	-
Net pension liability	849,427	209,032	89,177	969,282	-
Compensated absences	<u>276,138</u>	<u>192,670</u>	<u>244,311</u>	<u>224,497</u>	<u>152,658</u>
Total long-term liabilities – Business-Type activities	<u>\$10,472,518</u>	<u>\$ 3,468,455</u>	<u>\$ 4,171,435</u>	<u>\$ 9,769,538</u>	<u>\$ 957,662</u>

General obligation bonds

General obligation bonds payable are serial and term bonds to be retired through calendar year 2034. At December 31, 2015 the bonds consist of the following:

	<u>Interest rates</u>	<u>Bonds outstanding</u>
General Obligation Internal Improvement Bonds, Series B, 2003	2.00 – 5.00	\$ 10,000
General Obligation Internal Improvement Bonds, Series B, 2006	4.45 – 5.50	205,000
General Obligation Refunding Bonds, Series A, 2010	2.00 – 3.00	230,000
General Obligation Refunding and Improvement Bonds, Series B, 2010	1.00 – 3.60	480,000

4. LONG-TERM DEBT (continued)

General Obligation Refunding Bonds, Series A, 2011	1.00 – 3.35	\$ 3,600,000
General Obligation Bonds, Series A, 2011	2.00 – 3.50	11,920,000
General Obligation Refunding and Improvement Bonds, Series B, 2012	1.00 – 2.75	4,190,000
General Obligation Bonds, Series A, 2013	2.00 – 4.00	8,105,000
General Obligation Refunding and Improvement Bonds, Series A, 2014	2.00 – 3.50	1,740,000
General Obligation Refunding and Improvement Bonds, Series A, 2015	2.00 – 2.50	<u>5,585,000</u>
Total general obligation bonds outstanding		36,065,000
Less debt service from enterprise funds		<u>(7,353,749)</u>
Total general obligation bonds payable from debt service fund		<u>\$ 28,711,251</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>
2016	\$ 2,196,997	\$ 777,793	\$ 2,974,790
2017	2,170,228	745,927	2,916,155
2018	2,078,383	699,275	2,777,658
2019	2,047,293	658,892	2,706,185
2020	1,858,906	613,356	2,472,262
2021	1,800,738	565,318	2,366,056
2022	1,845,291	518,611	2,363,902
2023	2,146,701	467,395	2,614,096
2024	2,205,808	405,501	2,611,309
2025	2,276,532	344,139	2,620,671
2026	2,166,250	278,082	2,444,332
2027	1,909,531	210,374	2,119,905
2028	814,531	146,101	960,632
2029	499,531	120,067	619,598
2030	519,531	102,584	622,115
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>\$ 28,711,251</u>	<u>\$ 6,871,690</u>	<u>\$ 35,582,941</u>

4. LONG-TERM DEBT (continued)

General obligation bonds payable from enterprise funds

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

Year	Electric Utility			Water Utility		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 299,178	\$ 71,683	\$ 370,861	\$ 49,738	\$ 5,820	\$ 55,558
2017	299,474	73,681	373,155	50,480	4,825	55,305
2018	340,103	67,351	407,454	51,222	3,816	55,038
2019	338,869	59,377	398,246	34,148	2,791	36,939
2020	333,622	50,688	384,310	5,939	2,108	8,047
2021	344,479	41,432	385,911	5,939	1,990	7,929
2022	356,403	31,506	387,909	5,939	1,871	7,810
2023	243,278	20,836	264,114	5,939	1,752	7,691
2024	248,382	15,962	264,344	5,939	1,618	7,557
2025	261,566	10,960	272,526	6,681	1,440	8,121
2026	177,350	5,046	182,396	6,681	1,240	7,921
2027	4,238	593	4,831	7,424	1,039	8,463
2028	4,238	445	4,683	7,424	779	8,203
2029	4,238	297	4,535	7,424	520	7,944
2030	4,238	148	4,386	7,423	260	7,683
	<u>\$ 3,259,656</u>	<u>\$ 450,005</u>	<u>\$ 3,709,661</u>	<u>\$ 258,340</u>	<u>\$ 31,869</u>	<u>\$ 290,209</u>

Year	Sewer Utility			Total Utilities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 366,088	\$ 84,427	\$ 450,515	\$ 715,004	\$ 161,930	\$ 876,934
2017	366,818	86,156	452,974	716,772	164,662	881,434
2018	413,292	78,434	491,726	804,617	149,601	954,218
2019	402,689	68,839	471,528	775,706	131,007	906,713
2020	381,533	58,617	440,150	721,094	111,413	832,507
2021	393,845	48,057	441,902	744,263	91,479	835,742
2022	407,367	36,737	444,104	769,709	70,114	839,823
2023	279,082	24,572	303,654	528,299	47,160	575,459
2024	284,870	18,973	303,843	539,191	36,553	575,744
2025	300,221	13,205	313,426	568,468	25,605	594,073
2026	204,719	6,391	211,110	388,750	12,677	401,427
2027	8,807	1,233	10,040	20,469	2,865	23,334
2028	8,807	925	9,732	20,469	2,149	22,618
2029	8,807	617	9,424	20,469	1,434	21,903
2030	8,807	308	9,115	20,468	716	21,184
	<u>\$3,835,752</u>	<u>\$ 527,491</u>	<u>\$4,363,243</u>	<u>\$ 7,353,748</u>	<u>\$1,009,365</u>	<u>\$ 8,363,113</u>

4. LONG-TERM DEBT (continued)

Revenue bonds

Outstanding revenue bonds, secured by revenues derived from the operations of the Electric, Water and Sewer Utility funds, consist of \$1,200,000 of outstanding Series 2010, 1.25% – 4.00%, Electric, Waterworks and Sewer Utility System Refunding Revenue Bonds. Annual debt service requirements for the outstanding revenue bonds to be paid from the Sewer Utility Fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 85,000	\$ 43,438	\$ 128,438
2017	90,000	41,312	131,312
2018	95,000	38,838	133,838
2019	95,000	35,987	130,987
2020	100,000	32,900	132,900
2021	100,000	29,400	129,400
2022	105,000	25,400	130,400
2023	100,000	21,200	121,200
2024	110,000	17,200	127,200
2025	115,000	12,800	127,800
2026	100,000	8,200	108,200
2027	<u>105,000</u>	<u>4,200</u>	<u>109,200</u>
	<u>\$ 1,200,000</u>	<u>\$ 310,875</u>	<u>\$ 1,510,875</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 \$133,838, 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, 2015, 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, 2015 the bonds outstanding consist of the following:

	<u>Interest rates</u>	<u>Bonds outstanding</u>
Mulvane Public Building Commission Refunding Revenue Bonds, Series 2009 (Fire/EMS Facility)	1.25 – 4.00	\$ 675,000
Mulvane Public Building Commission Revenue Bonds, Series A 2014 (Public Library)	2.00 – 2.125	<u>3,810,000</u>
		<u>\$ 4,485,000</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>
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>\$ 675,000</u>	<u>\$ 89,610</u>	<u>\$ 764,610</u>	<u>\$ 3,810,000</u>	<u>\$ 396,175</u>	<u>\$ 4,206,175</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, 2015:

	Outstanding January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2015</u>
Villa Maria, Inc. Health Care Facility Refunding Revenue Bonds, Bonds, Series 2004	\$ 2,320,000	\$ -	\$ 250,000	\$ 2,070,000

Compensated absences

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

5. CAPITAL PROJECT FUND AUTHORIZATIONS

At December 31, 2015, 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 authorizations</u>	<u>Expenditures project inception to December 31, 2015</u>
Water Treatment Plant Improvements	\$ 7,000,000	\$ 6,095,656
Water Tower	3,139,000	2,284,941
Cedar Brook 5 th Addition Water Improvements	109,980	159
Cedar Brook 5 th Addition Sewer Improvements	107,000	159

5. CAPITAL PROJECT FUND AUTHORIZATIONS (continued)

<u>Project</u>	<u>Project authorizations</u>	<u>Expenditures project inception to December 31, 2015</u>
Cedar Brook 5 th Addition Street Improvements	\$ 328,530	\$ 159
Merlin's Glen Street Drainage Improvements	67,914	55,994
Mulvane Public Building Commission Library Project	4,200,000	3,828,731

6. PENSION PLAN

Plan description

The City participates in the Kansas Public Employees Retirement System, a cost sharing multiple employer defined benefit pension plan. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74-4901 *et. seq.*:

Public employees, which includes:

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

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

Those employees participating in the Pension Plan for the City are included in the local employees group.

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, 611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803, by calling 1-888-275-5737 or via KPERS website at www.kpers.org.

Benefits provided

KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. Members with ten or

6. PENSION PLAN (continued)

more years of credited service may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with tens years of credited service, or whenever a member's combined age and years of credited service equal 85 "points".

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

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas. For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employees. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1% of total payroll for the fiscal year ended June 30, 2015.

The actuarially determined employer contribution rates and the statutory contribution rates for KPERS employees (not including the .85% contribution rate for the Death and Disability Program) are 9.48%. Member contribution rates as a percentage of eligible compensation for the fiscal year 2015 are 6% for KPERS employees.

Employer Allocations

Although KPERS administers one cost sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined

6. PENSION PLAN (continued)

contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each of the following groups of the plan:

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

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

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2015 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2015.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City's proportion was 0.246065%, which was an increase of 0.014126% from its proportion measured at June 30, 2014.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2015, the City reported a liability of \$3,230,942 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended December 31, 2015, the City recognized pension expense of \$491,793. At December 31, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 197,204	\$ -
Differences between expected and actual experience	-	91,461
Net difference between projected and actual earnings on pension plan investments	-	125,770

6. PENSION PLAN (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ —	\$ 45,156
Changes in proportion	<u>464,707</u>	<u>—</u>
Total	<u>\$ 661,911</u>	<u>\$ 262,387</u>

The City reported \$197,204 as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ 21,749
2017	21,749
2018	21,749
2019	145,770
2020	16,136
Thereafter	—

Actuarial assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	– 3.0 percent
Wage inflation	– 4.0 percent
Salary increases	– 4.00 percent to 16.00 percent, including inflation
Investment rate of return	– 8.00 percent, net of investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2012.

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

6. PENSION PLAN (continued)

of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major assets class included in the pension plan's target asset allocations as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>	
	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	47.00%	6.30%
Fixed Income	13.00	0.80
Yield Driven	8.00	4.20
Real Return	11.00	1.70
Real Estate	11.00	5.40
Alternatives	8.00	9.40
Short-Term Investments	<u>2.00</u>	(0.50)
Total	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability of the Pension Plan as of June 30, 2015 calculated using the discount rate of 8.00%, as well as what the Pension Plan's net

6. PENSION PLAN (continued)

pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>June 30, 2015</u>		
	1.00% Decrease <u>(7.00%)</u>	Current Discount Rate <u>(8.00%)</u>	1.00% Increase <u>(9.00%)</u>
Net pension liability	\$4,586,494	\$3,230,942	\$2,081,701

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

7. BUDGETARY DATA

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

	<u>General Fund</u>	<u>Employee Benefits Fund</u>	<u>Debt Service Fund</u>	<u>Other Nonmajor Govern- mental Funds</u>
GAAP Fund Balance at December 31, 2015	\$ 3,782,514	\$ 1,308,689	\$ 147,359	\$ 2,180,993
Adjustments:				
Reserved for self-insurance	(138,559)	-	-	-
Accrued sales tax revenues	(60,474)	-	-	-
Accrued franchise fee revenues	(34,274)	-	-	-
Accrued gaming facility revenues	(154,887)	-	-	-
Other receivables	-	-	-	(15,989)
Accrued unbilled receivables	-	-	-	(2,613)
Reserved for encumbrances -- budgeted funds	(93,258)	-	-	-
Fund balances of nonbudgeted special revenue funds	-	-	-	(665,469)
Budgetary Fund Balance at December 31, 2015	<u>\$ 3,301,062</u>	<u>\$ 1,308,689</u>	<u>\$ 147,359</u>	<u>\$ 1,496,922</u>

8. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables (due to/ from other funds) at December 31, 2015 were as follows:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General	\$ 6,404	\$ -
Capital Improvement Reserve	477	-
Cedar Brook 5 th Addition Water Improvements	-	159
Cedar Brook 5 th Addition Sewer Improvements	-	159
Cedar Brook 5 th Addition Street Improvements	-	159
Payroll Clearing	<u>-</u>	<u>6,404</u>
	<u>\$ 6,881</u>	<u>\$ 6,881</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.

9. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2015 is as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major Funds:		
General	\$ -	\$ 174,507
Debt Service	<u>8,380</u>	<u>-</u>
	<u>8,380</u>	<u>174,507</u>
Nonmajor Funds:		
Senior Citizen	25,000	-
Swimming Pool	116,000	-
Municipal Equipment Reserve	33,507	-
Water Tower Project	<u>-</u>	<u>8,380</u>
	<u>174,507</u>	<u>8,380</u>
	<u>\$ 182,887</u>	<u>\$ 182,887</u>

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. Transfers from the General Fund (\$33,507) to the Municipal

9. INTERFUND TRANSFERS (continued)

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 (\$116,000) and also to the Senior Citizens Fund (\$25,000) to support operations.

The non-routine transfer from the Water Tower Fund of \$8,380 to the Debt Service Fund was the result of excess resources after completion of the project that is available for debt service.

10. FUND DEFICITS

At December 31, 2015, the Cedar Brook 5th Addition Water Improvements, Cedar Brook 5th Addition Sewer Improvements and the Cedar Brook 5th Addition Street Improvements Funds had incurred fund deficits in the amount of \$159, \$159 and \$159, respectively. These fund deficits will be financed through the sale of bonds authorized by the City Council, not yet sold at December 31, 2015, or through other revenue sources available to the City.

11. 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. Management believes the effect on the City's financial statements is not significant.

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.

12. CURRENT AND ADVANCE REFUNDING

On November 30, 2015, the City entered into a current and advanced refunding transaction whereby it issued \$5,585,000 of General Obligation Refunding and Improvement Bonds, Series A, 2015, with interest rates from 2.00% to 2.50% of which \$3,041,423 of bond proceeds and \$316,500 of revenue bond reserve cash was utilized to currently refund \$3,165,000 of outstanding Electric, Waterworks and Sewer Utility System Refunding and Improvement Revenue Bonds, Series 2005 with interest rates from 3.00% to 4.60%. In addition, \$2,488,830 of the Series A 2015 bonds proceeds were utilized to currently refund \$130,000 of General Obligation Internal Improvement Bonds, Series A, 2007 bonds with interest rates from 3.90% to 4.50%. Further, the Series A, 2015 bond proceeds were

12. CURRENT AND ADVANCE REFUNDING (continued)

utilized to advance refund \$31,000 of General Obligation Internal Improvement Bonds Series A, 2006 with interest rates from 4.25% to 4.50% and \$2,260,000 of General Obligation Bonds, Series B, 2006 with interest rates from 4.45% to 5.50%. Proceeds from the Series A 2015 Bonds in the amount of \$2,468,941 were placed with the City's escrow agent in an irrevocable trust account to provide for the principal amount and interest to the call date of September 1, 2016 for the Series A 2006 bonds and to the call date of September 1, 2017 for the Series B 2006 bonds. The Series 2005 revenue bonds outstanding and the Series A 2006 general obligation bonds were called for redemption on December 1, 2015.

The City entered into the refunding transaction for the Series A, 2015 General Obligation Refunding and Improvement Bonds to reduce its total debt service payments over the next 11 years by \$1,167,153 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$838,445.

13. 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 City receives 1% of the gaming revenues, which is the total cash revenue remaining from gaming play after all related prizes have been paid.

The facility was 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 completed during 2014 and 2015. 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

13. COMMITMENTS AND CONTINGENCIES (continued)

recommendations concerning the modifications and necessary additions to the current 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.

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, 2015, the Mulvane Public Building Commission had outstanding commitments related to the construction of the new library facility in the amount of \$2,168,104.

14. RESTATEMENT

On January 1, 2015, the City changed its method of accounting to adopt Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the costs and obligation associated with pensions in their financial statements, including additional note disclosures and requirement supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net position at December 31, 2015, as previously reported	\$28,102,578	\$28,255,418
Prior period adjustment for:		
Net pension liability at June 30, 2014	(1,998,315)	(856,420)

14. RESTATEMENT (continued)

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Deferred outflows of resources and deferred inflows of resources related to the net pension liability at the measurement date (June 30, 2014)	\$ (10,008)	\$ 6,993
Net position, December 31, 2015, as restated	<u>\$26,094,255</u>	<u>\$27,405,991</u>

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 21, 2016, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MULVANE, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION
KPERS PENSION PLAN

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's proportionate percentage of the net pension liability	.246065%	.231939%	.200285%
City's proportionate share of the net pension liability	\$ 3,230,942	\$ 2,854,735	\$ 3,048,500
City's covered employee payroll	\$ 3,969,325	\$ 3,612,771	\$ 3,104,773
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	81.40%	79.02%	98.19%
Plan fiduciary net position as a percentage of the total pension liability	71.98%	72.56%	64.56%

**Schedule of City's Contributions
Last Three Years ***

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 430,043	\$ 392,087	\$ 301,708
Contributions in relation to the contractually required contribution	<u>(430,043)</u>	<u>(392,087)</u>	<u>(301,708)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered employee payroll	\$ 4,536,319	\$ 4,435,373	\$ 3,799,849
Contributions as a percentage of covered employee payroll	9.48%	8.84%	7.94%

* – Data became available with the inception of GASB Statement No. 68 during fiscal year 2015, therefore 10 years of data is unavailable.

**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.

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.

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.

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.

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.

Water Treatment Plant Improvements – 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.

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

Cedar Brook 5th 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 5th 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 5th 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.

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, 2015

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<u>ASSETS</u>			
Cash including short-term investments	\$ 1,370,673	\$ 665,494	\$ 2,036,167
Property tax receivable	284,335	418,526	702,861
Accounts receivable	94,498	-	94,498
Sales tax receivable	60,427	-	60,427
Due from other funds	<u>-</u>	<u>477</u>	<u>477</u>
 Total	 <u>\$ 1,809,933</u>	 <u>\$ 1,084,497</u>	 <u>\$ 2,894,430</u>
 <u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 4,895	\$ 25	\$ 4,920
Accrued payroll and accrued liabilities	5,179	-	5,179
Due to other funds	<u>-</u>	<u>477</u>	<u>477</u>
 Total liabilities	 <u>10,074</u>	 <u>502</u>	 <u>10,576</u>
Deferred inflows of resources:			
Property taxes receivable	<u>284,335</u>	<u>418,526</u>	<u>702,861</u>
Fund Balances:			
Restricted:			
Recreation	528,310	-	528,310
Health and welfare	81,665	-	81,665
Economic development	488,678	-	488,678
Street improvements	37,791	-	37,791
Capital improvements	-	379,287	379,287
Committed:			
Street improvements	306,441	-	306,441
Parks and recreation	68,437	-	68,437
Assigned:			
Culture and recreation	4,202	-	4,202
Capital outlay	-	286,659	286,659
Unassigned	<u>-</u>	<u>(477)</u>	<u>(477)</u>
 Total fund balances	 <u>1,515,524</u>	 <u>665,469</u>	 <u>2,180,993</u>
 Total liabilities, deferred inflows and fund balances	 <u>\$ 1,809,933</u>	 <u>\$ 1,084,497</u>	 <u>\$ 2,894,430</u>

CITY OF MULVANE, KANSAS

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

Year ended December 31, 2015

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Revenues:			
Taxes	\$ 1,466,530	\$ 138,592	\$ 1,605,122
Special assessment taxes	-	7,856	7,856
Intergovernmental	246,594	-	246,594
Licenses, fees and permits	17,000	-	17,000
Charges for services	90,131	-	90,131
Use of money and property	<u>609,979</u>	<u>628</u>	<u>610,607</u>
 Total revenues	 <u>2,430,234</u>	 <u>147,076</u>	 <u>2,577,310</u>
Expenditures:			
Current:			
Highways and streets	295,213	-	295,213
Culture and recreation	1,060,636	-	1,060,636
Health and welfare	39,130	-	39,130
Economic development	266,929	-	266,929
Capital improvements	-	571,496	571,496
Debt service:			
Principal	490,000	-	490,000
Interest and fiscal charges	<u>118,328</u>	<u>-</u>	<u>118,328</u>
 Total expenditures	 <u>2,270,236</u>	 <u>571,496</u>	 <u>2,841,732</u>
 Expenditures over revenues	 <u>159,998</u>	 <u>(424,420)</u>	 <u>(264,422)</u>
Other financing sources (uses):			
General obligation bonds issued	-	54,746	54,746
Premium on general obligation bonds issued	-	456	456
Transfers in	141,000	33,507	174,507
Transfers out	<u>-</u>	<u>(8,380)</u>	<u>(8,380)</u>
 Total other financing sources (uses)	 <u>141,000</u>	 <u>80,329</u>	 <u>221,329</u>
 Net change in fund balances	 300,998	 (344,091)	 (43,093)
Fund balances, beginning of year	<u>1,214,526</u>	<u>1,009,560</u>	<u>2,224,086</u>
 Fund balances, end of year	 <u>\$ 1,515,524</u>	 <u>\$ 665,469</u>	 <u>\$ 2,180,993</u>

CITY OF MULVANE, KANSAS

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

December 31, 2015

	<u>Library</u>	<u>Industrial Develop- ment</u>	<u>Senior Citizens</u>	<u>Special Highway</u>	<u>Special Park and Recreation</u>	<u>Trans- portation Impact Fee</u>	<u>Storm Sewer</u>	<u>Park Impact Fee</u>
ASSETS								
Cash and short-term investments	\$ 12,543	\$ 181,577	\$ 5,241	\$ 42,627	\$ 186,181	\$ 42,274	\$ 258,775	\$ 63,724
Accounts receivable	-	-	-	-	-	-	5,392	-
Property taxes receivable	277,536	6,799	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 290,079</u>	<u>\$ 188,376</u>	<u>\$ 5,241</u>	<u>\$ 42,627</u>	<u>\$ 186,181</u>	<u>\$ 42,274</u>	<u>\$ 264,167</u>	<u>\$ 63,724</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 696	\$ -	\$ 4,199	\$ -	\$ -	\$ -
Accrued payroll and taxes	-	-	343	4,836	-	-	-	-
Total liabilities	-	-	<u>1,039</u>	<u>4,836</u>	<u>4,199</u>	-	-	-
Deferred inflows of resources:								
Property taxes receivable	<u>277,536</u>	<u>6,799</u>	-	-	-	-	-	-
Fund balances:								
Restricted:								
Recreation	12,543	-	-	-	181,982	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	181,577	-	-	-	-	-	-
Street improvements	-	-	-	37,791	-	-	-	-
Committed:								
Street improvements	-	-	-	-	-	42,274	264,167	-
Parks and recreation	-	-	-	-	-	-	-	63,724
Assigned:								
Culture and recreation	-	-	4,202	-	-	-	-	-
Total fund balances	<u>12,543</u>	<u>181,577</u>	<u>4,202</u>	<u>37,791</u>	<u>181,982</u>	<u>42,274</u>	<u>264,167</u>	<u>63,724</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 290,079</u>	<u>\$ 188,376</u>	<u>\$ 5,241</u>	<u>\$ 42,627</u>	<u>\$ 186,181</u>	<u>\$ 42,274</u>	<u>\$ 264,167</u>	<u>\$ 63,724</u>

CITY OF MULVANE, KANSAS

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

December 31, 2015

	Swimming Pool	Special Alcohol	Transient Guest Tax	Library Sales Tax	JOBS Grant	Mulvane Public Building Commission	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and short-term investments	\$ 4,713	\$ 81,665	\$ 217,995	\$273,358	\$ --	\$ --	\$ 1,370,673
Accounts receivable	-	-	89,106	-	-	-	94,498
Property taxes receivable	-	-	-	-	-	-	284,335
Sales tax receivable	-	-	-	60,427	-	-	60,427
Total assets	<u>\$ 4,713</u>	<u>\$ 81,665</u>	<u>\$ 307,101</u>	<u>\$333,785</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,809,933</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 4,895
Accrued payroll and taxes	-	-	-	-	-	-	5,179
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,074</u>
Deferred inflows of resources:							
Property taxes receivable	-	-	-	-	-	-	284,335
Fund balances:							
Restricted:							
Recreation	-	-	-	333,785	-	-	528,310
Health and welfare	-	81,665	-	-	-	-	81,665
Economic development	-	-	307,101	-	-	-	488,678
Street improvements	-	-	-	-	-	-	37,791
Committed:							
Street improvements	-	-	-	-	-	-	306,441
Parks and recreation	4,713	-	-	-	-	-	68,437
Assigned:							
Culture and recreation	-	-	-	-	-	-	4,202
Total fund balances	<u>4,713</u>	<u>81,665</u>	<u>307,101</u>	<u>333,785</u>	<u>-</u>	<u>-</u>	<u>1,515,524</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,713</u>	<u>\$ 81,665</u>	<u>\$ 307,101</u>	<u>\$333,785</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,809,933</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, 2015

	<u>Library</u>	<u>Industrial Develop- ment</u>	<u>Senior Citizens</u>	<u>Special Highway</u>	<u>Special Park and Recreation</u>	<u>Trans- portation Impact Fee</u>	<u>Storm Sewer</u>	<u>Park Impact Fee</u>
Revenues:								
Taxes	\$ 322,723	\$ 10,888	\$ -	\$ -	\$ 61,251	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	21,980	224,614	-	-	-	-
Licenses, fees and permits	-	-	-	-	-	11,900	-	5,100
Charges for services	-	-	4,066	-	-	-	31,841	-
Use of money and property	<u>667</u>	<u>26</u>	<u>-</u>	<u>111</u>	<u>60</u>	<u>-</u>	<u>120</u>	<u>-</u>
Total revenues	<u>323,390</u>	<u>10,914</u>	<u>26,046</u>	<u>224,725</u>	<u>61,311</u>	<u>11,900</u>	<u>31,961</u>	<u>5,100</u>
Expenditures:								
Current:								
Highway and streets	-	-	-	202,348	-	-	92,865	-
Culture and recreation	324,563	-	46,846	-	41,696	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>324,563</u>	<u>-</u>	<u>46,846</u>	<u>202,348</u>	<u>41,696</u>	<u>-</u>	<u>92,865</u>	<u>-</u>
Revenues over (under) expenditures	(1,173)	10,914	(20,800)	22,377	19,615	11,900	(60,904)	5,100
Other financing sources:								
Transfers in	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,173)	10,914	4,200	22,377	19,615	11,900	(60,904)	5,100
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 12,543</u>	<u>\$ 181,577</u>	<u>\$ 4,202</u>	<u>\$ 37,791</u>	<u>\$ 181,982</u>	<u>\$ 42,274</u>	<u>\$ 264,167</u>	<u>\$ 63,724</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, 2015

	Swimming Pool	Special Alcohol	Transient Guest Tax	Library Sales Tax	JOBS Grant	Mulvane Public Building Commission	Total Nonmajor Special Revenue Funds
Revenues:							
Taxes	\$ -	\$ 61,251	\$ 306,661	\$ 703,756	\$ -	\$ -	\$ 1,466,530
Intergovernmental revenues	-	-	-	-	-	-	246,594
Licenses, fees and permits	-	-	-	-	-	-	17,000
Charges for services	54,224	-	-	-	-	-	90,131
Use of money and property	-	171	496	-	-	608,328	609,979
Total revenues	<u>54,224</u>	<u>61,422</u>	<u>307,157</u>	<u>703,756</u>	<u>-</u>	<u>608,328</u>	<u>2,430,234</u>
Expenditures:							
Current:							
Highway and streets	-	-	-	-	-	-	295,213
Culture and recreation	165,673	-	-	481,858	-	-	1,060,636
Health and welfare	-	39,130	-	-	-	-	39,130
Economic development	-	-	241,929	-	25,000	-	266,929
Debt service:							
Principal	-	-	-	-	-	490,000	490,000
Interest and fiscal charges	-	-	-	-	-	118,328	118,328
Total expenditures	<u>165,673</u>	<u>39,130</u>	<u>241,929</u>	<u>481,858</u>	<u>25,000</u>	<u>608,328</u>	<u>2,270,236</u>
Revenues over (under) expenditures	(111,449)	22,292	65,228	221,898	(25,000)	-	159,998
Other financing sources:							
Transfers in	116,000	-	-	-	-	-	141,000
Net change in fund balance	4,551	22,292	65,228	221,898	(25,000)	-	300,998
Fund balances, beginning of year	162	59,373	241,873	111,887	25,000	-	1,214,526
Fund balances, end of year	<u>\$ 4,713</u>	<u>\$ 81,665</u>	<u>\$ 307,101</u>	<u>\$ 333,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,515,524</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 309,329	\$ 317,939	\$ 322,723	\$ 4,784
Use of money and property	<u> –</u>	<u> –</u>	<u> 667</u>	<u> 667</u>
Total revenues	<u>309,329</u>	<u>317,939</u>	<u>323,390</u>	<u>5,451</u>
Expenditures:				
Appropriations to Library Board	318,000	324,299	324,563	(264)
Other	<u> 264</u>	<u> 264</u>	<u> –</u>	<u> 264</u>
Total expenditures	<u>318,264</u>	<u>324,563</u>	<u>324,563</u>	<u> –</u>
Revenues over (under) expenditures	(8,935)	(6,624)	(1,173)	5,451
Fund balance, beginning of year	<u> 8,935</u>	<u> 16,624</u>	<u> 13,716</u>	<u> (2,908)</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ 10,000</u>	<u>\$ 12,543</u>	<u>\$ 2,543</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 10,394	\$ 10,394	\$ 10,888	\$ 494
Use of money and property	<u> –</u>	<u> –</u>	<u> 26</u>	<u> 26</u>
Total revenues	<u>10,394</u>	<u>10,394</u>	<u>10,914</u>	<u>520</u>
Expenditures:				
Industrial development	130,000	130,000	–	130,000
Other	<u> 9</u>	<u> 9</u>	<u> –</u>	<u> 9</u>
Total expenditures	<u>130,009</u>	<u>130,009</u>	<u> –</u>	<u>130,009</u>
Revenues over (under) expenditures	(119,615)	(119,615)	10,914	130,529
Fund balance, beginning of year	<u>119,615</u>	<u>119,615</u>	<u>170,663</u>	<u>51,048</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 181,577</u>	<u>\$ 181,577</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <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	4,066	66
Miscellaneous	500	500	–	(500)
Transfers in	<u>40,581</u>	<u>40,581</u>	<u>25,000</u>	<u>(15,581)</u>
Total revenues and other sources	66,681	66,681	51,046	(15,635)
Expenditures:				
Operating expenditures	<u>66,760</u>	<u>66,760</u>	<u>46,846</u>	<u>19,914</u>
Revenues and other sources over expenditures	(79)	(79)	4,200	4,279
Fund balance, beginning of year	<u>1,878</u>	<u>1,878</u>	<u>2</u>	<u>(1,876)</u>
Fund balance, end of year	<u>\$ 1,799</u>	<u>\$ 1,799</u>	<u>\$ 4,202</u>	<u>\$ 2,403</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 223,880	\$ 223,880	\$ 224,614	\$ 734
Use of money and property	<u>100</u>	<u>100</u>	<u>111</u>	<u>11</u>
Total revenues	223,980	223,980	224,725	745
Expenditures:				
Street operations	<u>233,467</u>	<u>233,467</u>	<u>202,348</u>	<u>31,119</u>
Revenues over expenditures	(9,487)	(9,487)	22,377	31,864
Fund balance, beginning of year	<u>9,487</u>	<u>9,487</u>	<u>15,414</u>	<u>5,927</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 37,791</u>	<u>\$ 37,791</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Liquor tax	\$ 54,318	\$ 54,318	\$ 61,251	\$ 6,933
Use of money and property	<u> –</u>	<u> –</u>	<u> 60</u>	<u> 60</u>
Total revenues	54,318	54,318	61,311	6,993
Expenditures:				
Capital outlay	<u>123,995</u>	<u>123,995</u>	<u>41,696</u>	<u>82,299</u>
Revenues over (under)				
expenditures	(69,677)	(69,677)	19,615	89,292
Fund balance,				
beginning of year	<u>69,677</u>	<u>69,677</u>	<u>162,367</u>	<u>92,690</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$181,982</u>	<u>\$181,982</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 2,000	\$ 2,000	\$11,900	\$ 9,900
Expenditures:				
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>—</u>	<u>2,000</u>
Revenues over (under) expenditures	—	—	11,900	11,900
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>30,374</u>	<u>30,374</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 42,274</u>	<u>\$ 42,274</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 29,000	\$ 29,000	\$ 31,879	\$ 2,879
Use of money and property	200	200	120	(80)
Miscellaneous	<u>–</u>	<u>–</u>	<u>5,643</u>	<u>5,643</u>
Total revenues	29,200	29,200	37,642	8,442
Expenditures:				
Capital Outlay	<u>122,738</u>	<u>122,738</u>	<u>18,490</u>	<u>104,248</u>
Revenues over (under) expenditures	(93,538)	(93,538)	19,152	112,690
Fund balance, beginning of year	<u>93,538</u>	<u>93,538</u>	<u>242,402</u>	<u>148,864</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$261,554</u>	<u>\$ 261,554</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees	\$ 1,000	\$ 1,000	\$ 5,100	\$ 4,100
Use of money and property	<u>50</u>	<u>50</u>	<u>–</u>	<u>(50)</u>
Total revenues	1,050	1,050	5,100	4,050
Expenditures:				
Capital outlay	<u>47,006</u>	<u>47,006</u>	<u>–</u>	<u>47,006</u>
Revenues over (under)				
expenditures	(45,956)	(45,956)	5,100	51,056
Fund balance,				
beginning of year	<u>45,956</u>	<u>45,956</u>	<u>58,624</u>	<u>12,668</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 63,724</u>	<u>\$ 63,724</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 65,700	\$ 65,700	\$ 54,224	\$ (11,476)
Transfers in	<u>144,571</u>	<u>144,571</u>	<u>116,000</u>	<u>(28,571)</u>
Total revenues	210,271	210,271	170,224	(40,047)
Expenditures:				
Swimming pool operations	<u>210,271</u>	<u>210,271</u>	<u>165,673</u>	<u>44,598</u>
Revenues over (under) expenditures	–	–	4,551	4,551
Fund balance, beginning of year	<u>–</u>	<u>–</u>	<u>162</u>	<u>162</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 4,713</u>	<u>\$ 4,713</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Liquor tax	\$ 54,318	\$ 54,318	\$ 61,251	\$ 6,933
Use of money and property	<u> –</u>	<u> –</u>	<u> 171</u>	<u> 171</u>
Total revenues	54,318	54,318	61,422	7,104
Expenditures:				
Awareness programs	<u>106,713</u>	<u>106,713</u>	<u> 39,130</u>	<u> 67,583</u>
Revenues over (under)				
expenditures	(52,395)	(52,395)	22,292	74,687
Fund balance,				
beginning of year	<u> 52,395</u>	<u> 52,395</u>	<u> 59,373</u>	<u> 6,978</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 81,665</u>	<u>\$ 81,665</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Transient guest tax	\$ 185,000	\$ 185,000	\$ 298,935	\$ 113,935
Use of money and property	<u> –</u>	<u> –</u>	<u> 496</u>	<u> 496</u>
Total revenues	185,000	185,000	299,431	114,431
Expenditures:				
Contractual services	<u>315,888</u>	<u>315,888</u>	<u>241,929</u>	<u> 73,959</u>
Revenues over expenditures	(130,888)	(130,888)	57,502	188,390
Fund balance, beginning of year	<u>130,888</u>	<u>130,888</u>	<u>227,659</u>	<u> 96,771</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 285,161</u>	<u>\$ 285,161</u>

CITY OF MULVANE, KANSAS

LIBRARY SALES TAX FUND

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

Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sales tax	\$ 494,247	\$ 494,247	\$ 709,707	\$ 215,460
Expenditures:				
Debt service	<u>494,247</u>	<u>494,247</u>	<u>481,858</u>	<u>12,389</u>
Revenues over expenditures	-	-	227,849	227,849
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>111,887</u>	<u>111,887</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,736</u>	<u>\$ 339,736</u>

CITY OF MULVANE, KANSAS

JOB GRANT FUND

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

Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue	\$ –	\$ –	\$ –	\$ –
Expenditures:				
Grant projects	<u> –</u>	<u> 25,000</u>	<u> 25,000</u>	<u> –</u>
Revenues over expenditures	–	(25,000)	(25,000)	–
Fund balance, beginning of year	<u> –</u>	<u> 25,000</u>	<u> 25,000</u>	<u> –</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 571,418	\$ 587,576	\$ 992,012	\$ 404,436
Special assessments	2,022,000	2,102,962	1,708,366	(394,596)
Use of money and property	500	500	1,693	1,193
Miscellaneous	–	–	3	3
Transfers in	–	–	8,380	8,380
Proceeds from refunding bonds	<u>–</u>	<u>2,747,732</u>	<u>2,509,557</u>	<u>(238,175)</u>
Total revenues	<u>2,593,918</u>	<u>5,438,770</u>	<u>5,220,011</u>	<u>(218,759)</u>
Expenditures and other uses:				
Bond Principal	1,876,035	4,596,064	2,051,373	2,544,691
Bond interest and commission	1,099,805	1,109,209	1,110,129	(920)
Miscellaneous	496	496	–	496
Payment to refunding bond escrow agent	–	–	2,468,941	(2,468,941)
Bond issuance costs	–	91,652	45,628	46,024
Cash basis reserve	<u>10,000</u>	<u>10,000</u>	<u>–</u>	<u>10,000</u>
Total expenditures and other uses	<u>2,986,336</u>	<u>5,807,421</u>	<u>5,676,071</u>	<u>131,350</u>
Revenues over (under) expenditures and other uses	(392,418)	(368,651)	(456,060)	(87,409)
Fund balance, beginning of year	<u>392,418</u>	<u>603,419</u>	<u>603,419</u>	<u>–</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ 234,768</u>	<u>\$ 147,359</u>	<u>\$ (87,409)</u>

CITY OF MULVANE, KANSAS

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
(continued on next page)

December 31, 2015

	Capital Improvement Reserve	Municipal Equipment Reserve	Water Treatment Plant Improvements	Water Tower Project	Cedar Brook 5 th Addition Water Improvements	Cedar Brook 5 th Addition Sewer Improvements	Cedar Brook 5 th Addition Street Improvements	Merlin's Glen Street Drainage Improvements	Totals
ASSETS									
Cash and short-term investments	\$ 280,116	\$ 286,659	\$ 91,169	\$ -	\$ -	\$ -	\$ -	\$ 7,550	\$ 665,494
Taxes receivable	418,526	-	-	-	-	-	-	-	418,526
Due from other funds	477	-	-	-	-	-	-	-	477
Total assets	<u>\$ 699,119</u>	<u>\$ 286,659</u>	<u>\$ 91,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,550</u>	<u>\$ 1,084,497</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25	\$ 25
Due to other funds	-	-	-	-	159	159	159	-	477
Total liabilities	-	-	-	-	159	159	159	25	502
Deferred inflows of resources:									
Property taxes receivable	418,526	-	-	-	-	-	-	-	418,526
Fund balances (deficit):									
Restricted:									
Capital improvements	280,593	-	91,169	-	-	-	-	7,525	379,287
Assigned:									
Capital outlay	-	286,659	-	-	-	-	-	-	286,659
Unassigned	-	-	-	-	(159)	(159)	(159)	-	(477)
Total fund balance	<u>280,593</u>	<u>286,659</u>	<u>91,169</u>	<u>-</u>	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>7,525</u>	<u>665,469</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 699,119</u>	<u>\$ 286,659</u>	<u>\$ 91,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,550</u>	<u>\$ 1,084,497</u>

CITY OF MULVANE, KANSAS

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

Year ended December 31, 2015

	Capital Improvement Reserve	Municipal Equipment Reserve	Water Treatment Plant Improvements	Water Tower Project	Cedar Brook 5 th Addition Water Improvements	Cedar Brook 5 th Addition Sewer Improvements	Cedar Brook 5 th Addition Street Improvements	Merlin's Glen Street Drainage Improvements	Totals
Revenues:									
Taxes	\$ 138,592	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 138,592
Special assessment taxes	--	--	--	--	--	--	--	7,856	7,856
Use of money and property	<u>526</u>	<u>--</u>	<u>102</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>628</u>
Total revenues	139,118	--	102	--	--	--	--	7,856	147,076
Expenditures:									
Capital outlay	<u>169,467</u>	<u>120,910</u>	<u>1,155</u>	<u>224,753</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>55,211</u>	<u>571,496</u>
Revenues over (under) expenditures	<u>(30,349)</u>	<u>(120,910)</u>	<u>(1,053)</u>	<u>(224,753)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(47,355)</u>	<u>(424,420)</u>
Other financing sources (uses):									
General obligation bonds issued	--	--	--	--	--	--	--	54,746	54,746
Premium on general obligation bonds issued	--	--	--	--	--	--	--	456	456
Transfers in	--	33,507	--	--	--	--	--	--	33,507
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>(8,380)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(8,380)</u>
Total other financing sources (uses)	--	33,507	--	(8,380)	--	--	--	55,202	80,329
Net change in fund balance	(30,349)	(87,403)	(1,053)	(233,133)	--	--	--	7,847	(344,091)
Fund balances (deficit), beginning of year	<u>310,942</u>	<u>374,062</u>	<u>92,222</u>	<u>233,133</u>	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>(322)</u>	<u>1,009,560</u>
Fund balances (deficit), end of year	<u>\$ 280,593</u>	<u>\$ 286,659</u>	<u>\$ 91,169</u>	<u>\$ --</u>	<u>\$ (159)</u>	<u>\$ (159)</u>	<u>\$ (159)</u>	<u>\$ 7,525</u>	<u>\$ 665,469</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, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$5,693,665	\$5,693,665	\$4,420,342	\$(1,273,323)
Use of money and property	5,200	5,200	10,053	4,853
Miscellaneous	–	–	69,585	69,585
Transfers in	–	–	–	
Proceeds from refunding bonds	<u>–</u>	<u>1,344,687</u>	<u>1,437,080</u>	<u>92,393</u>
Total revenues	<u>5,698,865</u>	<u>7,043,552</u>	<u>5,937,060</u>	<u>(1,106,492)</u>
Expenditures, encumbrances and other uses:				
Operations	6,289,595	6,289,595	4,098,809	2,190,786
Nonoperating	150,500	150,500	98,838	51,662
Debt service	379,189	379,189	365,049	14,140
Payment to refunding bond escrow agent	–	1,497,840	1,488,804	9,036
Costs of issuance	<u>–</u>	<u>44,852</u>	<u>24,356</u>	<u>20,496</u>
Total expenditures, encumbrances and other uses	<u>6,819,284</u>	<u>8,361,976</u>	<u>6,075,856</u>	<u>2,286,120</u>
Revenues over (under) expenditures, encumbrances and other uses	(1,120,419)	(1,318,424)	(138,796)	1,179,628
Fund balance, beginning of year	<u>2,991,614</u>	<u>2,903,719</u>	<u>2,903,719</u>	<u>–</u>
Fund balance, end of year	<u>\$1,871,195</u>	<u>\$1,585,295</u>	<u>\$2,764,923</u>	<u>\$1,179,628</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, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$1,247,886	\$1,247,886	\$1,086,302	\$(161,584)
Use of money and property	900	900	10,434	9,534
Miscellaneous	-	-	11,242	11,242
Transfers in	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>(130,000)</u>
Total revenues	<u>1,378,786</u>	<u>1,378,786</u>	<u>1,107,978</u>	<u>(270,808)</u>
Expenditures, encumbrances and other uses:				
Operations	1,238,860	1,238,860	960,350	278,510
Nonoperating	76,000	76,000	58,434	17,566
Debt service	<u>72,967</u>	<u>72,967</u>	<u>48,200</u>	<u>24,767</u>
Total expenditures, encumbrances and other uses	<u>1,387,827</u>	<u>1,387,827</u>	<u>1,066,984</u>	<u>320,843</u>
Revenues over expenditures, encumbrances and other uses	(9,041)	(9,041)	40,994	50,035
Fund balance, beginning of year	<u>843,644</u>	<u>843,644</u>	<u>876,047</u>	<u>32,403</u>
Fund balance, end of year	<u>\$ 834,603</u>	<u>\$ 834,603</u>	<u>\$ 917,041</u>	<u>\$ 82,438</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, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$1,830,000	\$1,830,000	\$1,715,953	\$ (114,047)
Use of money and property	1,680	1,680	3,181	1,501
Miscellaneous	-	-	13,684	13,684
Proceeds from refunding bonds	<u>-</u>	<u>1,498,672</u>	<u>1,629,672</u>	<u>131,000</u>
 Total revenues	 <u>1,831,680</u>	 <u>3,330,352</u>	 <u>3,362,490</u>	 <u>32,138</u>
Expenditures, encumbrances and other uses:				
Operations	1,602,375	1,602,375	941,725	660,650
Nonoperating	40,000	40,000	25,437	14,563
Debt service	599,686	599,686	570,302	29,384
Payment to refunding bond escrow agent	-	1,681,881	1,688,328	(6,447)
Cost of issuance	<u>-</u>	<u>49,989</u>	<u>27,620</u>	<u>22,369</u>
 Total expenditures, encumbrances and other uses	 <u>2,242,061</u>	 <u>3,973,931</u>	 <u>3,253,412</u>	 <u>720,519</u>
 Revenues over (under) expenditures, encumbrances and other uses	 (410,381)	 (643,579)	 109,078	 752,657
Fund balance, beginning of year	<u>1,230,675</u>	<u>1,676,238</u>	<u>1,676,238</u>	<u>-</u>
 Fund balance, end of year	 <u>\$ 820,294</u>	 <u>\$1,032,659</u>	 <u>\$1,785,316</u>	 <u>\$ 752,657</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
(continued on next page)**

Year ended December 31, 2015

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2015</u>
<u>PAYROLL CLEARING FUND</u>				
<u>ASSETS</u>				
Cash and short-term investments	\$ 197,342	\$ 5,077,384	\$ 5,274,726	\$ –
Due from employees	<u>–</u>	<u>12,818</u>	<u>–</u>	<u>12,818</u>
	<u>\$ 197,342</u>	<u>\$ 5,090,202</u>	<u>\$ 5,274,726</u>	<u>\$ 12,818</u>
<u>LIABILITIES</u>				
Accrued liabilities payable	\$ 197,342	\$ 5,083,798	\$ 5,274,726	\$ 6,414
Due to other funds	<u>–</u>	<u>6,404</u>	<u>–</u>	<u>6,404</u>
	<u>\$ 197,342</u>	<u>\$ 5,090,202</u>	<u>\$ 5,274,726</u>	<u>\$ 12,818</u>
 <u>EMPLOYEE FLEXIBLE SPENDING FUND</u>				
<u>ASSETS</u>				
Cash and short-term investments	<u>\$ 37,462</u>	<u>\$ 250,702</u>	<u>\$ 244,052</u>	<u>\$ 44,112</u>
<u>LIABILITIES</u>				
Accrued liabilities payable	<u>\$ 37,462</u>	<u>\$ 250,702</u>	<u>\$ 244,052</u>	<u>\$ 44,112</u>

CITY OF MULVANE, KANSAS

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
(continued from previous page)**

Year ended December 31, 2015

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2015</u>
<u>TOTALS</u>				
<u>ASSETS</u>				
Cash and short-term investments	\$ 234,804	\$ 5,328,086	\$ 5,518,778	\$ 44,112
Due from employees	<u>–</u>	<u>12,818</u>	<u>–</u>	<u>12,818</u>
	<u>\$ 234,804</u>	<u>\$ 5,340,904</u>	<u>\$ 5,518,778</u>	<u>\$ 56,930</u>
<u>LIABILITIES</u>				
Accrued liabilities payable	\$ 234,804	\$ 5,334,500	\$ 5,518,778	\$ 50,526
Due to other funds	<u>–</u>	<u>6,404</u>	<u>–</u>	<u>6,404</u>
	<u>\$ 234,804</u>	<u>\$ 5,340,904</u>	<u>\$ 5,518,778</u>	<u>\$ 56,930</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, 2015

	<u>General</u>	<u>Special Grants</u>	<u>Capital Development Reserve</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	<u>\$69,137</u>	<u>\$ 64,467</u>	<u>\$104,614</u>	<u>\$ 238,218</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ —	\$ —	\$ —	\$ —
Fund balances:				
Committed	—	64,467	104,614	169,081
Unassigned	<u>69,137</u>	<u>—</u>	<u>—</u>	<u>69,137</u>
Total fund balances	<u>69,137</u>	<u>64,467</u>	<u>104,614</u>	<u>238,218</u>
Total liabilities and fund balances	<u>\$69,137</u>	<u>\$ 64,467</u>	<u>\$104,614</u>	<u>\$ 238,218</u>
Reconciliation to total net position:				
Fund balance per above				\$ 238,218
Add long-term capital assets				112,498
Less accumulated depreciation on long-term capital assets				<u>(46,958)</u>
Total net position				<u>\$ 303,758</u>

CITY OF MULVANE, KANSAS

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

Year ended December 31, 2015

	<u>General</u>	<u>Special Grants</u>	<u>Capital Development Reserve</u>	<u>Total</u>
Revenues:				
Appropriations from City of Mulvane	\$ 324,563	\$ -	\$ -	\$ 324,563
Intergovernmental	-	19,254	-	19,254
Fines and fees	-	5,057	-	5,057
Miscellaneous	4,048	-	51	4,099
Use of money and property	<u>35</u>	<u>17</u>	<u>137</u>	<u>189</u>
Total revenues	<u>328,646</u>	<u>24,328</u>	<u>188</u>	<u>353,162</u>
Expenditures:				
Personal services	135,471	-	-	135,471
Contractual services	47,459	1,122	-	48,581
Commodities	67,817	6,069	-	73,886
Capital outlay	<u>28,523</u>	<u>2,235</u>	<u>-</u>	<u>30,758</u>
Total expenditures	<u>279,270</u>	<u>9,426</u>	<u>-</u>	<u>288,696</u>
Revenues over (under) expenditures	<u>49,376</u>	<u>14,902</u>	<u>188</u>	<u>64,466</u>
Other financing sources (uses):				
Transfers in	-	-	60,500	60,500
Transfers out	<u>(60,500)</u>	<u>-</u>	<u>-</u>	<u>(60,500)</u>
Total other financing sources (uses)	<u>(60,500)</u>	<u>-</u>	<u>60,500</u>	<u>-</u>
Net change in fund balance	(11,124)	14,902	60,688	64,466
Fund balances, beginning of year	<u>80,261</u>	<u>49,565</u>	<u>43,926</u>	<u>173,752</u>
Fund balances, end of year	<u>\$ 69,137</u>	<u>\$ 64,467</u>	<u>\$104,614</u>	<u>\$ 238,218</u>
Reconciliation of change in net position:				
Net change in fund balance per above				\$ 64,466
Add current year capitalized assets				27,767
Less current year depreciation on capital assets				<u>(13,408)</u>
Change in net position				<u>\$ 78,825</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.

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Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	100
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source.	105
Debt Capacity	
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.	109
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	117
Operating Information	
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.	119

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ (3,125,468)
Restricted for:	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	17,035,947
Capital Improvements	-	-	-	-	-	1,801,919	1,525,762	120,116	245,467	280,568
General Government	-	-	-	-	-	-	-	470,251	205,676	138,559
Employee Benefits	-	-	-	-	-	306,581	285,909	117,642	903,319	1,308,689
Parks and Recreation	-	-	-	-	-	60,261	139,632	394,800	287,970	528,310
Economic Development	-	-	-	-	-	153,253	85,430	125,077	437,536	488,678
Street Maintenance	-	-	-	-	-	31,173	159,646	373,437	15,414	37,791
Public Safety	-	-	-	-	-	1,873	27,925	30,732	-	-
Health and Welfare	-	-	-	-	-	6,830	39,636	44,587	59,373	81,665
Unrestricted	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	1,872,601
Total Governmental Activities Net Position	\$ 25,818,451	\$ 25,881,341	\$ 25,467,420	\$ 24,987,669	\$ 24,485,366	\$ 12,264,772	\$ 30,546,040	\$ 27,136,777	\$ 28,102,578	\$ 18,647,340
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 30,478,002
Restricted for Debt Service	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	133,838
Unrestricted	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	4,778,601
Total Business-type Activities Net Position	\$ 9,923,972	\$ 10,186,189	\$ 10,125,486	\$ 9,925,795	\$ 10,049,474	\$ 23,511,268	\$ 23,841,412	\$ 28,127,062	\$ 28,255,418	\$ 35,390,441
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 27,352,534
Restricted	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	20,034,045
Unrestricted	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	6,651,202
Total Primary Government Net Position	\$ 35,742,423	\$ 36,067,530	\$ 35,592,906	\$ 34,913,464	\$ 34,534,840	\$ 35,776,040	\$ 54,387,452	\$ 55,263,839	\$ 56,357,996	\$ 54,037,781

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 259,065	\$ 299,958	\$ 319,914	\$ 345,662	\$ 388,764	\$ 367,607	\$ 898,033	\$ 1,120,120	\$ 1,297,410	\$ 1,515,897
Public Safety	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	3,138,385
Highways and Streets	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	1,527,136
Health and Sanitation	-	-	-	-	-	-	-	45,963	52,180	39,130
Culture and Recreation	486,649	807,939	731,410	711,336	818,353	732,029	924,244	962,253	881,440	1,560,950
Economic Development	5,077	7,657	42,781	9,396	11,358	91,345	26,008	49,927	219,093	291,281
Environmental Protection	3,653	734	1,791	704	1,600	414	829	739	1,099	233
Interest on Long Term Debt	458,743	508,057	450,311	552,841	372,438	343,708	547,071	875,012	814,828	1,072,292
Total Governmental Activities Expenses	\$ 4,129,031	\$ 4,742,526	\$ 4,797,797	\$ 4,919,297	\$ 4,962,716	\$ 5,370,268	\$ 6,298,608	\$ 7,438,931	\$ 8,539,220	\$ 9,145,304
Business-type Activities										
Electric Utility	\$ 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	\$ 4,738,239
Water Utility	868,180	841,616	805,636	797,814	798,895	954,799	982,341	914,372	1,018,362	1,291,157
Wastewater Utility	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	1,593,965
Total Business-type Activities	\$ 5,815,605	\$ 6,017,207	\$ 6,376,052	\$ 5,946,696	\$ 6,258,613	\$ 6,948,026	\$ 6,723,747	\$ 6,881,524	\$ 7,683,809	\$ 7,623,361
Total Primary Government Expenses	\$ 9,944,636	\$ 10,759,733	\$ 11,173,849	\$ 10,865,993	\$ 11,221,329	\$ 12,318,294	\$ 13,022,355	\$ 14,320,455	\$ 16,223,029	\$ 16,768,665
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 121,343	\$ 106,040	\$ 106,069	\$ 83,793	\$ 104,906	\$ 215,240	\$ 293,070	\$ 133,536	\$ 129,915	\$ 126,761
Public Safety	247,644	239,674	269,079	316,185	283,306	384,999	425,312	483,626	535,702	1,071,489
Highway & Streets	58,224	34,004	35,636	35,496	32,053	39,840	33,448	33,840	38,053	31,841
Culture and Recreation	16,688	53,048	64,488	66,874	71,648	78,722	75,617	65,372	61,770	63,402
Economic Development	-	-	-	-	-	-	-	203,839	-	-
Operating Grants and Contributions	833,775	1,108,237	751,318	771,910	769,505	686,986	19,532,368	1,749,079	1,298,001	1,889,916
Capital Grants and Contributions	75,043	70,406	18,941	95,443	175,986	2,312,499	58,364	204	716,331	723,512
Total Governmental Activities Program Revenues	\$ 1,352,717	\$ 1,611,409	\$ 1,245,531	\$ 1,369,701	\$ 1,437,404	\$ 3,718,286	\$ 20,418,179	\$ 2,669,496	\$ 2,779,772	\$ 3,906,921
Business-type Activities										
Charges for Services										
Electric Utility	\$ 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	\$ 4,441,803
Water Utility	895,647	837,418	792,857	793,216	953,201	1,013,865	1,138,454	1,092,281	1,098,460	1,096,022
Wastewater Utility	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	1,738,424
Capital Grants and Contributions	9,452	-	-	9,710	-	-	-	1,651	-	-
Total Business-type Activities Program Revenues	\$ 6,056,018	\$ 5,998,808	\$ 6,197,445	\$ 5,690,360	\$ 6,345,999	\$ 6,712,490	\$ 6,749,056	\$ 7,091,764	\$ 7,580,828	\$ 7,276,249
Total Primary Government Program Revenues	\$ 7,408,735	\$ 7,610,217	\$ 7,442,976	\$ 7,060,061	\$ 7,783,403	\$ 10,430,776	\$ 27,167,235	\$ 9,761,260	\$ 10,360,600	\$ 11,183,170

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (5,238,383)
Business-type Activities	240,414	(18,399)	(178,607)	(256,336)	87,386	(235,536)	25,309	210,240	(102,981)	(347,112)
Total Primary Government Net Expenses	\$ (2,535,900)	\$ (3,149,516)	\$ (3,730,873)	\$ (3,805,932)	\$ (3,437,926)	\$ (1,887,518)	\$ 14,144,880	\$ (4,559,195)	\$ (5,862,429)	\$ (5,585,495)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes										
General Purposes	\$ 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	\$ 2,851,045
Debt Service	169,390	364,678	441,259	336,907	455,327	455,327	371,681	371,681	431,877	431,877
Gaming Facility Revenue Sharing	-	-	-	-	-	-	1,892,058	1,926,430	1,784,165	1,832,260
Sales Taxes	639,973	679,351	703,376	658,940	661,759	691,642	725,464	661,288	718,740	741,498
Franchise Taxes	390,475	365,885	379,968	380,254	388,190	425,525	193,496	244,783	252,328	223,642
Investment Earnings	178,040	240,599	130,280	45,034	16,795	21,932	12,171	10,573	11,660	29,556
Transfers	(253,890)	(56,798)	39,000	-	(18,745)	(13,682,840)	(670,807)	(4,072,237)	(225,178)	(8,318,410)
Total Governmental Activities	\$ 2,505,448	\$ 3,194,007	\$ 3,138,345	\$ 3,072,186	\$ 3,023,009	\$ (10,568,612)	\$ 4,161,697	\$ 1,360,172	\$ 6,725,249	\$ (2,208,532)
Business Type Activities										
Investment Earnings	\$ 237,836	\$ 223,818	\$ 156,904	\$ 54,304	\$ 17,548	\$ 14,490	\$ 7,303	\$ 3,173	\$ 6,159	\$ 13,152
Transfers	253,890	56,798	(39,000)	-	18,745	13,682,840	670,807	4,072,237	225,178	8,318,410
Total Business-type Activities	\$ 491,726	\$ 280,616	\$ 117,904	\$ 54,304	\$ 36,293	\$ 13,697,330	\$ 678,110	\$ 4,075,410	\$ 231,337	\$ 8,331,562
Total Primary Government	\$ 2,997,174	\$ 3,474,623	\$ 3,256,249	\$ 3,126,490	\$ 3,059,302	\$ 3,128,718	\$ 4,839,807	\$ 5,435,582	\$ 6,956,586	\$ 6,123,030
Change in Net Position										
Governmental Activities	\$ (270,866)	\$ 62,890	\$ (413,921)	\$ (477,410)	\$ (502,303)	\$ (12,220,594)	\$ 18,281,268	\$ (3,409,263)	\$ 965,801	\$ (7,446,915)
Business-type Activities	732,140	262,217	(60,703)	(202,032)	123,679	13,461,794	703,419	4,285,650	128,356	7,984,450
Total Primary Government	\$ 461,274	\$ 325,107	\$ (474,624)	\$ (679,442)	\$ (378,624)	\$ 1,241,200	\$ 18,984,687	\$ 876,387	\$ 1,094,157	\$ 537,535

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

	<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>	<u>2015</u>
General Fund										
Reserved	97,085	130,488	-	-	-	-	-	-	-	-
Restricted: Insurance Claims	-	-	-	-	-	160,605	139,632	117,642	205,676	138,559
Assigned: General Government	-	-	-	-	-	746,627	2,799,723	2,781,546	1,408,934	3,643,955
Unreserved	1,305,430	1,484,786	1,662,840	1,729,665	1,631,791	-	-	-	-	-
Unassigned	-	-	-	-	-	699,690	-	-	1,805,946	-
Total General Fund	<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>	<u>3,782,514</u>
All Other Governmental Funds										
Reserved	2,035,192	27,596	7,735	179,765	131,643	-	-	-	-	-
Restricted: Debt Service	-	-	-	-	-	241,212	130,802	351,859	603,419	147,359
EMS Facility & Equipment	-	-	-	-	-	1,801,919	1,504,299	394,800	-	-
General Government	-	-	-	-	-	306,581	265,909	470,251	903,319	1,308,669
Recreation	-	-	-	-	-	60,261	85,430	125,077	287,970	528,310
Health and Welfare	-	-	-	-	-	6,830	39,636	44,587	59,373	81,665
Economic Development	-	-	-	-	-	153,253	159,646	373,437	437,536	488,678
Street Improvements	-	-	-	-	-	31,173	27,925	30,732	15,414	37,791
Capital Improvements	-	-	-	-	-	1,873	21,463	157,667	4,730,162	2,998,368
Committed: Street Improvements	-	-	-	-	-	430,201	461,960	463,229	355,445	306,441
Parks & Recreation	-	-	-	-	-	54,512	56,452	57,172	56,786	68,437
Capital Improvements	-	-	-	-	-	274,326	676,701	7,599,451	-	-
Assigned: General Government	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	4,987	79	2,957	2	4,202
Capital Outlay	-	-	-	-	-	373,628	468,071	282,651	374,062	286,659
Unassigned	-	-	-	-	-	(13,786,952)	(141,277)	(249,159)	(799)	(477)
Unreserved, reported in:										
Capital Project Funds	(193,001)	-	(7,735)	(188,215)	500	-	-	-	-	-
Debt Service Funds	208,429	160,646	180,792	109,690	238,687	-	-	-	-	-
Special Revenue Funds	1,340,582	1,482,099	1,595,728	1,645,787	1,746,993	-	-	-	-	-
Total all other Governmental Funds	<u>1,356,010</u>	<u>1,642,745</u>	<u>1,768,785</u>	<u>1,567,262</u>	<u>1,966,180</u>	<u>(10,046,196)</u>	<u>3,777,116</u>	<u>10,104,711</u>	<u>7,824,669</u>	<u>6,256,142</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)

	<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>	<u>2015</u>
Revenues										
Taxes	\$ 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	\$ 5,717,474
Special Assessment Taxes	571,809	511,027	533,632	536,508	524,968	517,422	488,220	1,825,520	2,080,579	1,716,222
Intergovernmental	583,138	590,415	540,637	651,998	778,034	663,855	2,442,513	2,528,703	2,697,818	2,537,254
Licenses and Permits	513,623	415,595	439,513	440,573	455,860	739,744	276,208	341,642	342,885	330,161
Charges for Services	148,677	205,939	234,373	290,487	274,776	260,920	503,924	304,186	339,117	343,678
Fines and Forfeitures	129,191	113,179	120,373	116,773	101,296	98,534	88,368	149,907	170,708	209,614
Use of Money & Property	187,442	245,005	135,575	54,231	24,457	45,416	144,472	144,397	149,046	637,884
Other Revenues	46,098	178,899	85,295	32,349	40,509	2,214,596	78,506	31,802	27,672	37,254
Total Revenues	<u>\$ 4,390,836</u>	<u>\$ 4,925,617</u>	<u>\$ 4,693,932</u>	<u>\$ 4,783,903</u>	<u>\$ 4,849,099</u>	<u>\$ 7,217,455</u>	<u>\$ 6,822,599</u>	<u>\$ 9,216,707</u>	<u>\$ 11,163,907</u>	<u>\$ 11,529,541</u>
Expenditures										
General Government	\$ 258,648	\$ 405,872	\$ 350,611	\$ 322,713	\$ 348,987	\$ 343,559	\$ 420,584	\$ 1,174,908	\$ 1,565,701	\$ 1,584,854
Public Safety	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	2,916,081
Highways and Streets	455,360	452,096	628,741	449,734	601,551	720,724	529,036	719,963	781,258	725,994
Culture and Recreation	552,655	793,733	624,406	705,892	619,363	665,260	795,930	880,129	939,174	1,453,318
Environmental Protection	3,653	734	1,791	704	1,600	414	829	46,702	53,279	39,363
Economic Development	5,077	7,657	42,781	9,396	11,358	91,345	26,008	49,927	219,093	291,281
Capital Outlay	1,739,579	2,075,717	1,365	148,432	285,772	14,349,717	5,314,426	3,249,617	8,698,524	2,051,227
Debt Service										
Principal	652,971	600,493	647,428	669,967	569,447	829,832	1,317,945	1,548,308	2,358,336	2,541,373
Interest	333,178	505,686	477,516	500,830	370,293	344,057	325,419	905,067	690,356	1,228,457
Total Expenditures	<u>\$ 5,802,710</u>	<u>\$ 6,696,585</u>	<u>\$ 4,579,187</u>	<u>\$ 4,809,146</u>	<u>\$ 4,628,071</u>	<u>\$ 19,406,343</u>	<u>\$ 10,929,281</u>	<u>\$ 11,248,208</u>	<u>\$ 18,401,230</u>	<u>\$ 12,831,948</u>
Revenues over (under) Expenditures	\$ (1,411,874)	\$ (1,770,968)	\$ 114,745	\$ (25,243)	\$ 221,028	\$ (12,188,888)	\$ (4,106,682)	\$ (2,031,501)	\$ (7,237,323)	\$ (1,302,407)
Other Financing Sources (Uses)										
Bond Proceeds	\$ 2,863,193	\$ 245,960	\$ -	\$ 2,538,769	\$ 2,938,000	\$ -	\$ 19,275,000	\$ 8,225,000	\$ 5,393,047	\$ 2,543,576
Premium on GO Bonds Issued	-	-	-	-	-	-	-	\$ 63,929	\$ 37,172	\$ 21,183
Premium on PBC Revenue Bonds Issued	-	-	-	-	-	-	-	-	\$ 74,450	-
Notes Payable	140,000	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	\$ (2,467,744)	\$ (2,894,556)	-	-	-	-	(2,468,941)
Transfers In	1,005,881	578,740	406,383	520,455	455,178	235,969	507,048	743,950	489,148	182,887
Transfers Out	(1,042,404)	(561,834)	(367,383)	(520,455)	(455,178)	(235,969)	(519,621)	(713,950)	(515,148)	(182,887)
Total Other Financing Sources (Uses)	<u>\$ 2,966,670</u>	<u>\$ 262,866</u>	<u>\$ 39,000</u>	<u>\$ 71,025</u>	<u>\$ 43,444</u>	<u>\$ -</u>	<u>\$ 19,262,427</u>	<u>\$ 8,318,929</u>	<u>\$ 5,478,669</u>	<u>\$ 95,818</u>
Net Change in Fund Balance	\$ 1,554,796	\$ (1,508,102)	\$ 153,745	\$ 45,782	\$ 264,472	\$ (12,188,888)	\$ 15,155,745	\$ 6,287,428	\$ (1,758,654)	\$ (1,206,589)
Debt Service as a Percentage of Non-capital Expenditures	27.70%	26.97%	36.31%	38.33%	28.96%	6.32%	24.61%	32.25%	31.97%	36.04%

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

105

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>		<u>Total Direct Tax Rate</u>	<u>Assessed Value as a % of Estimated Actual Value</u>
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>		
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%
2015	\$80,317,379	\$446,207,661	\$594,490	\$2,201,815	\$80,911,869	\$448,409,476	42.262	18.04%

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	
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
2015	14.625	9.417	9.276	3.498	0.086	5.276	0.084	42.262	1.500	29.383	64.306	1.466	0.000	138.917

Sumner County

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
2015	14.625	9.417	9.276	3.498	0.086	5.276	0.084	42.262	1.500	44.235	64.306	1.466	0.000	153.769

Source: Sedgwick County Clerk
 Sumner County Clerk

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

2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sedgwick County:			
Kansas Gas Service	\$ 297,018	1	0.37%
CTAN Investments LLC	264,512	2	0.33%
Fugate J. Larry	217,508	3	0.27%
Casey's Retail Company	192,625	4	0.24%
Traditional Holding Co LLC	181,662	5	0.22%
Prairie State Bank	167,010	6	0.21%
Carr Properties LLC	146,650	7	0.18%
BNSF	145,615	8	0.18%
David A & Pamela Schaefer	125,653	9	0.18%
Antonio L Carro MD PA	117,325	10	0.15%
	<u>\$ 1,855,578</u>		<u>2.31%</u>

Sumner County:			
Kansas Star Casino	\$ 44,150,000	1	54.57%
KSC Lodging, LC	\$ 4,387,945	2	5.42%
Brewer, John A	\$ 234,190	2	0.29%
Ratzlaff Properties, LLC	212,430	3	0.26%
Pearl St Duplex	176,143	4	0.22%
Mulvane State Bank	145,970	5	0.18%
Union Pacific	145,284	6	0.18%
BNSF	138,535	7	0.17%
Mulvane Coop Union	133,353	8	0.16%
DLK Property, LLC	127,573	9	0.16%
	<u>\$ 49,851,423</u>		<u>61.61%</u>

2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sedgwick County:			
Mulvane Housing Authority	\$ 221,582	1	0.768%
Kansas Gas Service	170,955	2	0.593%
Olderbak Enterprises South LLC	141,975	3	0.492%
Emprise Bank	140,728	4	0.488%
Branine, Gary F	134,200	5	0.465%
BNSF	127,157	6	0.441%
Westfall, Ray W & Sharron K	116,354	7	0.403%
Congleton LLC	102,624	8	0.356%
Carro, Antonio L MD PA	98,775	9	0.342%
J Larry Fugate	95,973	10	0.333%
	<u>\$ 1,350,323</u>		<u>4.681%</u>

Sumner County:			
Mulvane Coop Union	\$ 219,643	1	0.762%
Southwestern Bell	203,019	2	0.704%
Wolfe Machine	194,469	3	0.674%
Mulvane State Bank	105,969	4	0.367%
Pearl Street Duplex	103,163	5	0.358%
Pendergraft, Gordon	101,749	6	0.353%
BNSF	68,623	7	0.238%
Rev. Mary A Wolfe	60,415	8	0.209%
Union Pacific	58,649	9	0.203%
James Patterson/Midwest Fastner	49,015	10	0.170%
	<u>\$ 1,164,714</u>		<u>4.038%</u>

Source: Sumner County Clerk
Sedgwick County Clerk

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years *</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
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%
2015	\$3,143,298	\$3,112,959	99.03%	\$49,763	\$3,162,722	100.62%

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			Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Public Building Commission Revenue Bonds	Temporary Notes	Notes Payable	Unamortized Premium on Bonds	Revenue Bonds	G.O. Bonds Secured by Enterprise Funds	Capital Leases			
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
2015	\$28,711,252	\$4,485,000	-	-	\$145,214	\$1,200,000	\$7,353,748	-	\$41,895,214	23.03%	\$6,662

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

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Premium on General Obligation Bonds</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
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	\$59,292	\$351,859	\$36,800,433	7.50%	\$5,872
2014	\$35,407,000	\$85,599	\$603,419	\$34,889,180	8.24%	\$5,549
2015	\$36,065,000	\$93,139	\$147,359	\$36,010,780	8.03%	\$5,726

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, 2015

<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	\$ 56,075,000	1.04%	\$ 581,429
Sumner County	11,296,000	26.10%	\$ 2,948,256
School District #263	<u>21,535,000</u>	<u>35.38%</u>	<u>\$ 7,619,083</u>
Total Estimated Overlapping Debt	88,906,000	12.54%	11,148,768
City's Direct Debt	<u>35,633,908</u>	<u>100.00%</u>	<u>35,633,908</u>
Total Direct and Overlapping Debt	<u>\$ 124,539,908</u>	<u>37.56%</u>	<u>\$ 46,782,676</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

	<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>	<u>2015</u>
Debt Limit	\$ 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	\$ 26,330,743
Total Net Debt Applicable to Limit	5,682,971	5,409,727	5,109,484	4,816,119	4,701,264	4,353,656	4,002,291	3,961,945	3,667,956	3,590,157
Legal Debt Margin	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	22,740,586
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	54%	47%	44%	42%	40%	37%	22%	13%	15%	14%

Legal Debt Margin Calculation for 2015

Assessed Value	\$ 80,911,869
Motor-Vehicle K.S.A. 79-5113	<u>6,857,274</u>
Total Assessed Value	<u>\$ 87,769,143</u>
Debt Limit-Approximately 30% of Assessed Value (K.S.A. 10-308)	\$ 26,330,743
Bonded Indebtedness	36,065,000
Less Exempt Debt	<u>32,474,843</u>
Total Amount Applicable to Debt Limit	<u>3,590,157</u>
Legal Debt Margin	<u>\$ 22,740,586</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 (3)	Interest	Total	Coverage (2)
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
2015	\$4,447,561	\$4,165,396	\$282,165	-	\$68,223	\$68,223	4.14

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 2015 was 4.37. The revenue bond resolution requirement is 1.25.
- (3) All Outstanding Series 2005 Revenue Bonds were currently refunded during 2015 with General Obligation Bonds.

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

Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
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	---	---	---	---
2015	\$1,098,471	\$990,699	\$107,772	---	---	---	---

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 2015 was 4.37. The revenue bond resolution requirement is 1.25.

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

Wastewater Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal (3)	Interest	Total	Coverage (2)
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
2015	\$1,743,369	\$865,676	\$877,693	\$85,000	\$122,717	\$207,717	4.23

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 2015 was 4.37. The revenue bond resolution requirement is 1.25.
- (3) All Outstanding Series 2005 Revenue Bonds were currently refunded during 2015 with General Obligation Bonds.

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

Storm Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
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	---	---	---	---
2015	\$31,961	\$92,865	-\$60,904	---	---	---	---

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 2015 was 4.37. The revenue bond resolution requirement is 1.25.

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>	
						<u>Sedgwick County</u>	<u>Sumner County</u>
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%
2015	6,289	\$ 181,934	\$ 28,929	39.3	1,900	4.40%	3.90%

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>2015</u>			<u>2006</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	13.14%	Not Available	0	
USD #263	323	2	5.14%	350	1	9.23%
Villa Maria Inc	102	3	1.62%	Not Available		
City of Mulvane	76	4	1.21%	54	2	1.42%
Cowley County College	50	5	0.80%	8	9	0.21%
Dillons	45	6	0.72%	5	10	0.13%
Carson Bank	39	7	0.62%	37	3	0.98%
María Court	25	8	0.40%	Not Available		
Wolfe Machine	24	9	0.38%	26	4	0.69%
Mulvane Coop	20	10	0.32%	19	7	0.50%
	<u>1530</u>		<u>24.35%</u>	<u>499</u>		<u>13.16%</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>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>	<u>2015</u>
Administration	9	9	9	9	9	9	9	10	10	8
Police Officers	12	12	12	12	11	11	12	14	14	15
Police Dispatchers	5	5	5	5	6	6	6	6	6	6
Emergency Services	3	3	3	3	3	3	3	19	19	19
Parks & Recreation	4	4	4	4	4	5	5	5	5	4
Streets	5	5	5	5	5	5	5	5	5	5
Electric	8	8	8	8	8	8	8	8	8	9
Water	4	4	4	4	4	4	4	4	4	4
Wastewater	4	4	4	4	4	4	4	4	4	4
Total	54	54	54	54	54	55	56	75	75	74

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

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

Function/Program	<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>	<u>2015</u>
Police										
Calls for Service	3,561	4,398	4,182	3,856	3,669	3,508	3,701	3,813	3,742	4,138
Moving Citations	864	752	733	639	517	623	658	721	719	959
DUI Arrests	20	22	18	25	17	15	68	51	25	35
Arrests	200	236	224	229	214	213	316	348	390	424
Emergency Services										
Fire & Rescue Calls	311	387	389	383	350	389	436	408	362	384
Ambulance Calls	606	707	743	787	762	736	793	853	1,003	1,094
Electric										
New Connections	96	19	11	6	5	4	39	1	9	7
Average Daily Usage (mWh/Day)	116	120	116	117	119	120	117	114	116	115
Peak Daily Usage (kW)	12,959	12,556	12,500	11,900	12,700	13,100	13,100	21,100	18,400	18,100
Water										
New Connections	73	10	1	6	1	8	32	2	9	7
Average Daily Consumption (Gallons)	519,060	442,496	470,847	469,288	483,110	494,129	561,377	530,836	544,368	594,296
Peak Daily Consumption (Gallons)	969,000	925,000	786,000	1,000,000	835,000	916,000	1,110,000	1,003,000	1,235,000	1,211,000
Wastewater										
Average Daily Sewage Treatment	400,000	421,000	474,000	461,392	417,164	377,487	401,639	438,419	451,320	434,833

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>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>	<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	2	2
Fire & Rescue Trucks	11	11	11	11	11	11	11	12	12	12
Ambulances	2	2	2	2	2	2	3	3	3	4
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	1	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	39	39	39	39	39
Fire Hydrants	221	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	34	34	34	34	34
Storm Sewers (Miles)	1	1	1	1	1	1	1	1	1	1
Treatment Capacity (mgd)	1	1	1	1	1	1	1	1	1	1
Lift Stations	4	5	5	5	5	5	5	5	5	5

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