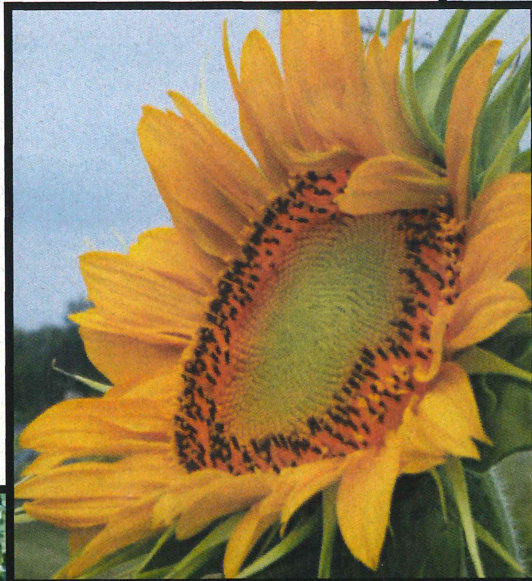


# Comprehensive Annual Financial Report

City of Mulvane, Kansas

*For the Fiscal Year Ended  
December 31, 2018*





# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**CITY OF MULVANE, KANSAS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Dr. Shelly Steadman – Mayor  
Kevin Cardwell – Council Member  
Barry Fleming – Council Member  
Jenean Keck – Council Member  
Nancy Mottola – Council Member  
Brent Allen – Council Member**

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

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# **INTRODUCTORY SECTION**



September 3, 2019

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, 2018 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 Policies & Planning**

The City has financial policies and practices in place that have had a significant impact on the current period's financial statements. The City has an "Authorized Municipal Investments" policy that complies with the Kansas statutes that limits where a city can invest idle funds and in what financial instruments those funds can be invested. In 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 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 2018, \$2,205,000 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. The City also has a newly remodeled Community Center. 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, Mulvane Land Bank 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 reporting entity (the government) includes all funds of the primary government (i.e., the City of Mulvane as legally defined) as well as all 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 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, the Mulvane Land Bank 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, 2017.

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-three years.

### **Economic Outlook**

Mulvane is included in the Wichita Metropolitan Area.

In 2018, employment in the Wichita Metropolitan Area has grown by 0.5%. In 2018, WMA's total nonfarm employment increased by 1,065 jobs, growing 0.4%, with a growth range between 0.1% and 0.6%. This was modestly lower than Wichita's average employment growth rate over the last five years, which has been 0.8%.

The production sectors remained relatively flat overall in 2018. The natural resources and construction sector added approximately 300 jobs, while the durable goods manufacturing sector declined by approximately the same amount. Although manufacturing employment has declined in recent years, the value of exports from the Wichita Metropolitan Area have increased, a

reflection of the changing use of labor in the manufacturing sector. Global protectionism is a concern for downside risk in the manufacturing sector as well.

The trade, transportation, and utilities sector contracted by 0.7%, with the largest losses in the retail trade sector. The transportation and utilities sector grew by approximately 200 jobs, while the retail trade sector contracted by approximately 500 jobs. This decline reflects rebalancing due to slower economic growth and slower retail sales in the Wichita area, as inflation-adjusted taxable retail sales declined 0.3% from May 2017 to May 2018.

The service sectors were the fastest growing portion of the Wichita area economy, with 1.3% growth. The education and health care sector led growth with a 2% increase, while both the professional and business services sector and the leisure and hospitality sectors has employment increases just over 1%.

Government employment declined in 2018, contracting 0.7%. The decline was concentrated in the local government sector, which comprises the bulk of government employment in the Wichita area.

### **Construction Activity**

In 2018, 261 permits were issued, a decrease from 277 permits issued in 2017. Permit numbers include all construction activity, commercial, residential, additions, remodel and new construction.

The total construction value for 2019 was \$8.7 million, an increase from 2017's value of \$6.3 million.

### **Long-term Financial Planning**

The City continues to look forward in meeting our long-term financial and operating needs. Each year the City develops a five-year capital improvements plan in order to plan and budget for those needs. The City is currently planning for the purchase of a new ambulance and a new fire truck in the year of 2019. The City's public works department has plans to upgrade several of the City's public parks over the next five years. The City's utility department has plans to decommission the Boxelder power plant, to purchase a new bucket truck, to purchase a new backhoe and to upgrade transformers at the 111<sup>th</sup> Street substation over the next few years. The increasing costs of retirement and medical benefits are also of concern and are being monitored closely by City staff. In 2017 the City established the Mulvane Land Bank in order to help with the revitalization of the downtown area. At the end of 2018, the Mulvane Land Bank had sold ten of the thirteen properties. As the City continues to grow, we must continually evaluate opportunities to be more efficient and effective in our efforts to serve our community.

### **Financial Picture**

The assessed valuation of Mulvane increased in 2018 from \$81.1 million to \$82.3 million. The Ad Valorem tax revenue collected in 2018 was \$3,605,431 compared to 2017 which was \$3,485,752. The mill levy increased from 44.247 in 2017 to 44.304 in 2018.



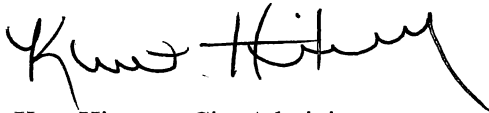
### **Independent Audit**

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 Finance Director, Cathy Walker. Employees in several City departments also contributed information to this report that makes it truly a cooperative, team effort. Eric Meyer and his staff were very helpful and supportive in assisting in the compilation of this document.

Respectfully submitted,

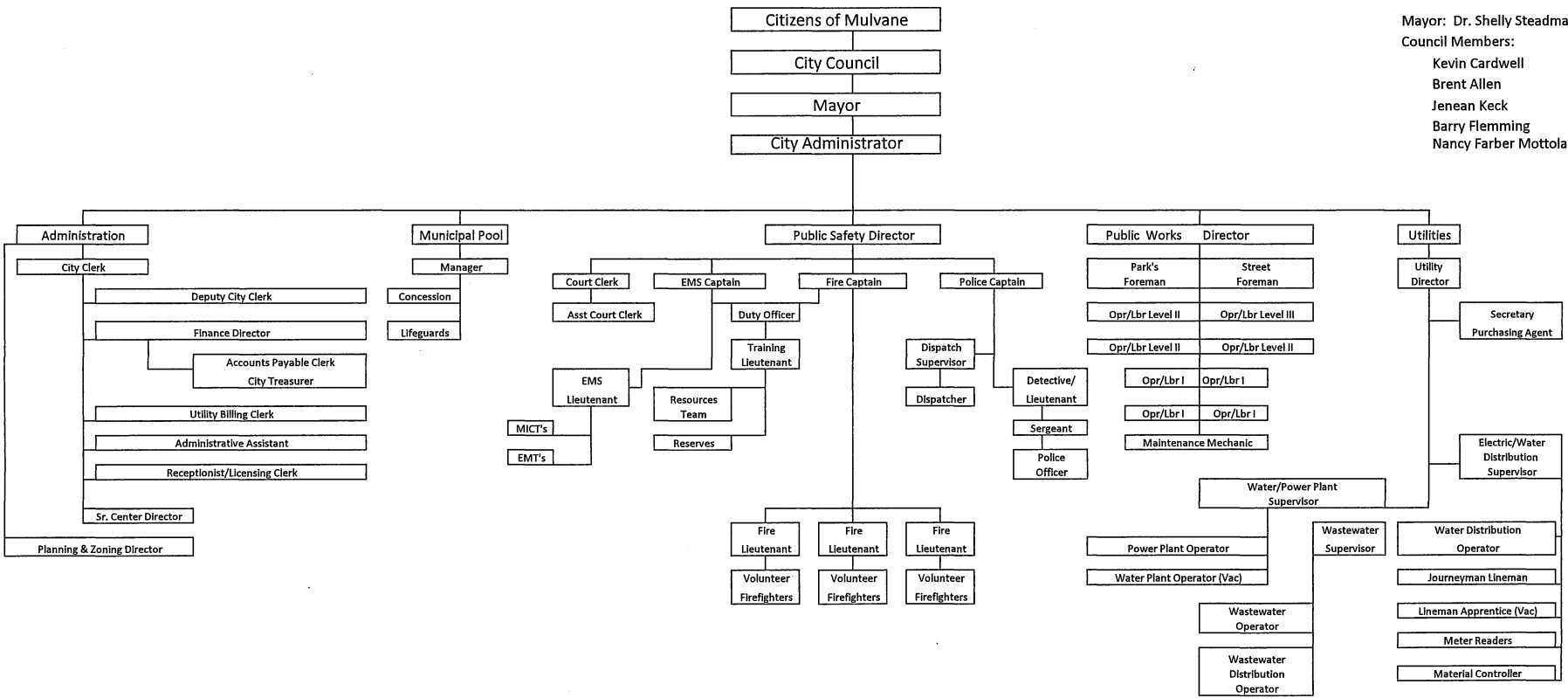
A handwritten signature in black ink, appearing to read "Kent Hixson", with a stylized, sweeping flourish extending from the end of the name.

Kent Hixson – City Administrator

**CITY OF MULVANE, KANSAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**December 31, 2018**

| <b>Title</b>           | <b>Name</b>       |
|------------------------|-------------------|
| Mayor                  | Shelly Steadman   |
| Council Member         | Kevin Cardwell    |
| Council Member         | Brent Allen       |
| Council Member         | Jenean Keck       |
| Council Member         | Nancy Mottola     |
| Council Member         | Barry Fleming     |
| City Administrator     | Kent Hixson       |
| City Clerk             | Debbie Parker     |
| Finance Director       | Cathy Walker      |
| City Treasurer         | Rachael Blackwell |
| Utilities Director     | Brad Modlin       |
| Public Safety Director | Gordon Fells      |
| 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  
Brent Allen  
Jenean Keck  
Barry Flemming  
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, 2017**

*Christopher P. Morrell*

Executive Director/CEO

# **FINANCIAL SECTION**

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

*Certified Public Accountants  
Management Consultants  
Tax Advisors*

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12001 E. 13<sup>th</sup> St. North    Wichita, Kansas 67202    Telephone (316) 262-6277    Fax (316) 265-6150

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
City Council  
Mulvane, Kansas

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mulvane, Kansas (City) as of and for the year ended December 31, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Employee Benefits Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

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

### **Other Information**

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Wichita, Kansas  
September 3, 2019

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

---

As management of the City of Mulvane, Kansas, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2018. 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 in our letter of transmittal 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 \$55,072,180. Of this amount, \$31,899,858 is the net investment in capital assets, and \$15,366,396 is for restricted uses, leaving \$7,805,926 unrestricted.
- The City's total net position increased by \$175,488 during the current fiscal year. The net position of the City's business-type activities increased by \$1,235,554 and the governmental activities net position decreased by \$1,060,066.
- At the end of the current fiscal year, the fund balance for the General Fund was \$4,247,840 or 66% of the total General Fund expenditures and transfers out incurred in the current fiscal year.
- The City's total bonded debt decreased by \$778,000 during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three sections – *Introductory Section*, *Financial Section* (which includes management's discussion and analysis, the basic financial statements, and notes to the financial statements), and *Statistical Section*. 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),

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

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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, the Mulvane Land Bank, 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 34 individual governmental funds for financial reporting purposes. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, and Debt Service, which are considered major funds. Data for the remaining 32 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 27 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.

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The proprietary funds financial statements can be found on pages 28 through 32 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 33 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 34 through 74 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 \$55,072,180 as of December 31, 2018.

A large portion of the City's net position (\$31,899,858) reflects its investment 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.

| <b>CITY OF MULVANE'S NET POSITION</b> |                         |                     |                          |                     |                          |                     |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
|                                       | Governmental Activities |                     | Business-type Activities |                     | Total Primary Government |                     |
|                                       | <u>2018</u>             | <u>2017</u>         | <u>2018</u>              | <u>2017</u>         | <u>2018</u>              | <u>2017</u>         |
| Current/Other Assets                  | \$24,754,618            | \$26,944,654        | \$7,871,723              | \$7,291,296         | \$32,626,341             | \$34,235,950        |
| Capital Assets                        | 28,536,553              | 28,773,339          | 37,424,512               | 37,602,546          | 65,961,065               | 66,375,885          |
| <b>Total Assets</b>                   | <b>53,291,171</b>       | <b>55,717,993</b>   | <b>45,296,235</b>        | <b>44,893,842</b>   | <b>98,587,406</b>        | <b>100,611,835</b>  |
| Deferred Outflows of Resources        | 828,776                 | 1,031,939           | 227,055                  | 287,126             | 1,055,831                | 1,319,065           |
| Long-Term Liabilities                 | 32,000,809              | 31,163,888          | 7,050,745                | 7,910,172           | 39,051,554               | 39,074,060          |
| Current/Other Liabilities             | 629,392                 | 3,628,279           | 570,423                  | 569,318             | 1,199,815                | 4,197,597           |
| <b>Total Liabilities</b>              | <b>32,630,201</b>       | <b>34,792,167</b>   | <b>8,479,490</b>         | <b>8,479,490</b>    | <b>40,251,369</b>        | <b>43,271,657</b>   |
| Deferred Inflows of Resources         | 4,218,142               | 3,626,095           | 101,546                  | 136,456             | 4,319,688                | 3,762,551           |
| <b>Net Position</b>                   |                         |                     |                          |                     |                          |                     |
| Net Investment in Capital Assets      | 325,720                 | 1,034,051           | 31,574,138               | 30,795,123          | 31,899,858               | 31,829,174          |
| Restricted                            | 15,366,396              | 16,698,827          | -                        | -                   | 15,366,396               | 16,698,827          |
| Unrestricted                          | 1,579,488               | 598,792             | 6,226,438                | 5,769,899           | 7,805,926                | 6,368,691           |
| <b>Total Net Position</b>             | <b>\$17,271,604</b>     | <b>\$18,331,670</b> | <b>\$37,800,576</b>      | <b>\$36,565,022</b> | <b>\$55,072,180</b>      | <b>\$54,896,692</b> |



**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

An additional portion of the City's net position (27.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$7,805,926.

**Analysis of the City's operations** – The following table provides a summary of the City's operations for the years ended December 31, 2018 and 2017. The City's net position increased by \$175,488, or approximately 0.31%.

| <b>CITY OF MULVANE'S CHANGES IN NET POSITION</b>             |                         |              |                          |              |                          |              |
|--|-------------------------|--------------|--------------------------|--------------|--------------------------|--------------|
|  | Governmental Activities |              | Business-type Activities |              | Total Primary Government |              |
|  | 2018                    | 2017         | 2018                     | 2017         | 2018                     | 2017         |
| Revenues:  |                         |              |                          |              |                          |              |
| Program Revenues:  |                         |              |                          |              |                          |              |
| Charges for Services   | \$1,396,777             | \$1,377,795  | \$8,198,016              | \$7,752,198  | \$9,594,793              | \$9,129,993  |
| Operating Grants & Contributions                             | 1,724,379               | 1,378,067    | -                        | -            | 1,724,379                | 1,378,067    |
| Capital Grants & Contributions                               | 673,750                 | 677,275      | -                        | 59,538       | 673,750                  | 736,813      |
| General Revenues   |                         |              |                          |              |                          |              |
| Property Taxes   | 3,911,286               | 3,953,810    | -                        | -            | 3,911,286                | 3,953,810    |
| Gaming Facility  | 1,819,997               | 1,798,789    | -                        | -            | 1,819,997                | 1,798,789    |
| Sales Tax  | 790,162                 | 911,338      | -                        | -            | 790,162                  | 911,338      |
| Franchise Taxes  | 250,630                 | 234,263      | -                        | -            | 250,630                  | 234,263      |
| Investment Earnings  | 76,599                  | 54,518       | 67,645                   | 44,342       | 144,244                  | 98,860       |
| Total Revenues   | 10,643,580              | 10,385,855   | 8,265,661                | 7,856,078    | 18,909,241               | 18,241,933   |
| Expenses:  |                         |              |                          |              |                          |              |
| General Government   | 1,179,135               | 2,151,881    | -                        | -            | 1,179,135                | 2,151,881    |
| Public Safety  | 4,316,866               | 3,733,737    | -                        | -            | 4,316,866                | 3,733,737    |
| Highways & Streets   | 2,361,133               | 2,320,717    | -                        | -            | 2,361,133                | 2,320,717    |
| Culture & Recreation   | 1,454,413               | 1,432,675    | -                        | -            | 1,454,413                | 1,432,675    |
| Health & Sanitation  | 600                     | 106,129      | -                        | -            | 600                      | 106,129      |
| Economic Development   | 256,058                 | 343,545      | -                        | -            | 256,058                  | 343,545      |
| Environmental Protection                                     | 615                     | 308          | -                        | -            | 615                      | 308          |
| Electric System  | -                       | -            | 5,013,606                | 4,768,801    | 5,013,606                | 4,768,801    |
| Water System   | -                       | -            | 1,299,081                | 1,251,030    | 1,299,081                | 1,251,030    |
| Sewer System   | -                       | -            | 1,633,447                | 1,556,034    | 1,633,447                | 1,556,034    |
| Interest on Long-term Indebtedness                           | 746,287                 | 734,791      | -                        | -            | 746,287                  | 734,791      |
| Total Expenses   | 10,315,107              | 10,823,783   | 7,946,134                | 7,575,865    | 18,513,123               | 18,399,648   |
| Increase(Decrease) in Net Position before Transfers In (Out) | 328,473                 | -437,928     | 319,527                  | 280,213      | 648,000                  | -157,715     |
| Transfers In (Out)   | -1,034,154              | -575,000     | 1,034,154                | 575,000      | -                        | -            |
| Increase (Decrease) in Net Position                          | -705,681                | -1,012,928   | 1,353,681                | 855,213      | 648,000                  | -157,715     |
| Net Position, Beginning of Year as previously stated         | 18,331,670              | 19,344,598   | 36,565,022               | 35,709,809   | 54,896,692               | 55,054,407   |
| Prior Period Adjustment/OPEB Liability                       | -354,385                | -            | -118,127                 | -            | -472,512                 | -            |
| Net Position, End of Year                                    | \$17,271,604            | \$18,331,670 | \$37,800,576             | \$36,565,022 | \$55,072,180             | \$54,896,692 |

**Governmental Activities** – Governmental activities decreased the City's net position by \$1,060,066 for the current fiscal year. Total governmental activity revenues increased by \$257,725. Positive influences for governmental activity revenues included an increase in gaming revenue collected of \$21,208 and an increase in special assessments collected.

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

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Total governmental activity expenses decreased by \$508,676 for 2018, or approximately 4.69%. The decrease is due primarily to the distribution to the Mulvane Land Bank in 2017. Salaries and benefits continue to be a significant portion of the operating expenses for many functional areas and comprise approximately 40% of total expenses (excluding debt service expenses). Total wages and benefits increased by \$386,836 during 2018, which was attributed mostly to health insurance costs. Economic development expenses decreased by \$87,474 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.

**Business-type Activities** – Business-type activities increased the City's net position by \$1,235,554 for the current fiscal year. Total business-type charges for services increased by \$445,818 for 2018 with the Electric Utility increasing \$484,572, the Water Utility increasing by \$31,625, and the Sewer Utility decreasing by \$70,379 for 2018. The increase in net position is attributed to contributed capital of \$1,034,154.

### **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 \$7,728,601. This combined ending fund balance is a \$1,608,820 increase from 2017. The issuance of bonds for the project funds in 2018 contributed the majority of this increase.

#### **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 \$4,247,840, which was \$15,579 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 42% of total General Fund expenditures and transfers out for the current year. The total fund balance of the General Fund represents 66% of total General Fund expenditures and transfers out for the current year. Employee benefits related to the public safety department were recorded in the General Fund in 2018.

The City Council has committed \$2,692,998 to carryover to fund the 2019 General Fund budget.

#### **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 \$315,414, which is a decrease of \$286,537 from 2017. Resources for this fund are generated from property taxes, special assessment taxes and interest earnings and decreased by \$999,612 for 2018 and debt service requirements decreased by \$149,058 for 2018.

#### **Proprietary Funds**

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

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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The total net position of the proprietary funds increased by \$1,353,681 for 2018. The change in net position by fund includes an increase in the Electric System Fund of \$314,100, an increase in the Water System Fund of \$265,433, and an increase in the Sewer System Fund of \$774,148. A significant portion of this increase, 76%, is due to contributed capital to these funds.

**Electric System Fund**

Total net position of the Electric System Fund increased by \$314,100. Customer consumption for 2018 increased from 2017 and operating revenues are generally reflective of that situation as operating revenues increased \$484,572, and operating expenses increased by only \$245,265. Depreciation expense reflected a decrease for 2018 of \$3,995. Miscellaneous revenues for 2018 decreased \$26,738.

**Water System Fund**

Total net position of the Water System Fund increased by \$265,433. Operating revenues increased by \$31,625 during 2018. Operating expenses increased \$49,064 for 2018, with contracted engineering and other contracted services comprising a significant portion of the increase in expenses. Depreciation expense increased by \$8,189 for 2018.

**Sewer System Fund**

The total net position of the Sewer System Fund increased by \$774,148. Operating revenues decreased \$70,379, or 3.78%, with operating expenses increasing \$70,925, or approximately 4.77%.

**General Fund Budgetary Highlights** – The General Fund total actual revenues were 111.89% of the total amount anticipated in the 2018 budget and exceeded the total anticipated revenues by \$682,874. The significant composition of this excess can be attributed to intergovernmental revenues with gaming revenues exceeding the budgeted amount by \$123,231 and ambulance subsidies exceeding the budget by \$59,477.

General Fund budgetary revenues were \$6,286,522 for 2018. The General Fund revenues were augmented with the collection of \$1,823,231 of gaming facility revenue sharing representing the City's 1% of the gaming facility revenues. General Fund budgetary expenditures totaled \$6,392,661, which represented only 73.69% of the budgeted expenditures for 2018. Accordingly, the General Fund incurred a favorable variance from its budgeted expenditures of \$2,282,121. The significant portion of this amount is the reserve of \$1,500,000 for a potential tax refund of to a major taxpayer.

**CAPITAL ASSETS**

The City's investment in capital assets as of December 31, 2018 amounts to \$65,961,065 (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 0.62%. Major capital asset events during the current fiscal year included the following:

- New Playground Equipment - \$66,724
- New Bleachers at the Sports Complex - \$31,500
- New Pedestrian Crosswalk - \$10,318
- Two New Dump Trucks and Snowplow - \$219,421
- New One Ton Truck and Spreader - \$65,947

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

- New John Deere Compact Utility Tractor - \$40,215
- New Zoll X-Series Monitors - \$32,166
- New Type II Ambulance - \$148,900
- New Chevrolet Tahoe/Police - \$36,565
- Three New John Deere Terrain Cut Mowers - \$37,307
- New High Capacity Lift - \$16,289
- Construction in Progress of a New Police Station, Equipment, & Furnishings - \$795,147

| <b>Capital Assets at Year-End Net of Accumulated Depreciation</b> |                         |                     |                          |                     |                          |                     |
|---|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
|   | Governmental Activities |                     | Business-type Activities |                     | Total Primary Government |                     |
|   | <u>2018</u>             | <u>2017</u>         | <u>2018</u>              | <u>2017</u>         | <u>2018</u>              | <u>2017</u>         |
| Land  | \$465,014               | \$465,014           | \$676,863                | \$676,863           | \$1,141,877              | \$1,141,877         |
| Buildings   | 6,406,017               | 6,612,787           | -                        | -                   | 6,406,017                | 6,612,787           |
| Utility Plant   | -                       | -                   | 25,363,675               | 26,102,831          | 25,363,675               | 26,102,831          |
| Improvements other than Buildings                                 | 2,629,212               | 2,718,732           | 9,774,295                | 9,092,593           | 12,403,507               | 11,811,325          |
| Infrastructure  | 16,279,860              | 15,959,731          | -                        | -                   | 16,279,860               | 15,959,731          |
| Machinery and Equipment   | 1,961,303               | 1,713,872           | 1,591,387                | 1,711,968           | 3,552,690                | 3,425,840           |
| Construction Work in Progress                                     | 795,147                 | 1,303,203           | 18,292                   | 18,292              | 813,439                  | 1,321,495           |
| Total   | <u>\$28,536,553</u>     | <u>\$28,773,339</u> | <u>\$37,424,512</u>      | <u>\$37,602,546</u> | <u>\$65,961,065</u>      | <u>\$66,375,885</u> |

Additional information on the City's capital assets can be found in Note 3 on pages 47 through 50 of this report.

## **DEBT ADMINISTRATION**

At the end of the current fiscal year, the City's total long-term debt obligations outstanding are \$39,051,554. This amount was comprised of \$30,013,000 of general obligation bonds secured by future tax revenues from governmental activities with \$5,805,878 of such bonds being committed from resources generated by business-type revenues, and \$3,965,000 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 \$616,900 at year-end. The remaining long-term debt obligations totaling \$4,456,654 of the City pertains to accrued compensated absences in the amount of \$558,310 net OPEB liability of \$474,680 and net pension liability in the amount of \$3,423,664.

The City's total long-term debt decreased by \$22,506, or about 0.5% during the current year. Increases include 2018 bond issues of \$2,205,000 and \$1,000,000 for the City and Mulvane Public Building Commission, respectively and an increase of \$474,680 of net OPEB liability associated with the implementation of GASB 75. The increases were offset by principal payments in 2018 on existing debt of \$3,503,000 and a decrease of \$155,716 in the 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 50 through 55 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 2019 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 2019 by \$380,528, or approximately 10.44%. Assessed valuations increased about 4.40% resulting in an increase in the mill levy of 2.563.

The gaming facility revenue for 2019 has been estimated at \$1,700,000 and comprises approximately 28% of the General Fund's 2019 total resources. The other significant resources for the General Fund are the carryover balance from 2018, the 1% county-wide sales tax for Sedgwick County, and property taxes, which comprise 45%, 11% and 38% respectively, of the total General Fund resources for the 2019 budget.

The City's total property tax rate for the 2019 budget is 46.867 mills with the General Fund's levy at 26.34 mills. The Debt Service Fund and Employee Benefits Fund levies 7.103 mills and 6.131 mills, respectively, of the total City levy rate. The City's total assessed valuation for the 2019 budget is \$85,829,762, which reflects an increase from the 2018 budget of \$3,619,670.

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 reserves for such uncertainties. The City 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 2018 year. On October 12, 2018, the City was notified by Sumner County that the Kansas Star had won its tax appeal for the year of 2013, and that a total of \$819,595 would be deducted from the January, 2019 tax distribution. The City continues to build up the reserves for these uncertainties.

The City's budgetary flexibility is very strong with an available fund balance in the General Fund in 2019 of 43% of budgeted expenditures, or \$3.7 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 2019 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, 211 North Second Street, Mulvane, Kansas 67110, call (316) 777-1143 or visit the City's web site at [www.mulvanekansas.com](http://www.mulvanekansas.com).

## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF MULVANE, KANSAS**

**STATEMENT OF NET POSITION**

**December 31, 2018**

|  | Primary Government         |                                 |               | Component Units              |                                 |                         |
|--|----------------------------|---------------------------------|---------------|------------------------------|---------------------------------|-------------------------|
|  | Governmental<br>Activities | Business-<br>Type<br>Activities | Total         | Mulvane<br>Public<br>Library | Mulvane<br>Housing<br>Authority | Mulvane<br>Land<br>Bank |
| <b><u>ASSETS</u></b>                           |                            |                                 |               |                              |                                 |                         |
| Cash and investments                           | \$ 7,509,096               | \$ 6,535,601                    | \$ 14,044,697 | \$ 234,803                   | \$ 1,917                        | \$ 139,512              |
| Receivables:                                   |                            |                                 |               |                              |                                 |                         |
| Property taxes                                 | 4,014,742                  | —                               | 4,014,742     | —                            | —                               | —                       |
| Special assessment taxes                       | 12,549,408                 | —                               | 12,549,408    | —                            | —                               | —                       |
| Sales taxes                                    | 137,591                    | —                               | 137,591       | —                            | —                               | —                       |
| Franchise fees                                 | 34,213                     | —                               | 34,213        | —                            | —                               | —                       |
| Gaming facility revenue receivable             | 161,150                    | —                               | 161,150       | —                            | —                               | —                       |
| Trade accounts, net                            | 296,193                    | 1,083,690                       | 1,379,883     | —                            | 150                             | —                       |
| Prepaid items                                  | 40,250                     | 34,133                          | 74,383        | —                            | 517                             | —                       |
| Restricted assets                              | 11,975                     | 218,299                         | 230,274       | —                            | 39,043                          | —                       |
| Capital assets:                                |                            |                                 |               |                              |                                 |                         |
| Land   | 465,014                    | 676,863                         | 1,141,877     | —                            | 16,000                          | —                       |
| Buildings                                      | 8,198,320                  | 35,270,914                      | 43,469,234    | 22,560                       | 597,492                         | 262,571                 |
| Improvements other than buildings              | 3,811,573                  | 17,333,141                      | 21,144,714    | —                            | —                               | —                       |
| Infrastructure                                 | 36,861,668                 | —                               | 36,861,668    | —                            | —                               | —                       |
| Machinery and equipment                        | 6,394,764                  | 3,866,355                       | 10,261,119    | 119,291                      | 146,630                         | —                       |
| Less accumulated depreciation                  | (27,989,933)               | (19,741,053)                    | (47,730,986)  | (92,170)                     | (581,770)                       | —                       |
| Construction work in progress                  | 795,147                    | 18,292                          | 813,439       | —                            | —                               | —                       |
| Total assets                                   | 53,291,171                 | 45,296,235                      | 98,587,406    | 284,484                      | 219,979                         | 402,083                 |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>   |                            |                                 |               |                              |                                 |                         |
| Unamortized deferred costs on bond refunding   | 264,847                    | 39,080                          | 303,927       | —                            | —                               | —                       |
| Deferred outflows related to pensions          | 531,043                    | 177,014                         | 708,057       | 58,643                       | —                               | —                       |
| Deferred outflows of resources related to OPEB | 32,886                     | 10,961                          | 43,847        | —                            | —                               | —                       |
| Total deferred outflows of resources           | 828,776                    | 227,055                         | 1,055,831     | 58,643                       | —                               | —                       |
| <b><u>LIABILITIES</u></b>                      |                            |                                 |               |                              |                                 |                         |
| Accounts payable                               | 101,929                    | 494,352                         | 596,281       | —                            | 7,099                           | —                       |
| Accrued payroll payable                        | 120,167                    | 36,240                          | 156,407       | —                            | —                               | —                       |
| Accrued interest payable                       | 207,775                    | 39,831                          | 247,606       | —                            | —                               | —                       |
| Temporary notes payable                        | —                          | —                               | —             | —                            | —                               | —                       |
| Unearned revenue                               | 199,521                    | —                               | 199,521       | —                            | —                               | —                       |
| Noncurrent liabilities:                        |                            |                                 |               |                              |                                 |                         |
| Due within one year                            | 2,928,193                  | 1,085,515                       | 4,013,708     | —                            | 9,200                           | —                       |
| Due in more than one year                      | 29,072,616                 | 5,965,230                       | 35,037,846    | 117,803                      | 136,828                         | —                       |
| Total liabilities                              | 32,630,201                 | 7,621,168                       | 40,251,369    | 117,803                      | 153,127                         | —                       |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>    |                            |                                 |               |                              |                                 |                         |
| Property taxes receivable                      | 4,014,742                  | —                               | 4,014,742     | —                            | —                               | —                       |
| Unamortized deferred costs on refunding        | —                          | 33,746                          | 33,746        | —                            | —                               | —                       |
| Deferred inflows related to pensions           | 179,733                    | 59,911                          | 239,644       | 4,244                        | —                               | —                       |
| Deferred inflows related to OPEB               | 23,667                     | 7,889                           | 31,556        | —                            | —                               | —                       |
| Total deferred inflows of resources            | 4,218,142                  | 101,546                         | 4,319,688     | 4,244                        | —                               | —                       |
| <b><u>NET POSITION</u></b>                     |                            |                                 |               |                              |                                 |                         |
| Net investment in capital assets               | 325,720                    | 31,574,138                      | 31,899,858    | 49,681                       | 32,324                          | 262,571                 |
| Restricted for:                                |                            |                                 |               |                              |                                 |                         |
| Debt service                                   | 12,864,822                 | —                               | 12,864,822    | —                            | —                               | —                       |
| Capital improvements                           | 193,378                    | —                               | 193,378       | —                            | —                               | —                       |
| General government                             | 275,702                    | —                               | 275,702       | —                            | —                               | —                       |
| Employee Benefits                              | 194,063                    | —                               | 194,063       | —                            | —                               | —                       |
| Parks and recreation                           | 1,179,447                  | —                               | 1,179,447     | —                            | —                               | —                       |
| Economic development                           | 518,714                    | —                               | 518,714       | —                            | —                               | —                       |
| Street maintenance and improvement             | 52,293                     | —                               | 52,293        | —                            | —                               | —                       |
| Health and welfare                             | 87,977                     | —                               | 87,977        | —                            | —                               | —                       |
| Unrestricted                                   | 1,579,488                  | 6,226,438                       | 7,805,926     | 171,399                      | 34,528                          | 139,512                 |
| Total net position                             | \$ 17,271,604              | \$ 37,800,576                   | \$ 55,072,180 | \$ 221,080                   | \$ 66,852                       | \$ 402,083              |

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



## CITY OF MULVANE, KANSAS

## STATEMENT OF ACTIVITIES

Year ended December 31, 2018

| Functions/Programs  | Program Revenues |                            |   |   | Net (Expense) Revenue and Changes in Net Position |                                 |                |                              |                                 |                         |
|---|------------------|----------------------------|---|---|---|---------------------------------|----------------|------------------------------|---------------------------------|-------------------------|
|   | Expenses         | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Primary Government                                |                                 |                | Component Units              |                                 |                         |
|   |                  |                            |   |   | Governmental<br>Activities                        | Business-<br>Type<br>Activities | Total          | Mulvane<br>Public<br>Library | Mulvane<br>Housing<br>Authority | Mulvane<br>Land<br>Bank |
| <b>Governmental Activities:</b>                           |                  |                            |   |   |   |                                 |                |                              |                                 |                         |
| General government  | \$ 1,179,135     | \$ 158,357                 | \$ 102,455                                  | \$ —                                      | \$ (918,323)                                      | \$ —                            | \$ (918,323)   | \$ —                         | \$ —                            | \$ —                    |
| Public safety   | 4,316,866        | 1,123,961                  | 335,523                                     | —   | (2,857,382)                                       | —                               | (2,857,382)    | —                            | —                               | —                       |
| Highways and streets                                      | 2,361,133        | 42,188                     | 264,812                                     | —   | (2,054,133)                                       | —                               | (2,054,133)    | —                            | —                               | —                       |
| Health and sanitation                                     | 600              | —                          | 17,608                                      | —   | 17,008  | —                               | 17,008         | —                            | —                               | —                       |
| Culture and recreation                                    | 1,454,413        | 72,271                     | 124,435                                     | 673,750                                   | (583,957)   | —                               | (583,957)      | —                            | —                               | —                       |
| Economic development                                      | 256,058          | —                          | 320,992                                     | —   | 64,934  | —                               | 64,934         | —                            | —                               | —                       |
| Environmental protection                                  | 615              | —                          | —   | —   | (615)   | —                               | (615)          | —                            | —                               | —                       |
| Interest on long-term debt                                | 746,287          | —                          | 558,554                                     | —   | (187,733)   | —                               | (187,733)      | —                            | —                               | —                       |
| Total Governmental Activities                             | \$ 10,315,107    | \$ 1,396,777               | \$ 1,724,379                                | \$ 673,750                                | \$ (6,520,201)                                    | \$ —                            | \$ (6,520,201) | \$ —                         | \$ —                            | \$ —                    |
| <b>Business-Type Activities:</b>                          |                  |                            |   |   |   |                                 |                |                              |                                 |                         |
| Electric Utility  | \$ 5,013,606     | \$ 5,296,701               | \$ —  | \$ —                                      | \$ —  | \$ 283,095                      | \$ 283,095     | \$ —                         | \$ —                            | \$ —                    |
| Water Utility   | 1,299,081        | 1,113,993                  | —   | —   | —   | (185,088)                       | (185,088)      | —                            | —                               | —                       |
| Sewer Utility   | 1,633,447        | 1,787,322                  | —   | —   | —   | 153,875                         | 153,875        | —                            | —                               | —                       |
| Total Business-Type Activities                            | \$ 7,946,134     | \$ 8,198,016               | \$ —  | \$ —                                      | \$ —  | \$ 251,882                      | \$ 251,882     | \$ —                         | \$ —                            | \$ —                    |
| <b>Component Units:</b>                                   |                  |                            |   |   |   |                                 |                |                              |                                 |                         |
| Mulvane Public Library                                    | \$ 519,561       | \$ 18,302                  | \$ 31,602                                   | \$ —                                      | \$ —  | \$ —                            | \$ —           | \$ (469,657)                 | \$ —                            | \$ —                    |
| Mulvane Housing Authority                                 | 105,181          | 78,317                     | 10,811                                      | —   | —   | —                               | —              | —                            | (16,053)                        | —                       |
| Mulvane Land Bank   | 145,103          | 8,913                      | —   | —   | —   | —                               | —              | —                            | —                               | (136,190)               |
| Total Component Units                                     | \$ 769,845       | \$ 105,532                 | \$ 42,413                                   | \$ —                                      | \$ —  | \$ —                            | \$ —           | \$ (469,657)                 | \$ (16,053)                     | \$ (136,190)            |
| <b>General Revenues and Transfers:</b>                    |                  |                            |   |   |   |                                 |                |                              |                                 |                         |
| General Revenues:   |                  |                            |   |   |   |                                 |                |                              |                                 |                         |
| Property taxes levied for:                                |                  |                            |   |   |   |                                 |                |                              |                                 |                         |
| General purposes  |                  |                            |   |   | 3,543,583   | —                               | 3,543,583      | —                            | —                               | —                       |
| Debt service  |                  |                            |   |   | 367,703   | —                               | 367,703        | —                            | —                               | —                       |
| Gaming facility revenue sharing                           |                  |                            |   |   | 1,819,997   | —                               | 1,819,997      | —                            | —                               | —                       |
| Sales taxes   |                  |                            |   |   | 790,162   | —                               | 790,162        | —                            | —                               | —                       |
| Franchise taxes   |                  |                            |   |   | 250,630   | —                               | 250,630        | —                            | —                               | —                       |
| Payment from City of Mulvane                              |                  |                            |   |   | —   | —                               | —              | 439,648                      | —                               | —                       |
| Investment earnings                                       |                  |                            |   |   | 76,599  | 67,645                          | 144,244        | 345                          | 30                              | —                       |
| Transfers in (out)  |                  |                            |   |   | (1,034,154)                                       | 1,034,154                       | —              | —                            | —                               | —                       |
| Total general revenues and transfers                      |                  |                            |   |   | 5,814,520   | 1,101,799                       | 6,916,319      | 439,993                      | 30                              | —                       |
| Change in net position                                    |                  |                            |   |   | (705,681)   | 1,353,681                       | 648,000        | (29,664)                     | (16,023)                        | (136,190)               |
| Net position at beginning of year<br>as previously stated |                  |                            |   |   | 18,331,670  | 36,565,022                      | 54,896,692     | 250,744                      | 82,875                          | 538,273                 |
| Prior period adjustment                                   |                  |                            |   |   | (354,385)   | (118,127)                       | (472,512)      | —                            | —                               | —                       |
| Net position at beginning of year, as restated            |                  |                            |   |   | 17,977,285  | 36,446,895                      | 54,424,180     | 250,744                      | 82,875                          | 538,273                 |
| Net position at end of year                               |                  |                            |   |   | \$ 17,271,604                                     | \$ 37,800,576                   | \$ 55,072,180  | \$ 221,080                   | \$ 66,852                       | \$ 402,083              |

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

## **FUND FINANCIAL STATEMENTS**

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

**December 31, 2018**

|   | General             | Debt<br>Service      | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|----------------------|--------------------------------|--------------------------------|
| <b><u>ASSETS</u></b>  |                     |                      |                                |                                |
| Cash and short-term investments                                   | \$ 4,151,900        | \$ 315,414           | \$ 3,041,782                   | \$ 7,509,096                   |
| Cash held for appearance bonds                                    | 11,975              | —                    | —                              | 11,975                         |
| Property taxes receivable   | 2,259,656           | 608,472              | 1,146,614                      | 4,014,742                      |
| Special assessment taxes receivable                               | —                   | 12,549,408           | —                              | 12,549,408                     |
| Due from other funds  | —                   | —                    | 3,229                          | 3,229                          |
| Accounts receivable, net  | 203,381             | —                    | 92,812                         | 296,193                        |
| Gaming facility revenue receivable                                | 161,150             | —                    | —                              | 161,150                        |
| Franchise fees receivable   | 34,213              | —                    | —                              | 34,213                         |
| Sales tax receivable  | 71,241              | —                    | 66,350                         | 137,591                        |
| Total assets  | <u>\$ 6,893,516</u> | <u>\$ 13,473,294</u> | <u>\$ 4,350,787</u>            | <u>\$ 24,717,597</u>           |
| <b><u>LIABILITIES, DEFERRED<br/>INFLOWS AND FUND BALANCES</u></b> |                     |                      |                                |                                |
| Liabilities:  |                     |                      |                                |                                |
| Accounts payable  | \$ 54,797           | \$ —                 | \$ 35,157                      | \$ 89,954                      |
| Accrued payroll payable   | 119,727             | —                    | 440                            | 120,167                        |
| Due to other funds  | —                   | —                    | 3,229                          | 3,229                          |
| Municipal Court appearance<br>bonds payable                       | 11,975              | —                    | —                              | 11,975                         |
| Temporary notes payable   | —                   | —                    | —                              | —                              |
| Unearned revenue  | 199,521             | —                    | —                              | 199,521                        |
| Total liabilities   | <u>386,020</u>      | <u>—</u>             | <u>38,826</u>                  | <u>424,846</u>                 |
| Deferred inflows of resources:                                    |                     |                      |                                |                                |
| Property taxes receivable   | 2,259,656           | 608,472              | 1,146,614                      | 4,014,742                      |
| Special assessment taxes receivable                               | —                   | 12,549,408           | —                              | 12,549,408                     |
| Total deferred inflows of resources                               | <u>2,259,656</u>    | <u>13,157,880</u>    | <u>1,146,614</u>               | <u>16,564,150</u>              |
| Fund balances:  |                     |                      |                                |                                |
| Restricted:   |                     |                      |                                |                                |
| Insurance claims  | \$ 275,702          | \$ —                 | \$ —                           | \$ 275,702                     |
| Debt service  | —                   | 315,414              | —                              | 315,414                        |
| General government  | —                   | —                    | 194,063                        | 194,063                        |
| Recreation  | —                   | —                    | 1,179,447                      | 1,179,447                      |
| Health and welfare  | —                   | —                    | 87,977                         | 87,977                         |
| Economic development  | —                   | —                    | 518,714                        | 518,714                        |
| Street improvements   | —                   | —                    | 52,293                         | 52,293                         |
| Capital improvements  | —                   | —                    | 193,378                        | 193,378                        |
| Committed:  |                     |                      |                                |                                |
| Street improvements   | —                   | —                    | 311,321                        | 311,321                        |
| Parks and recreation  | —                   | —                    | 3,189                          | 3,189                          |
| Assigned:   |                     |                      |                                |                                |
| General government  | 2,692,998           | —                    | —                              | 2,692,998                      |
| Culture and recreation  | —                   | —                    | 1,684                          | 1,684                          |
| Capital outlay  | —                   | —                    | 381,868                        | 381,868                        |
| Unassigned  | 1,279,140           | —                    | 241,413                        | 1,520,553                      |
| Total fund balances   | <u>4,247,840</u>    | <u>315,414</u>       | <u>3,165,347</u>               | <u>7,728,601</u>               |
| Total liabilities, deferred<br>inflows and fund balances          | <u>\$ 6,893,516</u> | <u>\$ 13,473,294</u> | <u>\$ 4,350,787</u>            | <u>\$ 24,717,597</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, 2018

|                                  |              |
|----------------------------------|--------------|
| Total Governmental Fund Balances | \$ 7,728,601 |
|----------------------------------|--------------|

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                     | \$ 56,526,486       |            |
| Accumulated depreciation | <u>(27,989,933)</u> | 28,536,553 |

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

|                                |            |
|--------------------------------|------------|
| Special assessments receivable | 12,549,408 |
| Prepaid expenses               | 40,250     |

Deferred refunding bond costs resulting from issuance  
of refunding bonds are recognized as deferred  
outflows of resources in the government-wide  
financial statements

264,847

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<br>obligation and Mulvane Public<br>Building Commission revenue bonds   | 207,775        |
| Compensated absences payable  | 337,857        |
| General obligation bonds payable  | 24,207,121     |
| Unamortized premium on sale of general<br>obligation bonds and Mulvane Public<br>Building Commission revenue bonds  | 567,073        |
| Mulvane Public Building Commission<br>revenue bonds payable   | 3,965,000      |
| Net pension liability for Kansas Public Employee's<br>Retirement System Plan including deferred<br>outflows of resources and deferred inflows<br>of resources related to pensions | 2,216,438      |
| Net OPEB liability for Kansas Public Employee's<br>Disability Plan including deferred<br>outflows of resources and deferred inflows<br>of resources related to pensions           | <u>346,791</u> |

(31,848,055)

Net Position of Governmental Activities

\$ 17,271,604

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, 2018**

|  | <u>General</u>      | <u>Debt<br/>Service</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|-------------------------|---|---|
| Revenues:                                  |                     |                         |   |   |
| Taxes                                      | \$ 3,165,376        | \$ 367,769              | \$ 2,283,174                            | \$ 5,816,319                            |
| Special assessment taxes                   | –                   | 1,950,998               | 13,112                                  | 1,964,110                               |
| Intergovernmental                          | 2,285,196           | –                       | 259,564                                 | 2,544,760                               |
| Licenses and permits                       | 300,959             | –                       | –                                       | 300,959                                 |
| Charges for services                       | 343,464             | –                       | 106,169                                 | 449,633                                 |
| Fines and forfeitures                      | 190,501             | –                       | –                                       | 190,501                                 |
| Use of money and property                  | 67,281              | 15,037                  | 613,362                                 | 695,680                                 |
| Miscellaneous                              | 69,040              | –                       | 18,200                                  | 87,240                                  |
| Total revenues                             | <u>6,421,817</u>    | <u>2,333,804</u>        | <u>3,293,581</u>                        | <u>12,049,202</u>                       |
| Expenditures:                              |                     |                         |   |   |
| Current:                                   |                     |                         |   |   |
| General government                         | 779,456             | –                       | 327,559                                 | 1,107,015                               |
| Public safety                              | 4,290,231           | –                       | 33,586                                  | 4,323,817                               |
| Highways and streets                       | 939,636             | –                       | 638,065                                 | 1,577,701                               |
| Culture and recreation                     | –                   | –                       | 1,258,069                               | 1,258,069                               |
| Health and welfare                         | –                   | –                       | 600                                     | 600                                     |
| Environmental protection                   | 615                 | –                       | –                                       | 615                                     |
| Economic development                       | –                   | –                       | 283,558                                 | 283,558                                 |
| Capital improvements                       | –                   | –                       | 1,811,575                               | 1,811,575                               |
| Debt Service                               | –                   | 2,696,675               | 652,757                                 | 3,349,432                               |
| Total expenditures                         | <u>6,009,938</u>    | <u>2,696,675</u>        | <u>5,005,769</u>                        | <u>13,712,382</u>                       |
| Revenues over (under) expenditures         | <u>411,879</u>      | <u>(362,871)</u>        | <u>(1,712,188)</u>                      | <u>(1,663,180)</u>                      |
| Other financing sources (uses):            |                     |                         |   |   |
| General obligation bonds issued            | –                   | 48,877                  | 3,156,123                               | 3,205,000                               |
| Premium on general obligation bonds issued | –                   | 1,110                   | 65,890                                  | 67,000                                  |
| Transfers in                               | –                   | 26,347                  | 396,300                                 | 422,647                                 |
| Transfers out                              | (396,300)           | –                       | (26,347)                                | (422,647)                               |
| Total other financing sources (uses)       | <u>(396,300)</u>    | <u>76,334</u>           | <u>3,591,966</u>                        | <u>3,272,000</u>                        |
| Net change in fund balance                 | 15,579              | (286,537)               | 1,879,778                               | 1,608,820                               |
| Fund balances, beginning of year           | <u>4,232,261</u>    | <u>601,951</u>          | <u>1,285,569</u>                        | <u>6,119,781</u>                        |
| Fund balances, end of year                 | <u>\$ 4,247,840</u> | <u>\$ 315,414</u>       | <u>\$ 3,165,347</u>                     | <u>\$ 7,728,601</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, 2018

|   |                    |                  |
|---|--------------------|------------------|
| Net Change in Fund Balances – Total Governmental Funds  |                    | 1,608,820        |
| Amounts reported for governmental activities in the<br>statement of activities are different because:   |                    |                  |
| Governmental funds report capital outlays as expenditures.<br>However, in the statement of activities, the cost of those assets is<br>allocated over their estimated useful lives as depreciation expense.<br>In the current period, these amounts are:   |                    |                  |
| Capital outlays   | 1,384,150          |                  |
| Depreciation  | <u>(1,620,936)</u> |                  |
| Excess depreciation over capital outlays  |                    | (236,786)        |
| In the statement of activities, interest is accrued on outstanding debt, whereas in<br>governmental funds, an interest expenditure is reported when due   |                    | (12,372)         |
| The issuance of long-term debt provides current financial resources in the governmental<br>funds but represent an increase in long-term liabilities in the statement of activities for:   |                    |                  |
| General obligation bonds  | (2,205,000)        |                  |
| Mulvane Public Building Commission revenue bonds  | <u>(1,000,000)</u> |                  |
| Total issuance of long-term debt  |                    | (3,205,000)      |
| The premium on the issuance of bonded indebtedness provides current financial resources in<br>the governmental funds but represents an increase to the long-term liabilities in the<br>statement of activities for:   |                    |                  |
| General obligation bonds  | (50,082)           |                  |
| Mulvane Public Building Commission revenue bonds  | <u>(16,918)</u>    |                  |
| Total premium on the issuance of bonded indebtedness  |                    | (67,000)         |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment<br>reduces long-term liabilities in the statement of net assets:   |                    |                  |
| General obligation bond payment   | 2,049,922          |                  |
| Mulvane Public Building Commission revenue bond payment   | <u>520,000</u>     |                  |
| Total payments on long-term liabilities   |                    | 2,569,922        |
| In the statement of activities the deferred refunding costs increases deferred outflows of<br>resources but does not provide current resources to the governmental funds.<br>Amortization of the deferred refunding costs is reflected in the statement of<br>activities but is not reported as expenditures in the governmental funds: |                    |                  |
| Amortization of deferred refunding costs  |                    | (49,514)         |
| Special assessments are not considered available to liquidate liabilities of the current period.<br>However, they are recognized as revenue in the statement of activities as soon as the<br>related improvement is completed and the special assessments are levied  |                    | (1,405,622)      |
| Pension contributions is an expenditure in the governmental funds but reduces the net<br>pension liability in the statement of net position. Additionally, the effect of changes<br>in deferred outflows and inflows for pensions are only recorded in the statement of activities.   |                    | (22,544)         |
| OPEB contributions is an expenditure in the governmental funds but reduces the net OPEB<br>liability in the statement of net position. Additionally, the effect of changes in deferred<br>outflows and inflows for OPEB are only recorded in the statement of activities.   |                    | 7,594            |
| Some expenses reported in the statement of activities do not require the use of<br>current financial resources and therefore are not reported as expenditures in the funds:   |                    |                  |
| Prepaid items   | 2,441              |                  |
| Compensated absences payable  | 9,271              |                  |
| Amortization of premium on issuance of general obligation bonds   | 85,096             |                  |
| Amortization of premium on issuance of Mulvane Public Building Commission<br>revenue bonds  | <u>10,013</u>      |                  |
| Total   |                    | <u>106,821</u>   |
| Change in Net Position of Governmental Activities   |                    | <u>(705,681)</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, 2018**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>     |   |   |
| Revenues:                                     |                         |                  |   |   |
| Taxes   | \$ 2,955,059            | \$ 2,955,059     | \$ 3,026,320                                      | \$ 71,261   |
| Intergovernmental                             | 2,069,500               | 2,069,500        | 2,288,430   | 218,930   |
| Licenses, fees and permits                    | 269,700                 | 269,700          | 303,949   | 34,249  |
| Charges for services                          | 250,000                 | 250,000          | 343,464   | 93,464  |
| Fines and forfeitures                         | 162,750                 | 162,750          | 190,501   | 27,751  |
| Use of money and property                     | 21,000                  | 21,000           | 64,818  | 43,818  |
| Miscellaneous                                 | —                       | —                | 69,040  | 69,040  |
|   | <u>—</u>                | <u>—</u>         | <u>—</u>  | <u>—</u>  |
| Total revenues and<br>other sources           | <u>5,728,009</u>        | <u>5,728,009</u> | <u>6,286,522</u>                                  | <u>558,513</u>  |
| Expenditures, encumbrances<br>and other uses: |                         |                  |   |   |
| General government:                           |                         |                  |   |   |
| Administration department                     | 2,970,644               | 2,970,644        | 663,924   | 2,306,720   |
| Inspection Department                         | —                       | —                | 102,507   | (102,507)   |
|   | <u>—</u>                | <u>—</u>         | <u>—</u>  | <u>—</u>  |
| Total general<br>government                   | <u>2,970,644</u>        | <u>2,970,644</u> | <u>766,431</u>                                    | <u>2,204,213</u>  |
| Public safety:                                |                         |                  |   |   |
| Police department                             | 1,784,274               | 1,784,274        | 1,866,183   | (81,909)  |
| Fire department                               | 466,935                 | 466,935          | 407,105   | 59,830  |
| EMS department                                | 1,977,376               | 1,977,376        | 1,737,278   | 240,098   |
| Municipal Court                               | 179,830                 | 179,830          | 146,703   | 33,127  |
|   | <u>—</u>                | <u>—</u>         | <u>—</u>  | <u>—</u>  |
| Total public safety                           | <u>4,408,415</u>        | <u>4,408,415</u> | <u>4,157,269</u>                                  | <u>251,146</u>  |
| Highways and streets:                         |                         |                  |   |   |
| Street department                             | <u>1,003,263</u>        | <u>1,003,263</u> | <u>939,636</u>                                    | <u>63,627</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, 2018

|   | Budgeted Amounts   |                    | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---|--|
|   | <u>Original</u>    | <u>Final</u>       |   |  |
| Economic development:   |                    |                    |   |  |
| Planning & Zonning  | \$ 131,460         | \$ 131,460         | \$ –                                    | \$ 131,460   |
| Environmental protection:   |                    |                    |   |  |
| Bindweed department   | <u>1,000</u>       | <u>1,000</u>       | <u>615</u>                              | <u>385</u>   |
| Other:  |                    |                    |   |  |
| Debt service  | –                  | –                  | 132,410                                 | (132,410)  |
| Transfers out   | <u>160,000</u>     | <u>160,000</u>     | <u>396,300</u>                          | <u>(236,300)</u>   |
| Total other   | <u>160,000</u>     | <u>160,000</u>     | <u>528,710</u>                          | <u>(368,710)</u>   |
| Total expenditures,<br>encumbrances and<br>other uses                                   | <u>8,674,782</u>   | <u>8,674,782</u>   | <u>6,392,661</u>                        | <u>2,282,121</u>   |
| Revenues and other sources<br>over (under) expenditures,<br>encumbrances and other uses | (2,946,773)        | (2,946,773)        | (106,139)                               | 2,840,634  |
| Fund balance,<br>beginning of year  | <u>2,946,773</u>   | <u>2,946,773</u>   | <u>3,806,771</u>                        | <u>859,998</u>   |
| Fund balance, end of year   | <u><u>\$ –</u></u> | <u><u>\$ –</u></u> | <u><u>\$ 3,700,632</u></u>              | <u><u>\$ 3,700,632</u></u>                                 |

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



**CITY OF MULVANE, KANSAS**

**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**

**December 31, 2018**

|  | Business-Type Activities – Enterprise Funds |                 |                 | Total<br>Enterprise<br>Funds |
|--|---|-----------------|-----------------|------------------------------|
|  | Electric<br>System                          | Water<br>System | Sewer<br>System |                              |
| <b><u>ASSETS</u></b>                               |   |                 |                 |                              |
| Current assets:                                    |   |                 |                 |                              |
| Cash and investments                               | \$ 3,466,025                                | \$ 1,018,829    | \$ 2,050,747    | \$ 6,535,601                 |
| Trade accounts receivable                          | 637,585                                     | 150,675         | 295,430         | 1,083,690                    |
| Prepaid expenses                                   | 16,962                                      | 6,630           | 10,541          | 34,133                       |
| Restricted assets:                                 |   |                 |                 |                              |
| Cash and investments restricted for:               |   |                 |                 |                              |
| Customer deposits                                  | 158,619                                     | 59,680          | –               | 218,299                      |
| Total current assets                               | 4,279,191                                   | 1,235,814       | 2,356,718       | 7,871,723                    |
| Property, plant and equipment:                     |   |                 |                 |                              |
| Land   | 220,495                                     | 118,107         | 338,261         | 676,863                      |
| Utility plant                                      | 5,403,265                                   | 9,038,852       | 20,828,797      | 35,270,914                   |
| Improvements other than buildings                  | 5,316,518                                   | 6,015,167       | 6,001,456       | 17,333,141                   |
| Machinery and equipment                            | 1,706,652                                   | 716,066         | 1,443,637       | 3,866,355                    |
| Construction work in process                       | –   | 18,292          | –               | 18,292                       |
|  | 12,646,930                                  | 15,906,484      | 28,612,151      | 57,165,565                   |
| Less accumulated depreciation                      | (9,399,464)                                 | (3,538,757)     | (6,802,832)     | (19,741,053)                 |
| Property, plant and equipment, net                 | 3,247,466                                   | 12,367,727      | 21,809,319      | 37,424,512                   |
| Total assets                                       | 7,526,657                                   | 13,603,541      | 24,166,037      | 45,296,235                   |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>       |   |                 |                 |                              |
| Deferred outflows of resources:                    |   |                 |                 |                              |
| Unamortized deferred cost on refunding             | 16,165                                      | –               | 22,915          | 39,080                       |
| Deferred outflows of resources related to pensions | 92,047                                      | 35,403          | 49,564          | 177,014                      |
| Deferred outflows of resources related to OPEB     | 5,700                                       | 2,192           | 3,069           | 10,961                       |
| Total deferred outflows of resources               | 113,912                                     | 37,595          | 75,548          | 227,055                      |
| Total assets and deferred<br>outflows of resources | 7,640,569                                   | 13,641,136      | 24,241,585      | 45,523,290                   |

|   | Business-Type Activities – Enterprise Funds |                 |                 |                              |
|---|---|-----------------|-----------------|------------------------------|
|   | Electric<br>System                          | Water<br>System | Sewer<br>System | Total<br>Enterprise<br>Funds |
| <b><u>LIABILITIES</u></b>                             |   |                 |                 |                              |
| Current liabilities:                                  |   |                 |                 |                              |
| Salaries and wages payable                            | \$ 18,579                                   | \$ 6,854        | \$ 10,807       | \$ 36,240                    |
| Accounts payable                                      | 248,467                                     | 27,559          | 27              | 276,053                      |
| Compensated absences payable                          | 100,827                                     | 35,674          | 50,292          | 186,793                      |
| Current portion of general obligation bonds payable   | 325,715                                     | 34,148          | 538,859         | 898,722                      |
| Accrued interest payable                              | 16,046                                      | 698             | 23,087          | 39,831                       |
| Customer deposits payable                             | 158,619                                     | 59,680          | –               | 218,299                      |
| Total current liabilities                             | 868,253                                     | 164,613         | 623,072         | 1,655,938                    |
| Noncurrent liabilities:                               |   |                 |                 |                              |
| Net pension liability                                 | 445,076                                     | 171,183         | 239,656         | 855,915                      |
| Net OPEB liability                                    | 61,708                                      | 23,734          | 33,228          | 118,670                      |
| Long-term portion of compensated absences payable     | 18,169                                      | 6,428           | 9,062           | 33,659                       |
| Long-term portion of general obligation bonds payable | 2,020,478                                   | 72,752          | 2,863,756       | 4,956,986                    |
| Total noncurrent liabilities                          | 2,545,431                                   | 274,097         | 3,145,702       | 5,965,230                    |
| Total liabilities                                     | 3,413,684                                   | 438,710         | 3,768,774       | 7,621,168                    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>           |   |                 |                 |                              |
| Unamortized deferred costs on refunding               | 13,293                                      | –               | 20,453          | 33,746                       |
| Deferred inflows of resources related to pensions     | 31,154                                      | 11,982          | 16,775          | 59,911                       |
| Deferred inflows of resources related to OPEB         | 4,102                                       | 1,578           | 2,209           | 7,889                        |
| Total deferred inflows of resources                   | 48,549                                      | 13,560          | 39,437          | 101,546                      |
| <b><u>NET POSITION</u></b>                            |   |                 |                 |                              |
| Net position:   |   |                 |                 |                              |
| Net investment in capital assets                      | 904,145                                     | 12,260,827      | 18,409,166      | 31,574,138                   |
| Unrestricted  | 3,274,191                                   | 928,039         | 2,024,208       | 6,226,438                    |
| Total net position                                    | \$ 4,178,336                                | \$ 13,188,866   | \$ 20,433,374   | \$ 37,800,576                |

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, 2018**

|  | Business-Type Activities – Enterprise Funds |                      |                      |                              |
|--|---|----------------------|----------------------|------------------------------|
|  | Electric<br>System                          | Water<br>System      | Sewer<br>System      | Total<br>Enterprise<br>Funds |
| Operating revenues:                                  |   |                      |                      |                              |
| Charges for services                                 | \$ 5,256,973                                | \$ 1,076,438         | \$ 1,774,727         | \$ 8,108,138                 |
| Miscellaneous  | 33,424                                      | 28,770               | 12,595               | 74,789                       |
| Rents and royalties                                  | 6,304                                       | 8,785                | –                    | 15,089                       |
| Total operating revenues                             | <u>5,296,701</u>                            | <u>1,113,993</u>     | <u>1,787,322</u>     | <u>8,198,016</u>             |
| Operating expenses:                                  |   |                      |                      |                              |
| Production   | 3,619,828                                   | –                    | –                    | 3,619,828                    |
| Treatment  | –   | 956,248              | 630,616              | 1,586,864                    |
| Distribution and maintenance                         | 901,544                                     | –                    | –                    | 901,544                      |
| Collection   | –   | –                    | 292,834              | 292,834                      |
| Depreciation   | 439,995                                     | 339,273              | 633,795              | 1,413,063                    |
| Total operating expenses                             | <u>4,961,367</u>                            | <u>1,295,521</u>     | <u>1,557,245</u>     | <u>7,814,133</u>             |
| Operating income (loss)                              | <u>335,334</u>                              | <u>(181,528)</u>     | <u>230,077</u>       | <u>383,883</u>               |
| Nonoperating revenues (expense):                     |   |                      |                      |                              |
| Interest income                                      | 24,525                                      | 8,753                | 16,253               | 49,531                       |
| Interest expense                                     | (52,239)                                    | (3,560)              | (76,202)             | (132,001)                    |
| Accretion of premium on general obligation bonds     | 6,480                                       | –                    | 11,634               | 18,114                       |
| Total nonoperating revenue (expense)                 | <u>(21,234)</u>                             | <u>5,193</u>         | <u>(48,315)</u>      | <u>(64,356)</u>              |
| Income (loss) before contributions and transfers     | 314,100                                     | (176,335)            | 181,762              | 319,527                      |
| Contributed capital                                  | <u>–</u>                                    | <u>441,768</u>       | <u>592,386</u>       | <u>1,034,154</u>             |
| Change in net position                               | <u>314,100</u>                              | <u>265,433</u>       | <u>774,148</u>       | <u>1,353,681</u>             |
| Net position, beginning of year as previously stated | 3,925,662                                   | 12,947,058           | 19,692,302           | 36,565,022                   |
| Prior period adjustments                             | <u>(61,426)</u>                             | <u>(23,625)</u>      | <u>(33,076)</u>      | <u>(118,127)</u>             |
| Net position, beginning of year as restated          | <u>3,864,236</u>                            | <u>12,923,433</u>    | <u>19,659,226</u>    | <u>36,446,895</u>            |
| Net position, end of year                            | <u>\$ 4,178,336</u>                         | <u>\$ 13,188,866</u> | <u>\$ 20,433,374</u> | <u>\$ 37,800,576</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, 2018**

|  | <u>Business-Type Activities – Enterprise Funds</u> |                            |                            | <u>Total</u>               |
|--|--|----------------------------|----------------------------|----------------------------|
|  | <u>Electric</u>                                    | <u>Water</u>               | <u>Sewer</u>               | <u>Enterprise</u>          |
|  | <u>System</u>                                      | <u>System</u>              | <u>System</u>              | <u>Funds</u>               |
| Cash flows from operating activities:  |  |                            |                            |                            |
| Cash received from customers   | \$ 5,312,885                                       | \$ 1,077,494               | \$ 1,770,753               | \$ 8,161,132               |
| Cash payments for materials and services   | (3,667,757)  | (617,561)                  | (428,591)                  | (4,713,909)                |
| Cash payments to employees for services  | (853,915)  | (332,291)                  | (491,416)                  | (1,677,622)                |
| Other cash receipts  | <u>39,728</u>                                      | <u>37,555</u>              | <u>12,595</u>              | <u>89,878</u>              |
| Net cash provided by operating activities  | <u>830,941</u>                                     | <u>165,197</u>             | <u>863,341</u>             | <u>1,859,479</u>           |
| Cash flows from capital and related financing activities:                        |  |                            |                            |                            |
| Principal paid on general obligation bonds                                       | (330,009)  | (51,222)                   | (551,846)                  | (933,077)                  |
| Interest paid on debt  | (54,855)   | (3,816)                    | (84,126)                   | (142,797)                  |
| Acquisition and construction of capital assets                                   | <u>(92,564)</u>                                    | <u>(35,000)</u>            | <u>(73,311)</u>            | <u>(200,875)</u>           |
| Net cash provided (used) by capital and related financing activities             | <u>(477,428)</u>                                   | <u>(90,038)</u>            | <u>(709,283)</u>           | <u>(1,276,749)</u>         |
| Cash flows from investing activities:  |  |                            |                            |                            |
| Interest received  | <u>24,525</u>                                      | <u>8,753</u>               | <u>16,253</u>              | <u>49,531</u>              |
| Net increase (decrease) in cash and cash equivalents                             | 378,038  | 83,912                     | 170,311                    | 632,261                    |
| Cash and cash equivalents, beginning of year                                     | <u>3,246,606</u>                                   | <u>994,597</u>             | <u>1,880,436</u>           | <u>6,121,639</u>           |
| Cash and cash equivalents, end of year   | <u><u>3,624,644</u></u>                            | <u><u>1,078,509</u></u>    | <u><u>2,050,747</u></u>    | <u><u>6,753,900</u></u>    |
| <br>Cash and cash equivalents  | 3,466,025  | 1,018,829                  | 2,050,747                  | 6,535,601                  |
| Restricted cash and cash equivalents included in restricted cash and investments | <u>158,619</u>                                     | <u>59,680</u>              | <u>–</u>                   | <u>218,299</u>             |
| Cash and cash equivalents, end of year   | <u><u>\$ 3,624,644</u></u>                         | <u><u>\$ 1,078,509</u></u> | <u><u>\$ 2,050,747</u></u> | <u><u>\$ 6,753,900</u></u> |

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2018**

|   | <u>Business-Type Activities – Enterprise Funds</u> |                   |                   | <u>Total</u>        |
|---|--|-------------------|-------------------|---------------------|
|   | <u>Electric</u>                                    | <u>Water</u>      | <u>Sewer</u>      | <u>Enterprise</u>   |
|   | <u>System</u>                                      | <u>System</u>     | <u>System</u>     | <u>Funds</u>        |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: |  |                   |                   |                     |
| Operating income (loss)   | \$ 335,334   | \$ (181,528)      | \$ 230,077        | \$ 383,883          |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:    |  |                   |                   |                     |
| Depreciation expense  | 439,995  | 339,273           | 633,795           | 1,413,063           |
| Changes in assets and liabilities:  |  |                   |                   |                     |
| Decrease (increase) in accounts receivable  | 55,912   | 1,056             | (3,974)           | 52,994              |
| Decrease (increase) in prepaid expenses   | (482)  | (600)             | (78)              | (1,160)             |
| Increase (decrease) in salaries and wages payable   | 2,373  | 441               | 1,439             | 4,253               |
| Increase (decrease) in accounts payable   | (7,575)  | 3,939             | (504)             | (4,140)             |
| Increase (decrease) in compensated absences payable   | (1,324)  | (196)             | 1,191             | (329)               |
| Increase (decrease) in customer deposits payable  | 4,116  | 1,814             | –                 | –                   |
| Increase (decrease) in net pension liability  | <u>2,592</u>                                       | <u>998</u>        | <u>1,395</u>      | <u>4,985</u>        |
| Net cash provided by operating activities   | <u>\$ 830,941</u>                                  | <u>\$ 165,197</u> | <u>\$ 863,341</u> | <u>\$ 1,859,479</u> |

**Noncash capital and related financing activities:**

The Water System Fund and Sewer System Fund received noncash contributions of assets from the municipality for facility

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, 2018**

|                             | <u>Agency<br/>Funds</u> |
|-----------------------------|-------------------------|
| Assets:                     |                         |
| Cash including investments  | \$ 164,740              |
| Liabilities:                |                         |
| Accrued liabilities payable | <u>164,740</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, 2018**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

##### **Reporting entity**

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

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

##### **Discretely presented component units**

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

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

The Mulvane Housing Authority manages Quad County Manor, a 23 unit housing facility that was financed by a forty-year United States Department of Agriculture, Rural Development loan. Occupants of the facility pay rent as a percentage of their annual income. The Mulvane Housing Authority hires a management agent to perform administrative functions including the selection of tenants, collection of rents, payment of expenses and performs or contracts for maintenance of the property. The City provides financial assistance to the Mulvane Housing Authority through the uncharged utility

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

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.

The Mulvane Land Bank was established during 2017 and is a quasi-governmental entity with all statutory authority, but with the primary responsibility and authority for maintaining and selling real property located within the City to help achieve the City's goal of returning municipally-owned property to private ownership, cost effectively maintaining said property, ensuring conformance with the goals of the City's Comprehensive Plan, and the encouragement of economic development. The Mulvane Land Bank is governed by a Board of Trustees, which is comprised of the entire membership of the governing body of the City of Mulvane, who shall be voting members, and one additional member appointed by the Mayor who is a non-voting member and who shall be a City staff member. The Mulvane Land Bank is subject to the cash basis and budget laws of the State of Kansas. The Mulvane Land Bank does not issue separate audited financial statements.

### **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 Special Revenue Fund.

### **Basis of presentation**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

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

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

The government-wide financial statements, consisting of the statement of net position and the statement of activities, display all the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which



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

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 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.

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

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.

The City reports the following major proprietary funds:

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

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

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

The City also reports the following fund types:

**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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

### **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

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

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 position. 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 also reflected in accounts receivable in the financial statements.

### **Inventories and prepaid expenditures**

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

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

### **Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of \$5,000. 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 reported at acquisition 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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)

interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized.

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

|                                   |               |
|-----------------------------------|---------------|
| Utility plant in service          | 28 – 50 years |
| Buildings                         | 15 – 40 years |
| Improvements other than buildings | 28 – 50 years |
| Infrastructure (streets)          | 20 years      |
| Machinery and equipment           | 5 to 20 years |

### **Compensated absences**

The City's policies regarding vacation permits full-time employees with one year of service to earn 1 week of vacation pay, two to nine years of service earn 2 weeks of vacation pay, ten to fourteen years of service earn 3 weeks of vacation pay, fifteen to nineteen years of service earn 4 weeks of vacation pay, twenty to twenty-nine years of service earn 5 weeks of vacation pay and thirty or more years of service earn 6 weeks of vacation pay per year. One week of vacation pay may be carried over into the next year. Accumulated vacation pay is limited to one week. At termination, an employee shall be compensated for all accumulated vacation pay. All permanent full-time employees earn one-half day of sick leave for every full two-week pay period of continuous employment with 120 days as the maximum amount of sick leave that can be accumulated. Any unused sick leave over the maximum is paid to the employee on the last check of the year at a rate of 50% of the normal rate of pay for the employee. Upon retirement, an employee in good standing shall be paid for any accumulated sick leave up to the maximum at the rate of 50% of the normal rate of pay for the employee. The liabilities are based on current salary costs and the vested portion of accumulated benefits. The liability for accrued compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee termination or retirement.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated 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.

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

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 from bond refundings are being amortized by the interest method over the life of the related revenue bonds in the enterprise funds.

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

### **Pension plan**

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

### **Concentration of credit risk**

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

### **Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. In accordance with Governmental Accounting Board Statement No. 10, the City currently reports all its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include payments to cover deductibles and other liabilities related to the City's risk of loss and include an estimate of claims that have been incurred but not reported. At December 31, 2018, there was \$-0- of accrued liabilities. Changes in the reported liability since December 31, 2017 is as follows:

|      | Beginning<br>of Year<br><u>Liability</u> | Current Year<br>Claims and<br>Changes in<br><u>Estimates</u> | Claim<br>Payments | End<br>of Year<br><u>Liability</u> |
|------|--|--|-------------------|------------------------------------|
| 2017 | \$ 2,034                                 | \$ 53,978  | \$ 53,011         | \$ 3,001                           |
| 2018 | 3,001                                    | 14,206   | 17,207            | -0-                                |

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

At December 31, 2018, General Fund cash and short-term investments of \$275,702 were held for purposes of funding the City's future claims liabilities, including \$-0- at year-end. As a result, \$275,702 of the General Fund balance is restricted for payment of future claims liabilities.

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

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

### **Equity Classifications**

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

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

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

- 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.



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

- 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 nor committed. Intent is expressed by (1) the City Council or (2) a body or official to whom the City Council has delegated the authority to. The City Council has delegated authority to the City Administrator or Department Heads to assign amounts to be used for specific purposes. The portion of fund balance that is appropriated by the City Council for next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by designated senior staff, are included in the assigned fund balance.
- Unassigned – All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

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

### **Estimates**

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

### **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 Plant Improvements, Cedar Brook 5<sup>th</sup> Addition Water Improvements, Cedar Brook 5<sup>th</sup> Addition Sewer Improvements, Cedar Brook 5<sup>th</sup> Addition Street Improvements, Merlin's Glen Street Drainage Improvements, Villa Maria Senior Housing Project, Nottingham Estates Water Improvements, Nottingham Estates Sewer Improvements, Nottingham Estates Street Improvements, Emerald Valley Phase I Water Improvements, Emerald Valley Phase I Sewer Improvements, Emerald Valley Phase I Street Improvements, Emerald Valley Phase I Pond Improvements, Police Building, Cedar Brook 4th and 5th Storm Sewer Improvements and Gilbert Addition Improvements funds

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

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. The original budgets for the following funds were amended during 2018:

| <u>Fund</u>               | <u>Original<br/>Budget</u> | <u>Amended<br/>Budget</u> |
|---------------------------|----------------------------|---------------------------|
| Transportation impact fee | \$ 3,229                   | \$ 49,947                 |
| Park impact fee           | 1,000                      | 66,724                    |

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.

### **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, 2018, is as follows:

|              |     |
|--------------|-----|
| Carson Bank  | 88% |
| Emprise Bank | 12% |

### **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 \$14,578,623, with the bank balances of such accounts being \$14,738,533. Of the bank balances, \$582,362 was covered by federal depository insurance and the remaining balance of \$14,156,171 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks and letters of credit pledged to secure City deposits. The fair value of those pledged securities held by the City's custodial investment agencies and letters of credit were \$12,272,440 and \$7,000,000, respectively at December 31, 2018.

The remaining carrying amount of the City's cash and investments at December 31, 2018 consisted of cash on hand of \$600.

The Mulvane Public Library's cash and investments at December 31, 2018 consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$234,803 with the bank balances of such accounts being

## 2. DEPOSITS AND INVESTMENTS (continued)

\$230,460. The bank balances were entirely secured by FDIC insurance at December 31, 2018.

The Mulvane Housing Authority's cash and investments at December 31, 2018 consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$39,043 with the bank balances of such accounts being \$39,043. The bank balances were entirely secured by FDIC insurance at December 31, 2018.

The Mulvane Land Bank cash and investments at December 31, 2018 consisted of a checking account and the carrying amount of the Mulvane Land Bank deposit was \$139,512 with the bank balance of such accounts being \$139,512. The bank balance was entirely secured by FDIC insurance at December 31, 2018.

## 3. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

|   | Balance<br>January 1,<br><u>2018</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br>December 31,<br><u>2018</u> |
|---|--------------------------------------|------------------|------------------|--|
| <u>Governmental Activities:</u>                 |                                      |                  |                  |  |
| Capital assets not<br>being depreciated:        |                                      |                  |                  |  |
| Land  | \$ 465,014                           | \$ —             | \$ —             | \$ 465,014                             |
| Construction<br>work in<br>progress             | <u>1,303,203</u>                     | <u>1,643,295</u> | <u>2,151,351</u> | <u>795,147</u>                         |
|   | <u>1,768,217</u>                     | <u>1,643,295</u> | <u>2,151,351</u> | <u>1,260,161</u>                       |
| Capital assets being<br>depreciated:            |                                      |                  |                  |  |
| Buildings                                       | 8,198,320                            | —                | —                | 8,198,320                              |
| Improvements<br>other than<br>buildings         | 3,811,573                            | —                | —                | 3,811,573                              |
| Infrastructure                                  | 35,656,585                           | 1,205,083        | —                | 36,861,668                             |
| Machinery and<br>equipment                      | <u>5,816,394</u>                     | <u>687,123</u>   | <u>108,753</u>   | <u>6,394,764</u>                       |
| Total capital<br>assets<br>being<br>depreciated | <u>53,482,872</u>                    | <u>1,892,206</u> | <u>108,753</u>   | <u>55,266,325</u>                      |

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

|   | Balance<br>January 1,<br>2018 | Additions           | Deletions          | Balance<br>December 31,<br>2018 |
|---|-------------------------------|---------------------|--------------------|---------------------------------|
| Less accumulated depreciation for:          |                               |                     |                    |                                 |
| Buildings                                   | \$ 1,585,533                  | \$ 206,771          | \$ —               | \$ 1,792,304                    |
| Improvements other than buildings           | 1,092,841                     | 89,520              | —                  | 1,182,361                       |
| Infrastructure                              | 19,696,854                    | 884,954             | —                  | 20,581,808                      |
| Machinery and equipment                     | <u>4,102,522</u>              | <u>439,691</u>      | <u>108,753</u>     | <u>4,433,460</u>                |
| Total accumulated depreciation              | <u>26,477,750</u>             | <u>1,620,936</u>    | <u>108,753</u>     | <u>27,989,933</u>               |
| Total capital assets being depreciated, net | <u>27,005,122</u>             | <u>271,270</u>      | <u>—</u>           | <u>27,276,392</u>               |
| Governmental activities capital assets, net | <u>\$ 28,773,339</u>          | <u>\$ 1,914,565</u> | <u>\$2,151,351</u> | <u>\$ 28,536,553</u>            |
| <u>Business-Type Activities:</u>            |                               |                     |                    |                                 |
| Capital assets, not being depreciated       |                               |                     |                    |                                 |
| Land  | \$ 676,863                    | \$ —                | \$ —               | \$ 676,863                      |
| Construction Work in Progress               | <u>18,292</u>                 | <u>—</u>            | <u>—</u>           | <u>18,292</u>                   |
| Total capital assets not being depreciated  | <u>695,155</u>                | <u>—</u>            | <u>—</u>           | <u>695,155</u>                  |
| Capital assets being depreciated:           |                               |                     |                    |                                 |
| Utility plant                               | 35,220,847                    | 50,067              | —                  | 35,270,914                      |
| Improvements other than buildings           | 16,256,491                    | 1,076,650           | —                  | 17,333,141                      |

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

|  | Balance<br>January 1,<br>2018 | Additions           | Deletions   | Balance<br>December 31,<br>2018 |
|--|-------------------------------|---------------------|-------------|---------------------------------|
| Machinery and equipment                      | \$ 3,758,044                  | \$ 108,311          | \$ —        | \$ 3,866,355                    |
| Total capital assets being depreciated       | <u>55,235,382</u>             | <u>1,235,028</u>    | <u>—</u>    | <u>56,470,410</u>               |
| Less accumulated depreciation for:           |                               |                     |             |                                 |
| Utility plant                                | 9,118,016                     | 789,223             | —           | 9,907,239                       |
| Improvements other than buildings            | 7,163,898                     | 394,948             | —           | 7,558,846                       |
| Machinery and equipment                      | <u>2,046,076</u>              | <u>228,892</u>      | <u>—</u>    | <u>2,274,968</u>                |
| Total accumulated depreciation               | <u>18,327,990</u>             | <u>1,413,063</u>    | <u>—</u>    | <u>19,741,053</u>               |
| Total capital assets being depreciated, net  | <u>36,907,392</u>             | <u>(178,035)</u>    | <u>—</u>    | <u>36,729,357</u>               |
| Business-type activities capital assets, net | <u>\$ 37,602,547</u>          | <u>\$ (178,035)</u> | <u>\$ —</u> | <u>\$ 37,424,512</u>            |

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

|  |                     |
|--|---------------------|
| Governmental activities:   |                     |
| General government   | \$ 63,986           |
| Public safety  | 274,791             |
| Highways and streets (including depreciation of infrastructure assets) | 985,601             |
| Culture and recreation   | <u>296,558</u>      |
| Total depreciation expense – governmental activities                   | <u>\$ 1,620,936</u> |

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

|   |                     |
|---|---------------------|
| Business-type activities:                             |                     |
| Electric System                                       | \$ 439,995          |
| Water System  | 339,273             |
| Sewer System  | <u>633,795</u>      |
| Total depreciation expense – business-type activities | <u>\$ 1,413,063</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, 2018:

|  | Outstanding<br>January 1,<br><u>2018</u> | <u>Additions</u>    | <u>Deletions</u>    | Outstanding<br>December 31,<br><u>2018</u> | Due<br>Within<br><u>One Year</u> |
|--|--|---------------------|---------------------|--|----------------------------------|
| <u>Governmental activities</u>   |  |                     |                     |  |                                  |
| General obligation bonds   | \$24,052,043                             | \$ 2,205,000        | \$ 2,049,921        | \$ 24,207,122                              | \$ 2,019,277                     |
| Mulvane Public Building<br>Commission Revenue<br>bonds                           | 3,485,000                                | 1,000,000           | 520,000             | 3,965,000                                  | 525,000                          |
| Net pension liability  | 2,684,535                                | 159,042             | 275,829             | 2,567,748                                  | —                                |
| Net OPEB liability   | 344,530                                  | 44,356              | 32,876              | 356,010                                    | —                                |
| Premium on issuance of<br>general obligation<br>bonds                            | 562,352                                  | 50,082              | 85,097              | 527,337                                    | 88,710                           |
| Premium on issuance of<br>Mulvane Public<br>Building Commission<br>revenue bonds | 32,830                                   | 16,918              | 10,013              | 39,735                                     | 8,934                            |
| Compensated absences   | <u>347,128</u>                           | <u>285,385</u>      | <u>294,656</u>      | <u>337,857</u>                             | <u>286,272</u>                   |
| Total long-term liabilities –<br>Governmental activities                         | <u>\$31,508,418</u>                      | <u>\$ 3,760,783</u> | <u>\$ 3,268,392</u> | <u>\$ 32,000,809</u>                       | <u>\$ 2,928,193</u>              |
| <u>Business-type activities</u>  |  |                     |                     |  |                                  |
| General obligation bonds   | \$ 6,738,957                             | \$ —                | \$ 933,079          | \$ 5,805,878                               | \$ 898,722                       |
| Premium on issuance of<br>general obligation<br>bonds                            | 67,942                                   | —                   | 18,112              | 49,830                                     | —                                |
| Net pension liability  | 894,845                                  | 53,013              | 91,943              | 855,915                                    | —                                |
| Net OPEB liability   | 114,843                                  | 14,785              | 10,958              | 118,670                                    | —                                |
| Compensated absences   | <u>220,781</u>                           | <u>186,216</u>      | <u>186,545</u>      | <u>220,452</u>                             | <u>186,793</u>                   |
| Total long-term liabilities<br>– Business-Type<br>activities                     | <u>\$ 8,037,368</u>                      | <u>\$ 254,014</u>   | <u>\$ 1,240,637</u> | <u>\$ 7,050,745</u>                        | <u>\$ 1,085,515</u>              |

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

##### General obligation bonds

General obligation bonds payable are serial bonds to be retired through calendar year 2034. At December 31, 2018 the bonds consist of the following:

|   | <u>Interest<br/>rates</u> | <u>Bonds<br/>outstanding</u> |
|---|---------------------------|------------------------------|
| General Obligation Internal Improvement<br>Bonds, Series B, 2003      | 2.00 – 5.00               | \$ 3,000                     |
| General Obligation Bonds, Series A 2012                               | 2.00 – 3.50               | 935,000                      |
| General Obligation Refunding and<br>Improvement Bonds, Series B, 2012 | 1.00 – 2.75               | 3,095,000                    |
| General Obligation Bonds, Series A, 2013                              | 2.00 – 4.00               | 7,090,000                    |
| General Obligation Refunding and<br>Improvement Bonds, Series A, 2014 | 2.00 – 3.50               | 720,000                      |
| General Obligation Refunding and<br>Improvement Bonds, Series A, 2015 | 2.00 – 2.50               | 4,935,000                    |
| General Obligation Refunding Bonds<br>Series A, 2016                  | 2.00 – 3.00               | 7,930,000                    |
| General Obligation Refunding Bonds,<br>Series B, 2016                 | 1.50 – 2.15               | 3,100,000                    |
| General Obligation Bonds, Series 2018                                 | 2.00 – 3.50               | <u>2,205,000</u>             |
| Total general obligation bonds outstanding                            |                           | 30,013,000                   |
| Less debt service from enterprise funds                               |                           | <u>(5,805,878)</u>           |
| Total general obligation bonds payable from debt service fund         |                           | <u>\$ 24,207,122</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> |
|-------------|------------------|-----------------|--------------|
| 2019        | \$ 2,019,277     | 657,910         | 2,677,187    |
| 2020        | 1,912,675        | 637,902         | 2,550,577    |
| 2021        | 1,942,371        | 588,023         | 2,530,394    |
| 2022        | 1,987,817        | 536,463         | 2,524,280    |
| 2023        | 2,240,619        | 480,327         | 2,720,946    |
| 2024        | 2,295,619        | 418,290         | 2,713,909    |
| 2025        | 2,376,788        | 357,392         | 2,734,180    |
| 2026        | 2,273,831        | 286,750         | 2,560,581    |
| 2027        | 1,994,531        | 231,779         | 2,226,310    |
| 2028        | 964,531          | 181,106         | 1,145,637    |



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

| <u>Year</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|-------------|----------------------|---------------------|----------------------|
| 2029        | \$ 654,531           | \$ 150,572          | \$ 805,103           |
| 2030        | 679,532              | 128,439             | 807,971              |
| 2031        | 675,000              | 105,455             | 780,455              |
| 2032        | 700,000              | 81,380              | 781,380              |
| 2033        | 730,000              | 56,405              | 786,405              |
| 2034        | 760,000              | 28,780              | 788,780              |
|             | <u>\$ 24,207,122</u> | <u>\$ 4,926,973</u> | <u>\$ 29,134,095</u> |

#### General obligation bonds payable from enterprise funds

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

| <u>Year</u> | <u>Electric Utility</u> |                   |                     | <u>Water Utility</u> |                  |                   |
|-------------|-------------------------|-------------------|---------------------|----------------------|------------------|-------------------|
|             | <u>Principal</u>        | <u>Interest</u>   | <u>Total</u>        | <u>Principal</u>     | <u>Interest</u>  | <u>Total</u>      |
| 2019        | \$ 325,715              | \$ 48,537         | \$ 374,252          | \$ 34,148            | \$ 2,791         | \$ 36,939         |
| 2020        | 319,937                 | 42,023            | 361,960             | 5,939                | 2,108            | 8,047             |
| 2021        | 297,770                 | 35,624            | 333,394             | 5,939                | 1,990            | 7,929             |
| 2022        | 303,571                 | 29,669            | 333,240             | 5,939                | 1,871            | 7,810             |
| 2023        | 275,772                 | 23,598            | 299,370             | 5,939                | 1,752            | 7,691             |
| 2024        | 284,126                 | 18,074            | 302,200             | 5,939                | 1,618            | 7,557             |
| 2025        | 298,934                 | 12,357            | 311,291             | 6,681                | 1,440            | 8,121             |
| 2026        | 204,970                 | 5,640             | 210,610             | 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                   | 149               | 4,387               | 7,423                | 260              | 7,683             |
|             | <u>\$ 2,327,747</u>     | <u>\$ 217,006</u> | <u>\$ 2,544,753</u> | <u>\$ 106,900</u>    | <u>\$ 17,408</u> | <u>\$ 124,308</u> |

| <u>Year</u> | <u>Sewer Utility</u> |                 |              | <u>Total Utilities</u> |                 |              |
|-------------|----------------------|-----------------|--------------|------------------------|-----------------|--------------|
|             | <u>Principal</u>     | <u>Interest</u> | <u>Total</u> | <u>Principal</u>       | <u>Interest</u> | <u>Total</u> |
| 2019        | \$ 538,859           | \$ 70,090       | \$ 608,949   | \$ 898,722             | \$ 121,418      | \$ 1,020,140 |
| 2020        | 521,450              | 59,313          | 580,763      | 847,326                | 103,444         | 950,770      |
| 2021        | 478,920              | 48,884          | 527,804      | 782,629                | 86,498          | 869,127      |
| 2022        | 487,673              | 39,306          | 526,979      | 797,183                | 70,846          | 868,029      |
| 2023        | 337,670              | 29,552          | 367,222      | 619,381                | 54,902          | 674,283      |
| 2024        | 349,316              | 22,781          | 372,097      | 639,381                | 42,473          | 681,854      |
| 2025        | 367,597              | 15,724          | 383,321      | 673,212                | 29,521          | 702,733      |

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

| Year | Sewer Utility      |                   |                    | Total Utilities     |                   |                     |
|------|--------------------|-------------------|--------------------|---------------------|-------------------|---------------------|
|      | Principal          | Interest          | Total              | Principal           | Interest          | Total               |
| 2026 | \$ 254,518         | \$ 7,461          | \$ 261,979         | \$ 466,169          | \$ 14,341         | \$ 480,510          |
| 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              | 307               | 9,114              | 20,468              | 716               | 21,184              |
|      | <u>\$3,371,231</u> | <u>\$ 296,193</u> | <u>\$3,667,424</u> | <u>\$ 5,805,878</u> | <u>\$ 530,607</u> | <u>\$ 6,336,485</u> |

#### 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, 2018 the bonds consist of the following:

|   | <u>Interest rates</u> | <u>Bonds outstanding</u> |
|---|-----------------------|--------------------------|
| Mulvane Public Building Commission<br>Refunding Revenue Bonds, Series 2009<br>(Fire/EMS Facility) | 1.25 – 4.00           | \$ 355,000               |
| Mulvane Public Building Commission<br>Revenue Bonds, Series A 2014<br>(Public Library)            | 2.00 – 2.125          | 2,610,000                |
| Mulvane Public Building Commission<br>Revenue Bonds, Series A 2018<br>(Police Building)           | 3.00                  | <u>1,000,000</u>         |
|   |                       | <u>\$ 3,965,000</u>      |

Remaining debt service requirements for the Mulvane Public Building Commission Series 2009 and 2018 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 equipping a new public library within the City. The special sales tax was approved by the voters of the City in June 2014 and became effective October 1, 2014 and will expire on the 30<sup>th</sup> day of September 2024, or such earlier date as all obligations incurred have been paid in full. During 2018, the revenues from the special sales tax were \$673,750 with the required debt service payments totaling \$465,875.

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

Annual debt service requirements to maturity for the revenue bonds are as follows:

| Year | Series 2009 Revenue Bonds |                  |                   | Series 2014 Revenue Bonds |                   |                     |
|------|---------------------------|------------------|-------------------|---------------------------|-------------------|---------------------|
|      | Principal                 | Interest         | Total             | Principal                 | Interest          | Total               |
| 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>\$ 355,000</u>         | <u>\$ 27,660</u> | <u>\$ 382,660</u> | <u>\$ 2,610,000</u>       | <u>\$ 189,650</u> | <u>\$ 2,799,650</u> |

| Year | Series 2018 Revenue Bonds |                   |                     | Total Revenue Bonds |                   |                     |
|------|---------------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
|      | Principal                 | Interest          | Total               | Principal           | Interest          | Total               |
| 2019 | \$ —                      | \$ 47,500         | \$ 47,500           | \$ 525,000          | \$ 113,775        | \$ 638,775          |
| 2020 | —                         | 30,000            | 30,000              | 540,000             | 83,935            | 623,935             |
| 2021 | —                         | 30,000            | 30,000              | 550,000             | 70,975            | 620,975             |
| 2022 | —                         | 30,000            | 30,000              | 440,000             | 57,575            | 497,575             |
| 2023 | —                         | 30,000            | 30,000              | 450,000             | 48,775            | 498,775             |
| 2024 | —                         | 30,000            | 30,000              | 460,000             | 39,775            | 499,775             |
| 2025 | 240,000                   | 30,000            | 270,000             | 240,000             | 30,000            | 270,000             |
| 2026 | 245,000                   | 22,800            | 267,800             | 245,000             | 22,800            | 267,800             |
| 2027 | 255,000                   | 15,450            | 270,450             | 255,000             | 15,450            | 270,450             |
| 2028 | 260,000                   | 7,800             | 267,800             | 260,000             | 7,800             | 267,800             |
|      | <u>\$ 1,000,000</u>       | <u>\$ 273,550</u> | <u>\$ 1,273,550</u> | <u>\$ 3,965,000</u> | <u>\$ 490,860</u> | <u>\$ 4,455,860</u> |

#### Net pension liability

The governmental funds portion of the liability for pension-related debt is principally liquidated from the City's General Fund. The total net pension liability has been allocated to the business-type activities based on their respective covered payroll for the year ended December 31, 2018.

#### Compensated absences

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

#### 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, 2018:

|   | Outstanding<br>January 1,<br><u>2018</u> | <u>Additions</u> | <u>Deletions</u> | Outstanding<br>December 31,<br><u>2018</u> |
|---|--|------------------|------------------|--|
| Villa Maria, Inc. Health<br>Care Facility Refunding<br>And Improvement<br>Revenue Bonds, Series<br>2017 | \$ 5,100,000                             | \$ —             | \$ 178,466       | \$ 4,921,534                               |

#### 5. TEMPORARY NOTES

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects, which will be refinanced with general obligation bonds or paid through other resources available to the City. Prior to the issuance of the temporary notes, the governing body must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. There were no outstanding temporary notes at December 31, 2018.

During 2018, the temporary note activity for the various capital improvement projects were as follows:

| <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|------------------------------|------------------|------------------|---------------------------|
| \$ 2,515,000                 | \$ 612,000       | \$ 3,127,000     | \$ — 0 —                  |

#### 6. CAPITAL PROJECT FUND AUTHORIZATIONS

At December 31, 2018, individual project authorizations compared with project expenditures from inception which are reported within the Capital Projects Fund are as follows:

## 6. CAPITAL PROJECT FUND AUTHORIZATIONS (continued)

| <u>Project</u>  | <u>Project<br/>authorizations</u> | <u>Expenditures<br/>project<br/>inception to<br/>December 31, 2018</u> |
|---|-----------------------------------|--|
| Water Treatment Plant Improvements                          | \$ 7,000,000                      | \$ 6,117,841   |
| Cedar Brook 5 <sup>th</sup> Addition Water<br>Improvements  | \$ 128,700                        | \$ 79,866  |
| Cedar Brook 5 <sup>th</sup> Addition Sewer<br>Improvements  | 125,400                           | 70,617   |
| Cedar Brook 5 <sup>th</sup> Addition Street<br>Improvements | 364,320                           | 269,123  |
| Merlin's Glen Street Drainage<br>Improvements               | 82,732                            | 55,994   |
| Villa Maria Senior Housing Project                          | 306,013                           | 201,818  |
| Nottingham Estates Addition Water<br>Improvements           | 164,970                           | 115,869  |
| Nottingham Estates Addition Sewer<br>Improvements           | 292,740                           | 172,812  |
| Nottingham Estates Addition Street<br>Improvements          | 520,650                           | 361,380  |
| Emerald Valley Phase 1 Addition<br>Water Improvements       | 211,787                           | 110,219  |
| Emerald Valley Phase 1 Addition<br>Sewer Improvements       | 237,159                           | 198,906  |
| Emerald Valley Phase 1 Addition<br>Street Improvements      | 546,039                           | 380,700  |
| Emerald Valley Phase 1 Addition<br>Pond Improvements        | 283,257                           | 178,334  |
| Gilbert Addition Improvements                               | 129,490                           | 55,740   |
| Police Building   | 1,016,918                         | 998,767  |

## 7. 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

## **7. PENSION PLAN (continued)**

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](http://www.kpers.org).

### **Benefits provided**

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

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

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

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

## 7. PENSION PLAN (continued)

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 for each of the three state wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers, which includes the state and the school employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rates and the statutory contribution rates are as follows:

|  | <u>Actuarial<br/>Employer<br/>Rate</u> | <u>Statutory<br/>Employer<br/>Capped<br/>Rate</u> |
|--|--|---|
| State employees                            | 19.62%                                 | 12.01%  |
| School employees                           | 16.38                                  | 12.01   |
| State/School employees (combined rate) (1) | 14.89                                  | 12.01   |
| Local government employees                 | 8.39                                   | 8.39  |
| Police and Firemen                         | 20.09                                  | 20.09   |
| Judges                                     | 15.89                                  | 15.89   |

(1) The State/School subgroups are combined into one group for purposes of determining a contribution rate.

Rates shown for KPERS State, School and Judges represent the rates for the fiscal year ending June 30. KPERS Local and KP&F rates are reported for the calendar year.

Member contribution rates as a percentage of eligible compensation in fiscal year 2018 are 6.00% for Public Employees, 7.15% for Police and Firemen, and 6.00% or 2.00% for Judges.

The 2015 Legislature passed and the Governor approved Senate Bill 228, which authorized the issuance of \$1 billion in pension obligation bonds to improve the funding of the state/school group. The bonds were issued in August 2015 and deposited in the trust fund

## **7. PENSION PLAN (continued)**

on August 20, 2015. This legislation reset the state/school statutory rate to 10.91%. In fiscal year 2015 for the state/school employer group, the Governor declared an allotment affecting the employer rate for the last two quarters of the fiscal year. The employer rate was reduced from 11.27% to 8.65%.

### **Employer Allocations**

Although KPERS administers one cost sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each of the following groups of the plan:

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2018 are based on the ratio of each employer's contributions to total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the City's proportion was .245637%, which was an decrease of .001480% from its proportion measured at June 30, 2017.

### **Receivables**

In addition to statutorily determined contractually required contributions, certain agencies also make payments through an additional component of their required employer contribution rate or annual installment payments. Both options include interest at 8% per year, for the cost of service credits granted retroactively when the agencies initially joined the retirement system. As of June 30, 2018, the outstanding balance was \$4,612,105. These payments are due over various time periods up through December 31, 2032.

The 2017 Legislature passed Senate Sub for Sub House Bill 2052 authorizing the delay of \$64.1 million in Fiscal Year 2017 contributions. This amount has been set up as a long-term receivable. Payment was authorized to be made in a series of twenty annual payments of \$6.4 million. Senate Sub for HB 2002 authorized the first two annual payments for Fiscal Years 2018 and 2019.



## 7. PENSION PLAN (continued)

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

At December 31, 2018, the City reported a liability of \$3,423,663 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the City recognized pension expense of \$30,059. At December 31, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| City contributions subsequent to the measurement date                            | \$ 178,552                                    | \$ —   |
| Differences between expected and actual experience                               | 12,361  | 97,011                                       |
| Net difference between projected and actual earnings on pension plan investments | 80,090  | —  |
| Changes in assumptions   | 148,259                                       | 16,487                                       |
| Changes in proportion  | <u>288,795</u>                                | <u>126,146</u>                               |
| Total  | <u>\$ 708,057</u>                             | <u>\$ 239,644</u>                            |

The City reported \$178,552 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, 2018. 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> |
|-----------------------------|---------------|
| 2019                        | \$ 221,168    |
| 2020                        | 91,623        |
| 2021                        | (34,663)      |
| 2022                        | 13,402        |
| 2023                        | (1,669)       |
| Thereafter                  | —             |

## 7. PENSION PLAN (continued)

### Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Actuarial Cost Method     | Entry age normal   |
| Inflation                 | 2.75 percent   |
| Salary Increases          | 3.50 to 12.00 percent, including price inflation                                       |
| Investment Rate of Return | 7.75 percent compounded annually, net of investment expense, including price inflation |

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 percent to 3.50 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

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 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 asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term<br/>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</u> |
|--------------------|--|---|
| Global Equity      | 47.00%                                     | 6.85%   |
| Fixed Income       | 13.00                                      | 1.25  |

## 7. PENSION PLAN (continued)

| <u>Asset Class</u>     | <u>Long-Term<br/>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</u> |
|------------------------|--|---|
| Yield Driven           | 8.00%                                      | 6.55%   |
| Real Return            | 11.00                                      | 1.71  |
| Real Estate            | 11.00                                      | 5.05  |
| Alternatives           | 8.00                                       | 9.85  |
| Short-Term Investments | <u>2.00</u>                                | (0.25)  |
| Total                  | <u>100.00%</u>                             |   |

### Discount rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for fiscal year 2018 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for fiscal year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for fiscal year 2016 and 10.81 percent for fiscal year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 S Sub. For Substitute HB 2052 delayed \$64.1 million in Fiscal Year State/School contributions to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made at the State/School group statutory contribution rate of 12.01 percent for that year. Additional legislation in the 2017 Session (S Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for fiscal year 2019. Like the fiscal year 2017 reduction, it is to be paid back over a 20-year period, beginning in fiscal year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2018 Legislature passed House Sub for Sen Bill 109, that provided additional funds for the school group of \$56 million in Fiscal Year 2018 and \$138 million in Fiscal Year 2019.

## 7. PENSION PLAN (continued)

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12 percent. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

The Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate.

### 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, 2018 calculated using the discount rate of 7.75%, as well as what the Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

|                       | June 30, 2018                |  |                              |
|-----------------------|------------------------------|--|------------------------------|
|                       | 1.00%<br>Decrease<br>(6.75%) | Current<br>Discount<br>Rate<br>(7.75%) | 1.00%<br>Increase<br>(8.75%) |
| Net pension liability | \$5,021,303                  | \$3,423,664                            | \$2,073,515                  |

### Special funding situation

The employer contributions for non-public school district schools, as defined in K.S.A. 74-49314 (2) and (3), are funded by the State of Kansas on behalf of these employers. Therefore, these employers, area vocational technical schools and community junior colleges, are considered to be in a special funding situation as defined by *Governmental Accounting Standards Board Statement No. 68*. The State is treated as a nonemployer contributing entity in the System. Since these employers do not contribute directly to the System for active employees, there is not net pension liability or deferred inflows or outflows to report in their financial statements for active employees. The notes to their financial statements for these entities must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the non-public school district employer. In addition, each non-public school district employer must recognize the pension expense associated with their employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective net pension expense associated with their employer.

A number of these employers make contributions directly to KPERS for KPERS retirees filling KPERS covered position per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of these agencies "working after retirement" contributions and resulting net pension liability are attributable to the employer.

## 7. PENSION PLAN (continued)

### Pension plan fiduciary net position

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

## 8. BUDGETARY DATA

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

|   | <u>General<br/>Fund</u>     | <u>Debt<br/>Service<br/>Fund</u> | <u>Other<br/>Nonmajor<br/>Govern-<br/>mental<br/>Funds</u> |
|---|-----------------------------|----------------------------------|--|
| GAAP Fund Balance at<br>December 31, 2018             | \$ 4,247,840                | \$ 315,414                       | \$ 3,165,347   |
| Adjustments:  |                             |                                  |  |
| Reserved for self-insurance                           | (275,702)                   | —                                | —  |
| Accrued sales tax revenues                            | (71,241)                    | —                                | (66,350)   |
| Accrued franchise fee revenues                        | (34,213)                    | —                                | —  |
| Accrued gaming facility revenues                      | (161,150)                   | —                                | —  |
| Other receivables                                     |                             | —                                | (87,796)   |
| Reserved for encumbrances –<br>budgeted funds         | (4,902)                     | —                                | —  |
| Fund balances of nonbudgeted<br>special revenue funds |                             | —                                | (816,659)  |
|   | <u>                    </u> | <u>                    </u>      | <u>                    </u>                                |
| Budgetary Fund Balance at<br>December 31, 2018        | <u>\$ 3,700,632</u>         | <u>\$ 315,414</u>                | <u>\$ 2,194,542</u>  |

## 9. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables (due to/ from other funds) at December 31, 2018 were as follows:

| <u>Fund</u>  | <u>Due To</u>   | <u>Due From</u> |
|--|-----------------|-----------------|
| Cedar Brook 5 <sup>th</sup> Addition Street Improvements | \$ 3,229        | \$ —            |
| Cedar Brook 5 <sup>th</sup> Addition Sewer Improvements  | —               | 1,801           |
| Nottingham Estates Sewer Improvements                    | —               | 815             |
| Gilbert Addition Improvements                            | —               | 613             |
|  | <u>\$ 3,229</u> | <u>\$ 3,229</u> |

## 9. INTERFUND RECEIVABLES AND PAYABLES (continued)

The amounts due to the Cedar Brook 5<sup>th</sup> Addition Street Improvements Fund are the result of cash deficiencies incurred at year-end by other project funds for which permanent financing had been authorized by the governing body but not yet issued at year-end.

## 10. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2018 is as follows:

| <u>Fund</u>                                | <u>Transfers<br/>in</u> | <u>Transfers<br/>out</u> |
|--|-------------------------|--------------------------|
| Major Funds:                               |                         |                          |
| General                                    | \$                      | \$ 396,300               |
| Debt Service                               | <u>26,347</u>           | <u>—</u>                 |
|  | <u>26,347</u>           | <u>396,300</u>           |
| Nonmajor Funds:                            |                         |                          |
| Senior Citizens                            | 28,300                  | —                        |
| Municipal Equipment Reserve                | 270,000                 | —                        |
| Swimming Pool                              | 98,000                  | —                        |
| Water Treatment Plant                      | —                       | 18,822                   |
| Merlin's Glen Street Drainage Improvements | <u>—</u>                | <u>7,525</u>             |
|  | <u>396,300</u>          | <u>26,347</u>            |
|  | <u>\$ 422,647</u>       | <u>\$ 422,647</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 to the Municipal Equipment Reserve Fund in the amount of \$270,000 are related to equipment replacement reserves. Transfers from the General Fund to the Swimming Pool Fund (\$98,000) and also to the Senior Citizens Fund (\$28,300) are routinely made to support those functional operations.

The Debt Service Fund received non-routine transfers from Water Treatment Plant Fund and Merlin's Glen Street Drainage Improvements Fund in the amounts of \$18,822 and \$7,525, respectively, to transfer the residual balances in the project funds to the Debt Service Fund upon completion of the projects.

## 11. FUND DEFICITS

At December 31, 2018, the following funds had incurred fund deficits:

| <u>Fund</u>   | <u>Deficit<br/>Amount</u> |
|---|---------------------------|
| Cedar Brook 5 <sup>th</sup> Addition Sewer Improvements | \$ 1,801                  |
| Gilbert Addition Improvements                           | 613                       |

These fund deficits will be financed through the sale of bonds authorized by the City Council, not yet sold at December 31, 2018, or through other revenue sources available to the City.

## 12. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

### Health Insurance

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. It is management's opinion that 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.

### KPERS Death and Disability OPEB Plan

#### Plan description

The City participates in an agent multiple-employer defined benefit other postemployment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefits for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Accordingly, the Plan is considered to be administered on a pay-as-you go basis. There is no stand-alone financial report for the Plan.

#### Benefits provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66

## 12. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

### Long-term disability benefit

Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of-living increase.

### Group waiver of premium benefit

Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of the disability or the member's previous 12 months of compensation at the time of the last date of payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefits rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance plan.

### Members covered by benefit terms

As of the valuation date of December 31, 2017, the following employees were covered by the benefit terms:

|                  |                  |
|------------------|------------------|
| Active employees | 75               |
| Disabled members | <u>1</u>         |
| Total            | <u><u>76</u></u> |



## 12. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

### Total OPEB liability

The City's total OPEB liability of \$474,680 was measured as of June 30, 2018, and was determined by an actuarial valuation as of December 31, 2017.

### Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

|                               |  |
|-------------------------------|--|
| Price inflation               | – 2.75 percent   |
| Payroll growth                | – 3.00 percent   |
| Discount rate                 | – 3.87 percent   |
| Salary increases              | – 3.50 percent (composed of 2.75 percent inflation and .75 percent productivity) |
| Actuarial cost method         | – Entry Age Normal   |
| Healthcare cost trend rates   | – Not applicable for the coverage in this plan                                   |
| Retiree share of benefit cost | – Not applicable for the coverage in this plan                                   |

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2018.

The actuarial assumptions used in the December 31, 2017 valuation were based on an actuarial experience study for the period July 1, 2014 – June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2017 KPERS pension valuation.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

## 12. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

### Changes in the total OPEB liability

|  | <u>Total OPEB<br/>Liability</u> |
|--|---------------------------------|
| Changes for the year:                          |                                 |
| Service cost                                   | \$ 16,529                       |
| Interest cost                                  | 16,469                          |
| Effect of economic/demographic gains or losses | 25,163                          |
| Effect of assumptions changes or inputs        | (10,789)                        |
| Benefit payments                               | <u>(32,065)</u>                 |
| Net changes                                    | 15,307                          |
| Net OPEB liability at beginning of year        | <u>459,373</u>                  |
| Net OPEB liability at end of year              | <u><u>\$ 474,680</u></u>        |

### Changes in assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate for each period. The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

### Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current discount rate:

|                             | 1.00%<br>Decrease<br>(2.87%) | Current<br>Discount<br>Rate<br>(3.87%) | 1.00%<br>Increase<br>(4.87%) |
|-----------------------------|------------------------------|--|------------------------------|
| City's total OPEB liability | \$ 513,368                   | \$ 474,680                             | \$440,272                    |

### Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB Statement No. 75.

## 12. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

|                             | <u>1.00%<br/>Decrease</u> | <u>Current<br/>Trend<br/>Assumption</u> | <u>1.00%<br/>Increase</u> |
|-----------------------------|---------------------------|---|---------------------------|
| City's total OPEB liability | \$ 474,680                | \$ 474,680                              | \$ 474,680                |

### OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$10,123. At December 31, 2018 the City reported inferred outflows of resources related to OPEB from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 22,566                                     | \$ —   |
| Changes in assumptions                             | —   | 31,556                                       |
| Contributions subsequent to the measurement date   | <u>21,281</u>                                 | <u>—</u>                                     |
| Total  | <u>\$ 43,847</u>                              | <u>\$ 31,556</u>                             |

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$21,281 consist of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year ending December 31,</u> | <u>Amount</u> |
|---------------------------------|---------------|
| 2019                            | \$ (1,365)    |
| 2020                            | (1,365)       |
| 2021                            | (1,365)       |
| 2022                            | (1,365)       |
| 2023                            | (1,365)       |
| 2024 and thereafter             | (2,165)       |

### 13. TAX ABATEMENTS

In 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. The objective of GASB Statement No. 77 is to improve financial reporting by giving financial statement users essential information regarding the nature and magnitude of tax abatements. The City operates two economic development programs that qualify as tax abatements under GASB No. 77. Those programs are summarized as follows.

#### **Neighborhood Revitalization Programs Property Tax Abatements**

The City participates in the Sumner County Neighborhood Revitalization Plan (NRP), which was effective July 1, 2014 and approves property tax abatements in accordance with K.S.A. 79-201a Second and Twenty-Fourth and K.S.A. 12-1740 to 12-1749d, inclusive. The NRP incentive program requires that the construction of an improvement must have been commenced on or after July 1, 2014. Rehabilitation, alterations and additions to any existing residential structure, including the alteration of a single-family home into a multi-family dwelling, shall be eligible. The rebate period will be for a period of 5 years with the rebate amount being 95% of the increased valuation from such improvements. Rehabilitation, alterations and additions to any existing commercial structure used for retail, office, manufacturing, warehousing, institutional and agricultural or other commercial or industrial purpose shall be eligible. The rebate period will be for a period of 5 years with the rebate amount being 95% of the increased valuation from such improvements. Properties within the City of Mulvane located within Sumner County are eligible. Upon timely payment in full of all real estate tax and special assessments for the property, a rebate of the taxes related to the valuation improvement (less an administrative fee not to exceed 10% to be retained by Sumner County, Kansas) will be made to the property owner. Sumner County issues the rebate checks directly to the individual taxpayers. All taxing subdivisions overlapping the City of Mulvane located within Sumner County participate in this NRP program.

For the year ended December 31, 2018, the City abated property taxes totaling \$9,629 under the NRP program.

#### **Industrial Revenue Bond Tax Abatements**

The City negotiates property tax abatement agreements on an individual basis. The City has one entity with outstanding industrial revenue bonds however, that entity is a nonprofit adult care home, which is exempt from property taxes under the provisions of Kansas State Statutes.

The City expects property tax abatements to help achieve some or all of the following objectives:

- Retention and/or expansion of existing businesses located in the City;
- Diversification of the local economy;
- Positive net impact on the City or a particular areas of the City where economic assistance is needed;

### **13. TAX ABATEMENTS (continued)**

- Enhance the City's economic climate and increase/maintain the City's job market;
- Increase the property tax base of commercial properties to further support the cost of City services;
- Enhance the City's credit worthiness by broadening the tax base;
- Promote the completion of existing City Business Park and encourage development of new business enterprises.

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

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

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

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

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

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

The City receives 1% of the gaming revenues from the Kansas Star Casino each month, which is distributed by the State of Kansas.

The Kansas Star Casino, LLC (Casino) has protested its property valuation within Sumner County for 2012, 2013, 2014, 2015 and 2016. Upon appeal, the Court of Appeals reduced the Casino's assessed valuation in 2012 from \$22.7 million to \$20.1 million. The Court of Appeals decision was appealed, but the Kansas Supreme Court declined to hear the case and such valuation stands. Sumner County issued a refund for 2012 property taxes to the Casino. The City received notification from Sumner County on March 22, 2018 that the property tax distribution to the City for June 5, 2018 would be reduced by \$122,025 to account for the City's portion of the 2012 refund.

The Casino also appealed the 2013 assessed valuation of \$56.5 million and the 2014 assessed valuation of \$38.8 million. The Board of Tax Appeals has ruled that the Casino's assessed valuation for 2013 is approximately 26.3 million and for 2014 is approximately \$24.4 million. The Board's rulings were appealed. The 2013 and 2014 cases were consolidated and heard by the Court of Appeals in February 2018. The Court of Appeals found the 2013 assessed valuation was approximately \$37 million and Sumner County issued a refund for 2013 taxes of \$2,732,132. The City received notification from Sumner County on October 12, 2018 that the property tax distribution to the City scheduled for January 20, 2019 would be reduced by \$819,595 to account for the City's portion of the 2013 refund.

The Casino appealed the 2015 assessed valuation of \$44.1 million. The Board of Tax Appeals ruled that the Casino's assessed valuation for 2015 is approximately \$25 million. The 2014 and 2015 cases were consolidated on appeal and the Court of Appeals remanded the cases to the Board of Tax Appeals for further fact finding.

The valuations for 2016 and 2017 were also appealed to the Board of Tax Appeals, which ruled the assessed valuations for both years were approximately \$25 million. These rulings have been appealed and no decision has yet been issued by the Court of Appeals.

If the Casino is successful in reducing its assessed valuations for 2014 and subsequent years, it may receive refunds from Sumner County for taxes previously paid based upon the larger assessed valuations. If Sumner County is required to refund any previously collected property taxes to the Casino for 2014 through 2018, the City's share of said refunds will be deducted from its future property tax revenues. The City estimates that the City's portion of a potential refund for taxes paid based upon the 2013 valuation, and accompanying reduction in future tax revenue, could be approximately \$1.28 million. To the extent the Board of Tax Appeals and courts reduce the assessed valuations for 2014 and subsequent years, the County will further reduce future tax distributions in amounts necessary to recover the City's portion of such refunds. There can be no assurance that these valuations or future valuations will not be further reduced as a result of such proceedings now or in the future.

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

The City has budgeted a total of \$1,500,000 in anticipation of possible reductions in property tax revenues due to tax refunds to the Casino. There can be no assurance that such budgeted amount will be sufficient to compensate for all reductions in tax revenues attributable to refunds to the Casino.

##### **Residential Housing Addition and Facility Improvement Commitments**

The City had outstanding construction and engineering commitments for facility improvements and water, sewer, paving and retention pond improvements related to new residential housing addition projects being constructed within the City in the amount of \$210,820 at December 31, 2018.

#### **15. RESTATEMENT**

##### **Prior Period Adjustment**

Beginning net position on the statement of activities and the statement of revenues, expenses and changes in net position – proprietary funds was restated to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The effect of this restatement on the beginning net position was a decrease of \$354,385 for governmental activities and \$118,127 for business-type activities, which resulted from the total OPEB liability being increased by \$344,530 and \$114,843, deferred outflows for OPEB being increased by \$8,692 and \$2,898 and deferred inflows for OPEB being increased by \$18,547 and \$6,182 for governmental activities and business-type activities, respectively. There was no effect on current or prior-year revenues or expenditures as a result of this adjustment.

#### **16. SUBSEQUENT EVENTS**

##### **General Obligation Refunding Bonds**

Subsequent to December 31, 2018, the City issued General Obligation Refunding Bonds, Series 2019A in the principal amount of \$8,510,000 at an average interest rate of 3.536%. The bonds were issued for the purpose of refunding certain existing outstanding bonds.

Management has evaluated subsequent events through September 3, 2019, 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 Four Years \***

|  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  |
|--|--------------|--------------|--------------|--------------|--------------|
| City's proportionate percentage of the net pension liability                                   | 0.245637%    | 0.247112%    | 0.229256%    | 0.246065%    | 0.231939%    |
| City's proportionate share of the net pension liability  | \$ 3,423,664 | \$ 3,579,380 | \$ 3,546,658 | \$ 3,230,942 | \$ 2,854,735 |
| City's covered payroll   | \$ 4,414,815 | \$ 4,568,936 | \$ 3,994,760 | \$ 3,969,325 | \$ 3,612,771 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 77.55%       | 78.34%       | 88.78%       | 81.40%       | 79.02%       |
| Plan fiduciary net position as a percentage of the total pension liability                     | 74.22%       | 72.16%       | 68.55%       | 71.98%       | 72.56%       |

**Schedule of City's Contributions**  
**Last Four Years \***

|  | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      |
|--|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution                                  | \$ 367,772       | \$ 357,913       | \$ 378,272       | \$ 430,043       | \$ 392,087       |
| Contributions in relation to the contractually required contribution | <u>(367,772)</u> | <u>(357,913)</u> | <u>(378,272)</u> | <u>(430,043)</u> | <u>(392,087)</u> |
| Contribution deficiency (excess)                                     | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ —</u>      |
| City's covered payroll   | 4,383,459        | 4,230,650        | 4,120,610        | 4,536,319        | 4,435,373        |
| Contributions as a percentage of covered payroll                     | 8.39%            | 8.46%            | 9.18%            | 9.48%            | 8.84%            |

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

**CITY OF MULVANE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2018**

**Schedule of Changes in the  
City's Disability Total OPEB Liability and Related Ratios  
Last Fiscal Year \***

|  | <u>2018</u>       |
|--|-------------------|
| Total OPEB Liability:  |                   |
| Service cost   | \$ 16,529         |
| Interest   | 16,469            |
| Effect of economic/demographic gains or losses                 | 25,163            |
| Effect of assumption changes or inputs                         | (10,789)          |
| Benefit payments   | <u>(32,065)</u>   |
| Net change in total OPEB liability                             | 15,307            |
| Total OPEB liability – beginning of year                       | <u>459,373</u>    |
| Total OPEB liability – end of year                             | <u>\$ 474,680</u> |
| Covered payroll  | \$ 4,188,681      |
| City's total OPEB liability as a percentage of covered payroll | 11.33%            |

\* – Governmental Accounting Standards Board Statements No. 75 requires presentation of ten years. Additional years will be reported as they become available.

Changes in assumptions: Discount rate changed from 3.58% in 2017 to 3.87% in 2018.

**COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**

## GOVERNMENTAL FUNDS

### **NONMAJOR SPECIAL REVENUE FUNDS**

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

**Employee Benefits** – 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’ payroll (excluding public safety). Financing is principally provided by taxes.

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

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

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

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

**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.

**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.

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

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

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

**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.

**Villa Maria Senior Housing Project** – to account for the construction of water and sanitary sewer improvements to the Villa Maria Adult Care Home facility. Financing is provided from long-term debt sources.

**Nottingham Estates Addition Water Improvements** – to account for the construction of water improvements to the Nottingham Estates residential housing addition. Financing is provided from long-term debt sources.

**Nottingham Estates Addition Sewer Improvements** – to account for the construction of sewer improvements to the Nottingham Estates residential housing addition. Financing is provided from long-term debt sources.

**Nottingham Estates Addition Street Improvements** – to account for the construction of street improvements to the Nottingham Estates residential housing addition. Financing is provided from long-term debt sources.

**Emerald Valley Phase 1 Addition Water Improvements** – to account for the construction of water improvements to the Emerald Valley Phase 1 residential housing addition. Financing is provided from long-term debt sources.

**Emerald Valley Phase 1 Addition Sewer Improvements** – to account for the construction of sewer improvements to the Emerald Valley Phase 1 residential housing addition. Financing is provided from long-term debt sources.

**Emerald Valley Phase 1 Addition Street Improvements** – to account for the construction of street improvements to the Emerald Valley Phase 1 residential housing addition. Financing is provided from long-term debt sources.

**Emerald Valley Phase 1 Addition Pond Improvements** – to account for the construction of retention pond improvements to the Emerald Valley Phase 1 residential housing addition. Financing is provided from long-term debt sources.

**Police Building** – to account for the construction of improvements to the Gilbert Addition residential housing addition. Financing is provided from long-term debt sources.

**Cedar Brook 4<sup>th</sup> and 5<sup>th</sup> Storm Sewer Improvements** – to account for the construction of storm sewer improvements to the Cedar Brook 4<sup>th</sup> and 5<sup>th</sup> residential housing addition. Financing is provided from long-term debt sources.

**Gilbert Addition Improvements** – to account for the construction of improvements to the Gilbert Addition residential housing addition. Financing is provided from long-term debt sources.

**CITY OF MULVANE, KANSAS**

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**

**December 31, 2018**

|   | Special<br>Revenue<br>Funds | Capital<br>Project<br>Funds | Total               |
|---|-----------------------------|-----------------------------|---------------------|
| <b><u>ASSETS</u></b>  |                             |                             |                     |
| Cash including short-term investments                             | \$ 2,202,986                | \$ 838,796                  | \$ 3,041,782        |
| Property tax receivable   | 957,867                     | 188,747                     | 1,146,614           |
| Accounts receivable   | 92,812                      | –                           | 92,812              |
| Sales tax receivable  | 66,350                      | –                           | 66,350              |
| Due from other funds  | –                           | 3,229                       | 3,229               |
|   | <hr/>                       | <hr/>                       | <hr/>               |
| Total   | <u>3,320,015</u>            | <u>1,030,772</u>            | <u>4,350,787</u>    |
| <b><u>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</u></b> |                             |                             |                     |
| Liabilities:  |                             |                             |                     |
| Accounts payable  | –                           | 22,137                      | 22,137              |
| Accrued payroll and accrued liabilities                           | 440                         | –                           | 440                 |
| Due to other funds  | –                           | 3,229                       | 3,229               |
| Temporary notes payable   | –                           | –                           | –                   |
|   | <hr/>                       | <hr/>                       | <hr/>               |
| Total liabilities   | <u>440</u>                  | <u>25,366</u>               | <u>25,806</u>       |
| Deferred inflows of resources:                                    |                             |                             |                     |
| Property taxes receivable   | <u>957,867</u>              | <u>188,747</u>              | <u>1,146,614</u>    |
| Fund Balances:  |                             |                             |                     |
| Restricted:   |                             |                             |                     |
| General Government  | 194,063                     |                             | 194,063             |
| Recreation  | 1,179,447                   | –                           | 1,179,447           |
| Health and welfare  | 87,977                      | –                           | 87,977              |
| Economic development  | 518,714                     | –                           | 518,714             |
| Street improvements   | 52,293                      | –                           | 52,293              |
| Capital improvements  | –                           | 193,378                     | 193,378             |
| Committed:  |                             |                             |                     |
| Street improvements   | 311,321                     | –                           | 311,321             |
| Parks and recreation  | 3,189                       | –                           | 3,189               |
| Assigned:   |                             |                             |                     |
| Culture and recreation  | 1,684                       | –                           | 1,684               |
| Capital outlay  | –                           | 381,868                     | 381,868             |
| Unassigned  | –                           | 241,413                     | 241,413             |
|   | <hr/>                       | <hr/>                       | <hr/>               |
| Total fund balances   | <u>2,348,688</u>            | <u>816,659</u>              | <u>3,165,347</u>    |
| Total liabilities, deferred inflows<br>and fund balances          | <u>\$ 3,306,995</u>         | <u>\$ 1,030,772</u>         | <u>\$ 4,337,767</u> |

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2018**

|  | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Fund | Total               |
|--|-----------------------------|-----------------------------|---------------------|
| Revenues:                                  |                             |                             |                     |
| Taxes                                      | \$ 2,082,294                | \$ 200,880                  | \$ 2,283,174        |
| Special assessment taxes                   | —                           | 13,112                      | 13,112              |
| Intergovernmental                          | 259,564                     | —                           | 259,564             |
| Charges for services                       | 106,169                     | —                           | 106,169             |
| Miscellaneous                              | 18,200                      | —                           | 18,200              |
| Use of money and property                  | 606,126                     | 7,236                       | 613,362             |
| Total revenues                             | <u>3,072,353</u>            | <u>221,228</u>              | <u>3,293,581</u>    |
| Expenditures:                              |                             |                             |                     |
| Current:                                   |                             |                             |                     |
| General government                         | 327,559                     | —                           | 327,559             |
| Public Safety                              | 33,586                      | —                           | 33,586              |
| Highways and streets                       | 638,065                     | —                           | 638,065             |
| Culture and recreation                     | 1,258,069                   | —                           | 1,258,069           |
| Health and welfare                         | 600                         | —                           | 600                 |
| Economic development                       | 283,558                     | —                           | 283,558             |
| Capital improvements                       | —                           | 1,811,575                   | 1,811,575           |
| Debt service:                              |                             |                             |                     |
| Principal                                  | 520,000                     | —                           | 520,000             |
| Interest and fiscal charges                | 78,285                      | 54,472                      | 132,757             |
| Total expenditures                         | <u>3,139,722</u>            | <u>1,866,047</u>            | <u>5,005,769</u>    |
| Revenues over expenditures                 | (67,369)                    | (1,644,819)                 | (1,712,188)         |
| Other financing sources (uses):            |                             |                             |                     |
| General obligation bonds issued            | —                           | 3,156,123                   | 3,156,123           |
| Premium on general obligation bonds issued | —                           | 65,890                      | 65,890              |
| Transfers in                               | 126,300                     | 270,000                     | 396,300             |
| Transfers out                              | —                           | (26,347)                    | (26,347)            |
| Total other financing sources (uses)       | 126,300                     | 3,465,666                   | 3,591,966           |
| Net change in fund balances                | 58,931                      | 1,820,847                   | 1,879,778           |
| Fund balances, beginning of year           | <u>2,289,757</u>            | <u>(1,004,188)</u>          | <u>1,285,569</u>    |
| Fund balances, end of year                 | <u>\$ 2,348,688</u>         | <u>\$ 816,659</u>           | <u>\$ 3,165,347</u> |



## CITY OF MULVANE, KANSAS

## COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2018

|  | Library           | Employee<br>Benefits | Industrial<br>Development | Senior<br>Citizens | Special<br>Highway | Special<br>Park<br>and<br>Recreation | Transportation<br>Impact<br>Fee | Storm<br>Sewer    | Park<br>Impact<br>Fee | Swimming<br>Pool | Special<br>Alcohol | Transient<br>Guest<br>Tax | Library<br>Sales<br>Tax | Mulvane<br>Public<br>Building<br>Commission | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--|-------------------|----------------------|---------------------------|--------------------|--------------------|--------------------------------------|---------------------------------|-------------------|-----------------------|------------------|--------------------|---------------------------|-------------------------|---|--|
| <b>ASSETS</b>  |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Cash and short-term investments                            | \$ -              | \$ 205,927           | \$ 173,110                | \$ 2,124           | \$ 52,293          | \$ 107,492                           | \$ 6,490                        | \$ 297,464        | \$ -                  | \$ 3,189         | \$ 87,977          | \$ 261,315                | \$ 1,005,605            | \$ -  | \$ 2,202,986                                     |
| Accounts receivable  | -                 | 1,156                | -                         | -                  | -                  | -                                    | -                               | 7,367             | -                     | -                | -                  | 84,289                    | -                       | -   | 92,812   |
| Property taxes receivable                                  | 428,284           | 525,184              | 4,399                     | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 957,867  |
| Sales tax receivable                                       | -                 | -                    | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | 66,350                  | -   | 66,350   |
| Total assets   | <u>428,284</u>    | <u>732,267</u>       | <u>177,509</u>            | <u>2,124</u>       | <u>52,293</u>      | <u>107,492</u>                       | <u>6,490</u>                    | <u>304,831</u>    | <u>-</u>              | <u>3,189</u>     | <u>87,977</u>      | <u>345,604</u>            | <u>1,071,955</u>        | <u>-</u>                                    | <u>3,320,015</u>                                 |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</b> |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Liabilities:   |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Accounts Payable   | \$ -              | \$ 13,020            | \$ -                      | \$ -               | \$ -               | \$ -                                 | \$ -                            | \$ -              | \$ -                  | \$ -             | \$ -               | \$ -                      | \$ -                    | \$ -  | \$ 13,020  |
| Accrued payroll and taxes                                  | -                 | -                    | -                         | 440                | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 440  |
| Deferred inflows of resources:                             |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Property taxes receivable                                  | <u>428,284</u>    | <u>525,184</u>       | <u>4,399</u>              | <u>-</u>           | <u>-</u>           | <u>-</u>                             | <u>-</u>                        | <u>-</u>          | <u>-</u>              | <u>-</u>         | <u>-</u>           | <u>-</u>                  | <u>-</u>                | <u>-</u>                                    | <u>957,867</u>                                   |
| Fund balances:   |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Restricted:  |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| General government   | -                 | 194,063              | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 194,063  |
| Recreation   | -                 | -                    | -                         | -                  | -                  | 107,492                              | -                               | -                 | -                     | -                | -                  | -                         | 1,071,955               | -   | 1,179,447  |
| Health and welfare   | -                 | -                    | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | 87,977             | -                         | -                       | -   | 87,977   |
| Economic development                                       | -                 | -                    | 173,110                   | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | 345,604                   | -                       | -   | 518,714  |
| Street improvements  | -                 | -                    | -                         | -                  | 52,293             | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 52,293   |
| Committed:   |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Street improvements  | -                 | -                    | -                         | -                  | -                  | -                                    | 6,490                           | 304,831           | -                     | -                | -                  | -                         | -                       | -   | 311,321  |
| Parks and recreation                                       | -                 | -                    | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | 3,189            | -                  | -                         | -                       | -   | 3,189  |
| Assigned:  |                   |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Culture and recreation                                     | -                 | -                    | -                         | 1,684              | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 1,684  |
| Total fund balances  | <u>-</u>          | <u>194,063</u>       | <u>173,110</u>            | <u>1,684</u>       | <u>52,293</u>      | <u>107,492</u>                       | <u>6,490</u>                    | <u>304,831</u>    | <u>-</u>              | <u>3,189</u>     | <u>87,977</u>      | <u>345,604</u>            | <u>1,071,955</u>        | <u>-</u>                                    | <u>2,348,688</u>                                 |
| Total liabilities, deferred inflows<br>and fund balances   | <u>\$ 428,284</u> | <u>\$ 732,267</u>    | <u>\$ 177,509</u>         | <u>\$ 2,124</u>    | <u>\$ 52,293</u>   | <u>\$ 107,492</u>                    | <u>\$ 6,490</u>                 | <u>\$ 304,831</u> | <u>\$ -</u>           | <u>\$ 3,189</u>  | <u>87,977</u>      | <u>345,604</u>            | <u>1,071,955</u>        | <u>-</u>                                    | <u>3,320,015</u>                                 |

## CITY OF MULVANE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

Year ended December 31, 2018

|   | Library        | Employee<br>Benefits | Industrial<br>Development | Senior<br>Citizens | Special<br>Highway | Special<br>Park<br>and<br>Recreation | Transportation<br>Impact<br>Fee | Storm<br>Sewer    | Park<br>Impact<br>Fee | Swimming<br>Pool | Special<br>Alcohol | Transient<br>Guest<br>Tax | Library<br>Sales<br>Tax | Mulvane<br>Public<br>Building<br>Commission | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|---|----------------|----------------------|---------------------------|--------------------|--------------------|--------------------------------------|---------------------------------|-------------------|-----------------------|------------------|--------------------|---------------------------|-------------------------|---|--|
| <b>Revenues:</b>                          |                |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Taxes                                     | \$ 440,673     | \$ 521,147           | \$ 5,669                  | \$ -               | \$ -               | \$ 102,455                           | \$ -                            | \$ -              | \$ -                  | \$ -             | \$ 17,608          | \$ 320,992                | \$ 673,750              | \$ -  | \$ 2,082,294                                     |
| Intergovernmental revenues                | -              | -                    | -                         | 21,980             | 237,584            | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 259,564  |
| Charges for services                      | -              | -                    | -                         | 7,361              | -                  | -                                    | -                               | 42,188            | -                     | 56,620           | -                  | -                         | -                       | -   | 106,169  |
| Miscellaneous                             | -              | 18,200               | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 18,200   |
| Use of money and property                 | -              | 6,604                | 339                       | -                  | 268                | -                                    | 124                             | 506               | -                     | -                | -                  | -                         | -                       | 598,285                                     | 606,126  |
| <b>Total revenues</b>                     | <b>440,673</b> | <b>545,951</b>       | <b>6,008</b>              | <b>29,341</b>      | <b>237,852</b>     | <b>102,455</b>                       | <b>124</b>                      | <b>42,694</b>     | <b>-</b>              | <b>56,620</b>    | <b>17,608</b>      | <b>320,992</b>            | <b>673,750</b>          | <b>598,285</b>                              | <b>3,072,353</b>                                 |
| <b>Expenditures:</b>                      |                |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| <b>Current:</b>                           |                |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| General Government                        | -              | 327,559              | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 327,559  |
| Public Safety                             | -              | 33,586               | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | -   | 33,586   |
| Highway and streets                       | -              | 297,434              | -                         | -                  | 277,750            | -                                    | 43,581                          | 19,300            | -                     | -                | -                  | -                         | -                       | -   | 638,065  |
| Culture and recreation                    | 450,221        | -                    | -                         | 56,618             | -                  | 66,500                               | -                               | -                 | 66,724                | 152,131          | -                  | -                         | 465,875                 | -   | 1,258,069  |
| Health and welfare                        | -              | -                    | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | 600                | -                         | -                       | -   | 600  |
| Economic development                      | -              | -                    | 27,499                    | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | 256,059                   | -                       | -   | 283,558  |
| <b>Debt service:</b>                      |                |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Principal                                 | -              | -                    | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | 520,000                                     | 520,000  |
| Interest and fiscal charges               | -              | -                    | -                         | -                  | -                  | -                                    | -                               | -                 | -                     | -                | -                  | -                         | -                       | 78,285                                      | 78,285   |
| <b>Total expenditures</b>                 | <b>450,221</b> | <b>658,579</b>       | <b>27,499</b>             | <b>56,618</b>      | <b>277,750</b>     | <b>66,500</b>                        | <b>43,581</b>                   | <b>19,300</b>     | <b>66,724</b>         | <b>152,131</b>   | <b>600</b>         | <b>256,059</b>            | <b>465,875</b>          | <b>598,285</b>                              | <b>3,139,722</b>                                 |
| <b>Revenues over (under) expenditures</b> | <b>(9,548)</b> | <b>(112,628)</b>     | <b>(21,491)</b>           | <b>(27,277)</b>    | <b>(39,898)</b>    | <b>35,955</b>                        | <b>(43,457)</b>                 | <b>23,394</b>     | <b>(66,724)</b>       | <b>(95,511)</b>  | <b>17,008</b>      | <b>64,933</b>             | <b>207,875</b>          | <b>-</b>                                    | <b>(67,369)</b>                                  |
| <b>Other financing sources:</b>           |                |                      |                           |                    |                    |                                      |                                 |                   |                       |                  |                    |                           |                         |   |  |
| Transfers in                              | -              | -                    | -                         | 28,300             | -                  | -                                    | -                               | -                 | -                     | 98,000           | -                  | -                         | -                       | -   | 126,300  |
| <b>Net change in fund balance</b>         | <b>(9,548)</b> | <b>(112,628)</b>     | <b>(21,491)</b>           | <b>1,023</b>       | <b>(39,898)</b>    | <b>35,955</b>                        | <b>(43,457)</b>                 | <b>23,394</b>     | <b>(66,724)</b>       | <b>2,489</b>     | <b>17,008</b>      | <b>64,933</b>             | <b>207,875</b>          | <b>-</b>                                    | <b>58,931</b>                                    |
| <b>Fund balances, beginning of year</b>   | <b>9,548</b>   | <b>306,691</b>       | <b>194,601</b>            | <b>\$ 661</b>      | <b>\$ 92,191</b>   | <b>\$ 71,537</b>                     | <b>\$ 49,947</b>                | <b>\$ 281,437</b> | <b>\$ 66,724</b>      | <b>\$ 700</b>    | <b>\$ 70,969</b>   | <b>\$ 280,671</b>         | <b>864,080</b>          | <b>-</b>                                    | <b>2,289,757</b>                                 |
| <b>Fund balances, end of year</b>         | <b>\$ -</b>    | <b>\$ 194,063</b>    | <b>\$ 173,110</b>         | <b>\$ 1,684</b>    | <b>\$ 52,293</b>   | <b>\$ 107,492</b>                    | <b>\$ 6,490</b>                 | <b>\$ 304,831</b> | <b>\$ -</b>           | <b>\$ 3,189</b>  | <b>\$ 87,977</b>   | <b>\$ 345,604</b>         | <b>\$ 1,071,955</b>     | <b>\$ -</b>                                 | <b>\$ 2,348,688</b>                              |

**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, 2018**

|                                       | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|----------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>   |   |   |
| Revenues:                             |                         |                |   |   |
| Taxes                                 | \$ 515,863              | \$ 515,863     | \$ 521,147  | \$ 5,284  |
| Use of money and property             | 2,000                   | 2,000          | 6,604   | 4,604   |
| Miscellaneous                         | <u>–</u>                | <u>–</u>       | <u>18,200</u>                                     | <u>18,200</u>   |
| Total revenues                        | <u>517,863</u>          | <u>517,863</u> | <u>545,951</u>                                    | <u>28,088</u>   |
| Expenditures:                         |                         |                |   |   |
| Administration department             | 450,000                 | 450,000        | 327,559   | 122,441   |
| Public works department               | 300,000                 | 300,000        | 297,434   | 2,566   |
| Municipal Court                       | –                       | –              | 33,586  | (33,586)  |
| Fire department                       | –                       | –              | –   | –   |
| Ambulance department                  | <u>–</u>                | <u>–</u>       | <u>–</u>  | <u>–</u>  |
| Total expenditures                    | <u>750,000</u>          | <u>750,000</u> | <u>658,579</u>                                    | <u>91,421</u>   |
| Revenues over (under)<br>expenditures | (232,137)               | (232,137)      | (112,628)   | 119,509   |
| Fund balance,<br>beginning of year    | <u>232,137</u>          | <u>232,137</u> | <u>306,691</u>                                    | <u>74,554</u>   |
| Fund balance, end of year             | <u>\$ –</u>             | <u>\$ –</u>    | <u>\$ 194,063</u>                                 | <u>\$ 194,063</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, 2018**

|                                       | Budgeted Amounts  |                   | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------|-------------------|---|--|
|                                       | <u>Original</u>   | <u>Final</u>      |   |  |
| Revenues:                             |                   |                   |   |  |
| Taxes                                 | \$ 441,029        | \$ 441,029        | \$ 440,673                              | \$ (356)   |
| Expenditures:                         |                   |                   |   |  |
| Appropriations to<br>Library Board    | <u>455,600</u>    | <u>455,600</u>    | <u>450,221</u>                          | <u>5,379</u>   |
| Revenues over (under)<br>expenditures | (14,571)          | (14,571)          | (9,548)                                 | 5,023  |
| Fund balance,<br>beginning of year    | <u>14,571</u>     | <u>14,571</u>     | <u>9,548</u>                            | <u>(5,023)</u>   |
| Fund balance, end of year             | <u>\$       –</u> | <u>\$       –</u> | <u>\$       –</u>                       | <u>\$       –</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, 2018**

|                           | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------|-------------------------|--------------------|---|---|
|                           | <u>Original</u>         | <u>Final</u>       |   |   |
| Revenues:                 |                         |                    |   |   |
| Taxes                     | \$ 5,617                | \$ 5,617           | \$ 5,669  | \$ 52   |
| Use of money and property | <u>–</u>                | <u>–</u>           | <u>339</u>  | <u>339</u>  |
| Total revenues            | 5,617                   | 5,617              | 6,008   | 391   |
| Expenditures:             |                         |                    |   |   |
| Industrial development    | <u>200,000</u>          | <u>200,000</u>     | <u>27,500</u>                                     | <u>172,500</u>  |
| Revenues over (under)     |                         |                    |   |   |
| expenditures              | (194,383)               | (194,383)          | (21,492)  | 172,891   |
| Fund balance,             |                         |                    |   |   |
| beginning of year         | <u>194,383</u>          | <u>194,383</u>     | <u>194,601</u>                                    | <u>218</u>  |
| Fund balance, end of year | <u><u>\$ –</u></u>      | <u><u>\$ –</u></u> | <u><u>\$ 173,109</u></u>                          | <u><u>\$ 173,109</u></u>  |

**CITY OF MULVANE, KANSAS**

**SENIOR CITIZENS FUND**

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

**Year Ended December 31, 2018**

|   | Budgeted Amounts |                 | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---|------------------|-----------------|---|--|
|   | <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           | 7,361                                   | 3,361  |
| Miscellaneous                                   | 500              | 500             | –                                       | (500)  |
| Transfers in                                    | <u>35,000</u>    | <u>35,000</u>   | <u>28,300</u>                           | <u>(6,700)</u>   |
| <br>Total revenues and<br>other sources         | <br>61,100       | <br>61,100      | <br>57,641                              | <br>(3,459)  |
| Expenditures:                                   |                  |                 |   |  |
| Operating expenditures                          | <u>67,951</u>    | <u>67,951</u>   | <u>56,618</u>                           | <u>11,333</u>  |
| Expenditures over revenues<br>and other sources | (6,851)          | (6,851)         | 1,023                                   | 7,874  |
| Fund balance,<br>beginning of year              | <u>6,851</u>     | <u>6,851</u>    | <u>661</u>                              | <u>(6,190)</u>   |
| <br>Fund balance, end of year                   | <br><u>\$ –</u>  | <br><u>\$ –</u> | <br><u>\$ 1,684</u>                     | <br><u>\$ 1,684</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, 2018**

|                                       | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-----------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>    |   |   |
| Revenues:                             |                         |                 |   |   |
| Intergovernmental                     | \$ 223,980              | 223,980         | 237,584   | 13,604  |
| Use of money and property             | <u>–</u>                | <u>–</u>        | <u>268</u>  | <u>268</u>  |
| Total revenues                        | 223,980                 | 223,980         | 237,852   | 13,872  |
| Expenditures:                         |                         |                 |   |   |
| Street operations                     | <u>271,739</u>          | <u>271,739</u>  | <u>261,460</u>                                    | <u>10,279</u>   |
| Revenues over (under)<br>expenditures | (47,759)                | (47,759)        | (23,608)  | 24,151  |
| Fund balance,<br>beginning of year    | <u>47,759</u>           | <u>47,759</u>   | <u>75,902</u>                                     | <u>28,143</u>   |
| Fund balance, end of year             | <u><u>\$ –</u></u>      | <u><u>–</u></u> | <u><u>52,294</u></u>                              | <u><u>52,294</u></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, 2018**

|                                       | Budgeted Amounts |               | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|---------------|---|--|
|                                       | <u>Original</u>  | <u>Final</u>  |   |  |
| Revenues:                             |                  |               |   |  |
| Liquor tax                            | \$ 66,500        | \$ 66,500     | \$ 102,455                              | \$ 35,955  |
| Use of money and property             | <u>–</u>         | <u>–</u>      | <u>–</u>                                | <u>–</u>   |
| Total revenues                        | 66,500           | 66,500        | 102,455                                 | 35,955   |
| Expenditures:                         |                  |               |   |  |
| Capital outlay                        | <u>66,500</u>    | <u>66,500</u> | <u>66,500</u>                           | <u>–</u>   |
| Revenues over (under)<br>expenditures | –                | –             | 35,955                                  | 35,955   |
| Fund balance,<br>beginning of year    | <u>–</u>         | <u>–</u>      | <u>71,537</u>                           | <u>71,537</u>  |
| Fund balance, end of year             | <u>\$ –</u>      | <u>\$ –</u>   | <u>\$ 107,492</u>                       | <u>\$ 107,492</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, 2018**

|                           | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------|-------------------------|-------------------|---|---|
|                           | <u>Original</u>         | <u>Final</u>      |   |   |
| Revenues:                 |                         |                   |   |   |
| Impact fees               | \$       –              | \$       –        | \$       –  | \$       –  |
| Use of money and property | <u>         –</u>       | <u>         –</u> | <u>      124</u>                                  | <u>      124</u>  |
| Total revenues            | –                       | –                 | 124   | 124   |
| Expenditures:             |                         |                   |   |   |
| Capital outlay            | <u>     3,229</u>       | <u>    49,947</u> | <u>    43,581</u>                                 | <u>     6,366</u>   |
| Revenues over (under)     |                         |                   |   |   |
| expenditures              | (3,229)                 | (49,947)          | (43,457)  | 6,490   |
| Fund balance,             |                         |                   |   |   |
| beginning of year         | <u>     3,229</u>       | <u>    49,947</u> | <u>    49,947</u>                                 | <u>         –</u>   |
| Fund balance, end of year | <u>\$       –</u>       | <u>\$       –</u> | <u>\$    6,490</u>                                | <u>\$    6,490</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, 2018**

|                                       | Budgeted Amounts   |                    | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---------------------------------------|--------------------|--------------------|---|--|
|                                       | <u>Original</u>    | <u>Final</u>       |   |  |
| Revenues:                             |                    |                    |   |  |
| Charges for services                  | \$ 29,000          | \$ 29,000          | \$ 42,122                               | \$ 13,122  |
| Use of money and property             | <u>–</u>           | <u>–</u>           | <u>506</u>                              | <u>506</u>   |
| Total revenues                        | 29,000             | 29,000             | 42,628                                  | 13,628   |
| Expenditures:                         |                    |                    |   |  |
| Capital Outlay                        | <u>95,620</u>      | <u>95,620</u>      | <u>14,950</u>                           | <u>(80,670)</u>  |
| Revenues over (under)<br>expenditures | (66,620)           | (66,620)           | 27,678                                  | 94,298   |
| Fund balance,<br>beginning of year    | <u>66,620</u>      | <u>66,620</u>      | <u>273,646</u>                          | <u>207,026</u>   |
| Fund balance, end of year             | <u><u>\$ –</u></u> | <u><u>\$ –</u></u> | <u><u>\$ 301,324</u></u>                | <u><u>\$ 301,324</u></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, 2018**

|                           | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------|-------------------------|-----------------|---|---|
|                           | <u>Original</u>         | <u>Final</u>    |   |   |
| Revenues:                 |                         |                 |   |   |
| Impact fees               | \$ 1,000                | \$ 1,000        | \$ –  | \$ (1,000)  |
| Expenditures:             |                         |                 |   |   |
| Capital outlay            | <u>1,000</u>            | <u>1,000</u>    | <u>66,724</u>                                     | <u>(65,724)</u>   |
| Revenues over (under)     |                         |                 |   |   |
| expenditures              | –                       | –               | (66,724)  | (66,724)  |
| Fund balance,             |                         |                 |   |   |
| beginning of year         | <u>1,000</u>            | <u>1,000</u>    | <u>66,724</u>                                     | <u>65,724</u>   |
| Fund balance, end of year | <u>\$ 1,000</u>         | <u>\$ 1,000</u> | <u>\$ –</u>                                       | <u>\$ (1,000)</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, 2018**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>       |   |   |
| Revenues and other sources:                     |                         |                    |   |   |
| Charges for services                            | \$ 65,700               | \$ 65,700          | \$ 56,620   | \$ (9,080)  |
| Transfers in                                    | <u>125,000</u>          | <u>125,000</u>     | <u>98,000</u>                                     | <u>(27,000)</u>   |
| <br>Total revenues and<br>other sources         | <br>190,700             | <br>190,700        | <br>154,620                                       | <br>(36,080)  |
| Expenditures:                                   |                         |                    |   |   |
| Swimming pool operations                        | <u>192,777</u>          | <u>192,777</u>     | <u>152,131</u>                                    | <u>40,646</u>   |
| Expenditures over revenues<br>and other sources | (2,077)                 | (2,077)            | 2,489   | 4,566   |
| Fund balance,<br>beginning of year              | <u>2,077</u>            | <u>2,077</u>       | <u>700</u>  | <u>(1,377)</u>  |
| Fund balance, end of year                       | <u><u>\$ –</u></u>      | <u><u>\$ –</u></u> | <u><u>\$ 3,189</u></u>                            | <u><u>\$ 3,189</u></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, 2018**

|                                       | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------|---|---|
|                                       | <u>Original</u>         | <u>Final</u>  |   |   |
| Revenues:                             |                         |               |   |   |
| Liquor tax                            | \$ 66,500               | \$ 66,500     | \$ 17,608   | \$ (48,892)   |
| Use of money and property             | <u>–</u>                | <u>–</u>      | <u>–</u>  | <u>–</u>  |
| Total revenues                        | 66,500                  | 66,500        | 17,608  | (48,892)  |
| Expenditures:                         |                         |               |   |   |
| Awareness programs                    | <u>98,192</u>           | <u>98,192</u> | <u>600</u>  | <u>97,592</u>   |
| Revenues over (under)<br>expenditures | (31,692)                | (31,692)      | 17,008  | 48,700  |
| Fund balance,<br>beginning of year    | <u>31,692</u>           | <u>31,692</u> | <u>70,969</u>                                     | <u>39,277</u>   |
| Fund balance, end of year             | <u>\$ –</u>             | <u>\$ –</u>   | <u>\$ 87,977</u>                                  | <u>\$ 87,977</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, 2018**

|                                       | Budgeted Amounts |                | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------------|---|--|
|                                       | <u>Original</u>  | <u>Final</u>   |   |  |
| Revenues:                             |                  |                |   |  |
| Transient guest tax                   | \$ 200,000       | \$ 200,000     | \$ 307,572                              | \$ 107,572   |
| Expenditures:                         |                  |                |   |  |
| Contractual services                  | <u>256,059</u>   | <u>256,059</u> | <u>256,059</u>                          | <u>–</u>   |
| Revenues over (under)<br>expenditures | (56,059)         | (56,059)       | 51,513                                  | 107,572  |
| Fund balance,<br>beginning of year    | <u>56,059</u>    | <u>56,059</u>  | <u>209,802</u>                          | <u>153,743</u>   |
| Fund balance, end of year             | <u>\$ –</u>      | <u>\$ –</u>    | <u>\$ 261,315</u>                       | <u>\$ 261,315</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, 2018**

|                                       | Budgeted Amounts |                | Actual<br>Amounts<br>Budgetary<br>Basis | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------------|---|--|
|                                       | <u>Original</u>  | <u>Final</u>   |   |  |
| Revenues:                             |                  |                |   |  |
| Local sales tax                       | \$ 450,000       | \$ 450,000     | \$ 670,032                              | \$ 220,032   |
| Expenditures:                         |                  |                |   |  |
| Debt service –<br>lease payment       | <u>832,452</u>   | <u>832,452</u> | <u>465,875</u>                          | <u>366,577</u>   |
| Revenues over (under)<br>expenditures | (382,452)        | (382,452)      | 204,157                                 | 586,609  |
| Fund balance,<br>beginning of year    | <u>382,452</u>   | <u>382,452</u> | <u>801,448</u>                          | <u>418,996</u>   |
| Fund balance, end of year             | <u>\$ –</u>      | <u>\$ –</u>    | <u>\$ 1,005,605</u>                     | <u>\$ 1,005,605</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, 2018**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------------|---|---|
|  | <u>Original</u>         | <u>Final</u>       |   |   |
| Revenues:  |                         |                    |   |   |
| Taxes  | \$ 368,912              | \$ 368,912         | \$ 367,770  | \$ (1,142)  |
| Special assessments                                  | 1,900,000               | 1,900,000          | 1,950,998   | 50,998  |
| Use of money and property                            | 500                     | 500                | 15,036  | 14,536  |
| Bond Proceeds  | –                       | –                  | 49,987  | 49,987  |
| Transfers In   | –                       | –                  | 26,347  | 26,347  |
| Miscellaneous  | –                       | –                  | –   | –   |
|  | <u>2,269,412</u>        | <u>2,269,412</u>   | <u>2,410,138</u>                                  | <u>140,726</u>  |
| Total revenues                                       |                         |                    |   |   |
| Expenditures and other uses:                         |                         |                    |   |   |
| Bond Principal                                       | 2,049,922               | 2,049,922          | 2,049,922   | –   |
| Bond interest and<br>commission                      | 646,778                 | 646,778            | 646,753   | 25  |
| Cash basis reserve                                   | <u>50,000</u>           | <u>50,000</u>      | <u>–</u>  | <u>50,000</u>   |
|  | <u>2,746,700</u>        | <u>2,746,700</u>   | <u>2,696,675</u>                                  | <u>50,025</u>   |
| Total expenditure                                    |                         |                    |   |   |
| Revenues over (under)<br>expenditures and other uses | (477,288)               | (477,288)          | (286,537)   | 190,751   |
| Fund balance, beginning<br>of year                   | <u>477,288</u>          | <u>477,288</u>     | <u>601,951</u>                                    | <u>124,663</u>  |
| Fund balance, end of year                            | <u><u>\$ –</u></u>      | <u><u>\$ –</u></u> | <u><u>\$ 315,414</u></u>                          | <u><u>\$ 315,414</u></u>  |



**CITY OF MULVANE, KANSAS**

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

December 31, 2018

|   | Capital<br>Improvement<br>Reserve | Municipal<br>Equipment<br>Reserve | Water<br>Treatment<br>Plant<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Water<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Sewer<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Street<br>Improvements | Merlin's Glen<br>Street<br>Drainage<br>Improvements | Villa Maria<br>Senior<br>Housing<br>Project | Nottingham<br>Estates<br>Water<br>Improvements |
|---|-----------------------------------|-----------------------------------|---|--|--|---|---|---|--|
| <b><u>ASSETS</u></b>  |                                   |                                   |   |  |  |   |   |   |  |
| Cash and short-term investments                                   | \$ 193,215                        | \$ 381,868                        | \$ 163                                      | \$ 218   | \$ –   | \$ 4,818  | \$ –  | \$ 3,259                                    | \$ 1,001                                       |
| Taxes receivable  | 188,747                           | –                                 | –   | –  | –  | –   | –   | –   | –  |
| Due from other funds  | –                                 | –                                 | –   | –  | –  | 3,229   | –   | –   | –  |
| Total assets  | <u>\$ 381,962</u>                 | <u>\$ 381,868</u>                 | <u>\$ 163</u>                               | <u>\$ 218</u>  | <u>\$ –</u>  | <u>\$ 8,047</u>   | <u>\$ –</u>   | <u>\$ 3,259</u>                             | <u>\$ 1,001</u>                                |
| <b><u>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</u></b> |                                   |                                   |   |  |  |   |   |   |  |
| Liabilities:  |                                   |                                   |   |  |  |   |   |   |  |
| Accounts payable  | \$ –                              | \$ –                              | \$ –  | \$ –   | \$ –   | \$ –  | \$ –  | \$ –  | \$ –   |
| Due to other funds  | –                                 | –                                 | –   | –  | 1,801  | –   | –   | –   | –  |
| Temporary notes payable   | –                                 | –                                 | –   | –  | –  | –   | –   | –   | –  |
| Total liabilities   | <u>–</u>                          | <u>–</u>                          | <u>–</u>                                    | <u>–</u>   | <u>1,801</u>   | <u>–</u>  | <u>–</u>  | <u>–</u>                                    | <u>–</u>                                       |
| Deferred inflows of resources:                                    |                                   |                                   |   |  |  |   |   |   |  |
| Property taxes receivable   | <u>188,747</u>                    | <u>–</u>                          | <u>–</u>                                    | <u>–</u>   | <u>–</u>   | <u>–</u>  | <u>–</u>  | <u>–</u>                                    | <u>–</u>                                       |
| Fund balances (deficit):  |                                   |                                   |   |  |  |   |   |   |  |
| Restricted:   |                                   |                                   |   |  |  |   |   |   |  |
| Capital improvements  | 193,215                           | –                                 | 163   | –  | –  | –   | –   | –   | –  |
| Assigned:   |                                   |                                   |   |  |  |   |   |   |  |
| Capital outlay  | –                                 | 381,868                           | –   | –  | –  | –   | –   | –   | –  |
| Unassigned  | <u>–</u>                          | <u>–</u>                          | <u>–</u>                                    | <u>218</u>   | <u>(1,801)</u>   | <u>8,047</u>  | <u>–</u>  | <u>3,259</u>                                | <u>1,001</u>                                   |
| Total fund balance  | <u>193,215</u>                    | <u>381,868</u>                    | <u>163</u>                                  | <u>218</u>   | <u>(1,801)</u>   | <u>8,047</u>  | <u>–</u>  | <u>3,259</u>                                | <u>1,001</u>                                   |
| Total liabilities, deferred inflows<br>and fund balances          | <u>\$ 381,962</u>                 | <u>\$ 381,868</u>                 | <u>\$ 163</u>                               | <u>\$ 218</u>  | <u>\$ –</u>  | <u>\$ 8,047</u>   | <u>\$ –</u>   | <u>\$ 3,259</u>                             | <u>\$ 1,001</u>                                |

**CITY OF MULVANE, KANSAS**

**COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS**  
(continued from previous page)

**December 31, 2018**

**ASSETS**

|                                 | Nottingham<br>Estates<br>Sewer<br>Improvements | Nottingham<br>Estates<br>Street<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Water<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Sewer<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Street<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Pond<br>Improvements | Police<br>Building | Cedar Brook<br>4th & 5th<br>Storm Sewer<br>Improvements | Gilbert<br>Addition<br>Improvements | Totals              |
|---------------------------------|--|---|---|---|--|--|--------------------|---|-------------------------------------|---------------------|
| Cash and short-term investments | \$ -   | \$ 256  | \$ 36   | \$ 1,757  | \$ 782   | \$ 279   | \$ 251,108         | \$ 36   | \$ -                                | \$ 838,796          |
| Taxes receivable                | -  | -   | -   | -   | -  | -  | -                  | -   | -                                   | 188,747             |
| Due from other funds            | -  | -   | -   | -   | -  | -  | -                  | -   | -                                   | 3,229               |
| <b>Total assets</b>             | <b>\$ -</b>                                    | <b>\$ 256</b>                                   | <b>\$ 36</b>  | <b>\$ 1,757</b>                                       | <b>\$ 782</b>  | <b>\$ 279</b>  | <b>\$ 251,108</b>  | <b>\$ 36</b>  | <b>\$ -</b>                         | <b>\$ 1,030,772</b> |

**LIABILITIES, DEFERRED INFLOWS  
AND FUND BALANCES**

|  |              |               |              |                 |               |               |                   |              |              |                     |
|--|--------------|---------------|--------------|-----------------|---------------|---------------|-------------------|--------------|--------------|---------------------|
| <b>Liabilities:</b>  |              |               |              |                 |               |               |                   |              |              |                     |
| Accounts payable   | \$ -         | \$ -          | \$ -         | \$ -            | \$ -          | \$ -          | \$ 22,137         | \$ -         | \$ -         | \$ 22,137           |
| Due to other funds   | 815          | -             | -            | -               | -             | -             | -                 | -            | 613          | 3,229               |
| Temporary notes payable  | -            | -             | -            | -               | -             | -             | -                 | -            | -            | -                   |
| <b>Total liabilities</b>   | <b>815</b>   | <b>-</b>      | <b>-</b>     | <b>-</b>        | <b>-</b>      | <b>-</b>      | <b>22,137</b>     | <b>-</b>     | <b>613</b>   | <b>25,366</b>       |
| <b>Deferred inflows of resources:</b>                            |              |               |              |                 |               |               |                   |              |              |                     |
| Property taxes receivable  | -            | -             | -            | -               | -             | -             | -                 | -            | -            | 188,747             |
| <b>Fund balances (deficit):</b>                                  |              |               |              |                 |               |               |                   |              |              |                     |
| Restricted:  |              |               |              |                 |               |               |                   |              |              |                     |
| Capital improvements   | -            | -             | -            | -               | -             | -             | -                 | -            | -            | 193,378             |
| Assigned:  |              |               |              |                 |               |               |                   |              |              |                     |
| Capital outlay   | -            | -             | -            | -               | -             | -             | -                 | -            | -            | 381,868             |
| Unassigned   | (815)        | 256           | 36           | 1,757           | 782           | 279           | 228,971           | 36           | (613)        | 241,413             |
| <b>Total fund balance</b>  | <b>(815)</b> | <b>256</b>    | <b>36</b>    | <b>1,757</b>    | <b>782</b>    | <b>279</b>    | <b>228,971</b>    | <b>36</b>    | <b>(613)</b> | <b>816,659</b>      |
| <b>Total liabilities, deferred inflows<br/>and fund balances</b> | <b>\$ -</b>  | <b>\$ 256</b> | <b>\$ 36</b> | <b>\$ 1,757</b> | <b>\$ 782</b> | <b>\$ 279</b> | <b>\$ 251,108</b> | <b>\$ 36</b> | <b>\$ -</b>  | <b>\$ 1,030,772</b> |

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, 2018

|  | Capital<br>Improvement<br>Reserve | Municipal<br>Equipment<br>Reserve | Water<br>Treatment<br>Plant<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Water<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Sewer<br>Improvements | Cedar Brook<br>5 <sup>th</sup> Addition<br>Street<br>Improvements | Merlin's Glen<br>Street<br>Drainage<br>Improvements | Villa Maria<br>Senior<br>Housing<br>Project | Nottingham<br>Estates<br>Water<br>Improvements |
|--|-----------------------------------|-----------------------------------|---|--|--|---|---|---|--|
| Revenues:                                  |                                   |                                   |   |  |  |   |   |   |  |
| Taxes                                      | \$ 200,880                        | \$ –                              | \$ –  | \$ –   | \$ –   | \$ –  | \$ –  | \$ –  | \$ –   |
| Special assessment taxes                   | –                                 | –                                 | –   | 2,902  | –  | 10,210  | –   | –   | –  |
| Use of money and property                  | –                                 | –                                 | –   | –  | –  | –   | –   | –   | –  |
| Total revenues                             | 200,880                           | –                                 | –   | 2,902  | –  | 10,210  | –   | –   | –  |
| Expenditures:                              |                                   |                                   |   |  |  |   |   |   |  |
| Capital outlay                             | 24,412                            | 91,802                            | 52,066                                      | 2,438  | 2,100  | 8,535   | –   | 19,977                                      | 2,931  |
| Debt service                               | –                                 | –                                 | –   | 1,988  | 1,675  | 6,781   | –   | 6,602                                       | 2,620  |
| Total expenditures                         | 24,412                            | 91,802                            | 52,066                                      | 4,426  | 3,775  | 15,316  | –   | 26,579                                      | 5,551  |
| Expenditures over (under) revenues         | 176,468                           | (91,802)                          | (52,066)                                    | (1,524)  | (3,775)  | (5,106)   | –   | (26,579)                                    | (5,551)  |
| Other financing sources (uses):            |                                   |                                   |   |  |  |   |   |   |  |
| General obligation bonds issued            | –                                 | –                                 | –   | 75,464   | 66,840   | 271,672   | –   | 200,519                                     | 114,275  |
| Premium on general obligation bonds issued | –                                 | –                                 | –   | 1,714  | 1,518  | 6,171   | –   | 4,554                                       | 2,596  |
| Transfers in                               | –                                 | 270,000                           | –   | –  | –  | –   | –   | –   | –  |
| Transfers out                              | –                                 | –                                 | (18,822)                                    | –  | –  | –   | (7,525)   | –   | –  |
| Total other financing sources (uses)       | –                                 | 270,000                           | (18,822)                                    | 77,178   | 68,358   | 277,843   | (7,525)   | 205,073                                     | 116,871  |
| Net change in fund balance                 | 176,468                           | 178,198                           | (70,888)                                    | 75,654   | 64,583   | 272,737   | (7,525)   | 178,494                                     | 111,320  |
| Fund balances (deficit), beginning of year | 16,747                            | 203,670                           | 71,051                                      | (75,436)   | (66,384)   | (264,690)   | 7,525   | (175,235)                                   | (110,319)                                      |
| Fund balances (deficit), end of year       | \$ 193,215                        | \$ 381,868                        | \$ 163                                      | \$ 218   | \$ (1,801)   | \$ 8,047  | \$ –  | \$ 3,259                                    | \$ 1,001                                       |

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2018**

|  | Nottingham<br>Estates<br>Sewer<br>Improvements | Nottingham<br>Estates<br>Street<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Water<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Sewer<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Street<br>Improvements | Emerald<br>Valley<br>Phase 1<br>Pond<br>Improvements | Police<br>Building | Cedar Brook<br>4th & 5th<br>Storm Sewer<br>Improvements | Gilbert<br>Addition<br>Improvements | Totals      |
|--|--|---|---|---|--|--|--------------------|---|-------------------------------------|-------------|
| Revenues:                                  |  |   |   |   |  |  |                    |   |                                     |             |
| Taxes                                      | \$ –   | \$ –  | \$ –  | \$ –  | \$ –   | \$ –   | \$ –               | \$ –  | \$ –                                | \$ 200,880  |
| Special assessment taxes                   | –  | –   | –   | –   | –  | –  | –                  | –   | –                                   | 13,112      |
| Use of money and property                  | –  | –   | –   | –   | –  | –  | 7,200              | 36  | –                                   | 7,236       |
| Total revenues                             | –  | –   | –   | –   | –  | –  | 7,200              | 36  | –                                   | 221,228     |
| Expenditures:                              |  |   |   |   |  |  |                    |   |                                     |             |
| Capital outlay                             | 22,325   | 78,068  | 100,830   | 174,545   | 365,434  | 29,069   | 795,147            | –   | 41,896                              | 1,811,575   |
| Debt service                               | 4,491  | 8,234   | 3,368   | 3,743   | 8,982  | 4,491  | –                  | –   | 1,497                               | 54,472      |
| Total expenditures                         | 26,816   | 86,302  | 104,198   | 178,288   | 374,416  | 33,560   | 795,147            | –   | 43,393                              | 1,866,047   |
| Expenditures over (under) revenues         | (26,816)                                       | (86,302)  | (104,198)   | (178,288)   | (374,416)  | (33,560)   | (787,947)          | 36  | (43,393)                            | (1,644,819) |
| Other financing sources (uses):            |  |   |   |   |  |  |                    |   |                                     |             |
| General obligation bonds issued            | 168,178  | 353,604   | 107,806   | 196,207   | 373,009  | 174,646  | 1,000,000          | –   | 53,903                              | 3,156,123   |
| Premium on general obligation bonds issued | 3,820  | 8,031   | 2,449   | 4,456   | 8,472  | 3,967  | 16,918             | –   | 1,224                               | 65,890      |
| Transfers in                               | –  | –   | –   | –   | –  | –  | –                  | –   | –                                   | 270,000     |
| Transfers out                              | –  | –   | –   | –   | –  | –  | –                  | –   | –                                   | (26,347)    |
| Total other financing sources (uses)       | 171,998  | 361,635   | 110,255   | 200,663   | 381,481  | 178,613  | 1,016,918          | –   | 55,127                              | 3,465,666   |
| Net change in fund balance                 | 145,182  | 275,333   | 6,057   | 22,375  | 7,065  | 145,053  | 228,971            | 36  | 11,734                              | 1,820,847   |
| Fund balances (deficit), beginning of year | (145,997)                                      | (275,077)                                       | (6,021)   | (20,618)  | (6,283)  | (144,774)  | –                  | –   | (12,347)                            | (1,004,188) |
| Fund balances (deficit), end of year       | \$ (815)                                       | \$ 256  | \$ 36   | \$ 1,757  | \$ 782   | \$ 279   | \$ 228,971         | \$ 36   | \$ (613)                            | \$ 816,659  |

## **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, 2018**

|   | <u>Original</u>   | <u>Final</u>      | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------|-------------------|---|---|
| Revenues:   |                   |                   |   |   |
| Charges for services  | \$ 5,056,603      | \$ 5,056,603      | \$ 5,245,108                                      | \$ 188,505  |
| Use of money and property   | 7,000             | 7,000             | 30,829  | 274,604   |
| Miscellaneous   | <u>25,000</u>     | <u>25,000</u>     | <u>34,424</u>                                     | <u>9,424</u>  |
| Total revenues  | <u>5,088,603</u>  | <u>5,088,603</u>  | <u>5,310,362</u>                                  | <u>472,533</u>  |
| Expenditures, encumbrances<br>and other uses:                         |                   |                   |   |   |
| Operations  | 5,070,665         | 5,070,665         | 4,409,484   | 661,181   |
| Nonoperating  | 800,000           | 800,000           | 164,754   | 635,246   |
| Debt service  | <u>385,000</u>    | <u>385,000</u>    | <u>384,027</u>                                    | <u>973</u>  |
| Total expenditures,<br>encumbrances and<br>other uses                 | <u>6,255,665</u>  | <u>6,255,665</u>  | <u>4,958,265</u>                                  | <u>1,297,400</u>  |
| Revenues over (under)<br>expenditures, encumbrances<br>and other uses | (1,167,062)       | (1,167,062)       | 352,097   | 1,769,934   |
| Fund balance,<br>beginning of year                                    | <u>1,322,298</u>  | <u>1,322,298</u>  | <u>3,069,013</u>                                  | <u>1,746,715</u>  |
| Fund balance, end of year   | <u>\$ 155,236</u> | <u>\$ 155,236</u> | <u>\$ 3,421,110</u>                               | <u>\$ 3,516,649</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, 2018**

|   | <u>Original</u>   | <u>Final</u>      | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------|-------------------|---|---|
| Revenues:   |                   |                   |   |   |
| Charges for services  | \$ 1,228,730      | \$ 1,228,730      | \$ 1,074,431                                      | \$ (154,299)  |
| Use of money and property                                     | 3,200             | 3,200             | 21,588  | 18,388  |
| Miscellaneous   | 10,700            | 10,700            | 28,770  | 18,070  |
| Bond proceeds   | <u>—</u>          | <u>—</u>          | <u>—</u>  | <u>—</u>  |
| Total revenues  | <u>1,242,630</u>  | <u>1,242,630</u>  | <u>1,124,789</u>                                  | <u>(117,841)</u>  |
| Expenditures, encumbrances<br>and other uses:                 |                   |                   |   |   |
| Operations  | 1,162,303         | 1,162,303         | 892,008   | 270,295   |
| Nonoperating  | 360,000           | 360,000           | 145,024   | 214,976   |
| Debt service  | <u>55,038</u>     | <u>55,038</u>     | <u>55,038</u>                                     | <u>—</u>  |
| Total expenditures,<br>encumbrances and<br>other uses         | <u>1,577,341</u>  | <u>1,577,341</u>  | <u>1,092,070</u>                                  | <u>485,271</u>  |
| Revenues over expenditures,<br>encumbrances and other<br>uses | (334,711)         | (334,711)         | 32,719  | 367,430   |
| Fund balance,<br>beginning of year                            | <u>750,824</u>    | <u>750,824</u>    | <u>966,656</u>                                    | <u>215,832</u>  |
| Fund balance, end of year                                     | <u>\$ 416,113</u> | <u>\$ 416,113</u> | <u>\$ 999,375</u>                                 | <u>\$ 583,262</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, 2018**

|   | <u>Original</u>     | <u>Final</u>        | <u>Actual<br/>Amounts<br/>Budgetary<br/>Basis</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|---------------------|---------------------|---|---|
| Revenues:   |                     |                     |   |   |
| Charges for services  | \$ 1,740,000        | \$ 1,740,000        | \$ 1,769,461                                      | \$ 29,461   |
| Use of money and property   | 1,731               | 1,731               | 16,253  | 14,522  |
| Miscellaneous   | <u>–</u>            | <u>–</u>            | <u>12,595</u>                                     | <u>12,595</u>   |
| Total revenues  | <u>1,741,731</u>    | <u>1,741,731</u>    | <u>1,798,309</u>                                  | <u>56,578</u>   |
| Expenditures, encumbrances<br>and other uses:                         |                     |                     |   |   |
| Operations  | 1,144,593           | 1,144,593           | 753,964   | 390,629   |
| Nonoperating  | 195,000             | 195,000             | 292,551   | (97,551)  |
| Debt service  | <u>630,952</u>      | <u>630,952</u>      | <u>630,952</u>                                    | <u>–</u>  |
| Total expenditures,<br>encumbrances and<br>other uses                 | <u>1,970,545</u>    | <u>1,970,545</u>    | <u>1,677,467</u>                                  | <u>293,078</u>  |
| Revenues over (under)<br>expenditures, encumbrances<br>and other uses | (228,814)           | (228,814)           | 120,842   | 349,656   |
| Fund balance,<br>beginning of year                                    | <u>1,446,970</u>    | <u>1,446,970</u>    | <u>2,019,808</u>                                  | <u>572,838</u>  |
| Fund balance, end of year   | <u>\$ 1,218,156</u> | <u>\$ 1,218,156</u> | <u>\$ 2,140,650</u>                               | <u>\$ 922,494</u>   |



## **FIDUCIARY FUNDS**

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

### **AGENCY FUNDS:**

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

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

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2018**

|   | Balance<br>January 1,<br>2018 | Additions    | Deductions   | Balance<br>December 31,<br>2018 |
|---|-------------------------------|--------------|--------------|---------------------------------|
| <b><u>PAYROLL CLEARING FUND</u></b>                   |                               |              |              |                                 |
| <b><u>ASSETS</u></b>                                  |                               |              |              |                                 |
| Cash and short-term investments                       | \$ 8,360                      | \$ 6,619,261 | \$ 6,524,391 | \$ 103,230                      |
| <b><u>LIABILITIES</u></b>                             |                               |              |              |                                 |
| Accrued liabilities payable                           | \$ 8,360                      | \$ 6,619,261 | \$ 6,524,391 | \$ 103,230                      |
| <br><b><u>EMPLOYEE FLEXIBLE<br/>SPENDING FUND</u></b> |                               |              |              |                                 |
| <b><u>ASSETS</u></b>                                  |                               |              |              |                                 |
| Cash and short-term investments                       | \$ 53,843                     | \$ 125,185   | \$ 117,518   | \$ 61,510                       |
| <b><u>LIABILITIES</u></b>                             |                               |              |              |                                 |
| Accrued liabilities payable                           | \$ 53,843                     | \$ 125,185   | \$ 117,518   | \$ 61,510                       |
| <br><b><u>TOTALS</u></b>                              |                               |              |              |                                 |
| <b><u>ASSETS</u></b>                                  |                               |              |              |                                 |
| Cash and short-term investments                       | \$ 62,203                     | \$ 6,744,446 | \$ 6,641,909 | \$ 164,740                      |
| <b><u>LIABILITIES</u></b>                             |                               |              |              |                                 |
| Accrued liabilities payable                           | \$ 62,203                     | \$ 6,744,446 | \$ 6,641,909 | \$ 164,740                      |

## **COMPONENT UNITS**

### **Mulvane Public Library**

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.

### **Mulvane Housing Authority**

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.

### **Mulvane Land Bank**

The Mulvane Land Bank was established during 2017 and is a quasi-governmental entity with all statutory authority, but with the primary responsibility and authority for maintaining and selling real property located within the City to help achieve the City's goal of returning municipally-owned property to private ownership, cost effectively maintaining said property, ensuring conformance with the goals of the City's Comprehensive Plan, and the encouragement of economic development. The Mulvane Land Bank is governed by a Board of Trustees, which is comprised of the entire membership of the governing body of the City of Mulvane, who shall be voting members, and one additional member appointed by the Mayor who is a non-voting member and who shall be a City staff member. The Mulvane Land Bank is subject to the cash basis and budget laws of the State of Kansas.

**CITY OF MULVANE, KANSAS**

**COMBINING BALANCE SHEET – MULVANE PUBLIC LIBRARY**

**December 31, 2018**

|  | <u>General</u>   | <u>Special<br/>Grants</u> | <u>Capital<br/>Development<br/>Reserve</u> | <u>Total</u>      |
|--|------------------|---------------------------|--|-------------------|
| <b><u>ASSETS</u></b>   |                  |                           |  |                   |
| Cash and investments   | <u>\$ 64,337</u> | <u>\$ 67,757</u>          | <u>\$ 102,709</u>                          | <u>\$ 234,803</u> |
| <b><u>LIABILITIES AND<br/>FUND BALANCES</u></b>              |                  |                           |  |                   |
| Liabilities:   |                  |                           |  |                   |
| Accounts payable   | <u>\$ —</u>      | <u>\$ —</u>               | <u>\$ —</u>                                | <u>\$ —</u>       |
| Fund balances:   |                  |                           |  |                   |
| Committed  | —                | 67,757                    | 102,709                                    | 170,466           |
| Unassigned   | <u>64,337</u>    | <u>—</u>                  | <u>—</u>                                   | <u>64,337</u>     |
| Total fund balances  | <u>64,337</u>    | <u>67,757</u>             | <u>102,709</u>                             | <u>234,803</u>    |
| Total liabilities and fund balances                          | <u>\$ 64,337</u> | <u>\$ 67,757</u>          | <u>\$ 102,709</u>                          | <u>\$ 234,803</u> |
|  |                  |                           |  |                   |
| Reconciliation to total net position:                        |                  |                           |  |                   |
| Fund balance per above                                       |                  |                           |  | \$ 234,803        |
| Add long-term capital assets                                 |                  |                           |  | 141,851           |
| Add deferred outflows of resources<br>related to pensions    |                  |                           |  | 58,643            |
| Less accumulated depreciation on long-term<br>capital assets |                  |                           |  | (92,170)          |
| Less deferred inflows of resources<br>related to pensions    |                  |                           |  | (4,244)           |
| Net pension liability  |                  |                           |  | <u>(117,803)</u>  |
| Total net position   |                  |                           |  | <u>\$ 221,080</u> |

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2018**

|  | <u>General</u>   | <u>Special<br/>Grants</u> | <u>Capital<br/>Development<br/>Reserve</u> | <u>Total</u>      |
|--|------------------|---------------------------|--|-------------------|
| Revenues:  |                  |                           |  |                   |
| Appropriations from City of Mulvane  | \$ 439,648       | \$ –                      | \$ –                                       | \$ 439,648        |
| Intergovernmental  | 22,771           | 8,831                     | –  | 31,602            |
| Fines and fees   | –                | 8,031                     | –  | 8,031             |
| Use of money and property  | 48               | 20                        | 277  | 345               |
| Miscellaneous  | 8,971            | 1,300                     | –  | 10,271            |
|  | <u>471,438</u>   | <u>18,182</u>             | <u>277</u>                                 | <u>489,897</u>    |
| Total revenues   | <u>471,438</u>   | <u>18,182</u>             | <u>277</u>                                 | <u>489,897</u>    |
| Expenditures:  |                  |                           |  |                   |
| Personal services  | 241,657          | –                         | –  | 241,657           |
| Contractual services   | 140,131          | 4,263                     | –  | 144,394           |
| Commodities  | 94,408           | 15,484                    | –  | 109,892           |
| Capital outlay   | 3,466            | 2,820                     | –  | 6,286             |
|  | <u>479,662</u>   | <u>22,567</u>             | <u>–</u>                                   | <u>502,229</u>    |
| Total expenditures   | <u>479,662</u>   | <u>22,567</u>             | <u>–</u>                                   | <u>502,229</u>    |
| Revenues over (under) expenditures   | <u>(8,224)</u>   | <u>(4,385)</u>            | <u>277</u>                                 | <u>(12,332)</u>   |
| Other financing sources (uses):  |                  |                           |  |                   |
| Transfers in   | –                | –                         | –  | –                 |
| Transfers out  | –                | –                         | –  | –                 |
|  | <u>–</u>         | <u>–</u>                  | <u>–</u>                                   | <u>–</u>          |
| Total other financing sources (uses)   | <u>–</u>         | <u>–</u>                  | <u>–</u>                                   | <u>–</u>          |
| Net change in fund balance   | (8,224)          | (4,385)                   | 277  | (12,332)          |
| Fund balances, beginning of year   | <u>72,561</u>    | <u>72,142</u>             | <u>102,432</u>                             | <u>247,135</u>    |
| Fund balances, end of year   | <u>\$ 64,337</u> | <u>\$ 67,757</u>          | <u>\$ 102,709</u>                          | <u>\$ 234,803</u> |
| Reconciliation of change in net position:  |                  |                           |  |                   |
| Net change in fund balance per above   |                  |                           |  | (12,332)          |
| Add current year capitalized assets  |                  |                           |  | 2,995             |
| Less current year depreciation on capital assets   |                  |                           |  | (13,623)          |
| Less change in net pension liability including<br>deferred inflows and deferred outflows<br>of resources |                  |                           |  | <u>(6,704)</u>    |
| Change in net position   |                  |                           |  | <u>(29,664)</u>   |

**CITY OF MULVANE, KANSAS**

**MULVANE PUBLIC HOUSING AUTHORITY – QUAD COUNTY MANOR**

**BALANCE SHEET**

**December 31, 2018**

**ASSETS**

|   |                  |
|---|------------------|
| Cash and investments  | \$ 1,917         |
| Cash restricted for security deposits and required reserves | 39,043           |
| Accounts receivable   | 150              |
| Prepaid expenses  | 517              |
| Land  | 16,000           |
| Buildings   | 597,492          |
| Machinery and equipment                                     | 146,630          |
| Accumulated depreciation                                    | <u>(581,770)</u> |
|   | <u>219,979</u>   |

**LIABILITIES AND NET POSITION**

|  |                |
|--|----------------|
| Current liabilities:   |                |
| Accounts payable   | \$ 7,099       |
| Current portion of note payable to Rural Housing Development   | <u>9,200</u>   |
|  | 16,299         |
| Long-term liabilities:   |                |
| Long-term portion of note payable to Rural Housing Development | <u>136,828</u> |
| Total liabilities  | <u>153,127</u> |
| Net position:  |                |
| Net investment in capital assets                               | 32,324         |
| Unassigned   | <u>34,528</u>  |
| Total net position   | <u>66,852</u>  |
| Total liabilities and net position                             | <u>219,979</u> |

**CITY OF MULVANE, KANSAS**

**MULVANE PUBLIC HOUSING AUTHORITY – QUAD COUNTY MANOR**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION**

**Year ended December 31, 2018**

|                                   |                         |
|-----------------------------------|-------------------------|
| Revenues:                         |                         |
| Rents                             | \$ 78,154               |
| Rental Assistance                 | 10,811                  |
| Interest                          | 30                      |
| Miscellaneous                     | <u>163</u>              |
| Total revenues                    | <u>89,158</u>           |
| Expenses:                         |                         |
| Professional management fees      | 9,882                   |
| Building maintenance and supplies | 10,290                  |
| Insurance                         | 10,431                  |
| Utilities                         | 18,585                  |
| Rural development overages        | 11,173                  |
| Debt Payment                      | 10,516                  |
| Depreciation Expense              | 29,901                  |
| Other                             | 1,710                   |
| Office and other expenses         | <u>2,693</u>            |
| Total expenses                    | <u>105,181</u>          |
| Change in net position            | (16,023)                |
| Net position, beginning of year   | <u>82,875</u>           |
| Net position, end of year         | <u><u>\$ 66,852</u></u> |

**CITY OF MULVANE, KANSAS**

**MULVANE LAND BANK**

**BALANCE SHEET**

**December 31, 2018**

**ASSETS**

|                      |                   |
|----------------------|-------------------|
| Cash and investments | <u>\$ 139,512</u> |
|----------------------|-------------------|

**LIABILITIES AND FUND BALANCE**

Liabilities:

|                  |      |
|------------------|------|
| Accounts payable | \$ — |
|------------------|------|

Fund balance::

|            |                |
|------------|----------------|
| Unassigned | <u>139,512</u> |
|------------|----------------|

|                                    |                   |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 139,512</u> |
|------------------------------------|-------------------|

Reconciliation to net position:

|                        |            |
|------------------------|------------|
| Fund balance per above | \$ 139,512 |
|------------------------|------------|

|                               |                |
|-------------------------------|----------------|
| Add buildings held for resale | <u>262,571</u> |
|-------------------------------|----------------|

|                    |                   |
|--------------------|-------------------|
| Total net position | <u>\$ 402,083</u> |
|--------------------|-------------------|



**CITY OF MULVANE, KANSAS**

**MULVANE LAND BANK**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE**

**Year ended December 31, 2018**

|                                 |                   |
|---------------------------------|-------------------|
| Revenues:                       |                   |
| Sale of property                | \$ 148,063        |
| Rentals                         | <u>8,913</u>      |
| Total revenues                  | <u>156,976</u>    |
| Expenditures:                   |                   |
| Insurance                       | 1,855             |
| Legal fees                      | 8,861             |
| Utilities                       | 101               |
| Miscellaneous                   | 6,347             |
| Repairs and maintenance         | 12,002            |
| Capital outlay                  | <u>76,248</u>     |
| Total expenditures              | <u>105,414</u>    |
| Revenues over expenditures      | 51,562            |
| Fund balance, beginning of year | <u>87,950</u>     |
| Fund Balance, end of year       | <u>\$ 139,512</u> |

|   |                     |
|---|---------------------|
| Reconciliation of change in net position: |                     |
| Net change in fund balance per above      | \$ 51,562           |
| Add current year capital outlay           | 76,248              |
| Less proceeds from sale of buildings      | (148,063)           |
| Less loss on disposal of capital assets   | <u>(115,937)</u>    |
| Change in net position                    | <u>\$ (136,190)</u> |

**CITY OF MULVANE, KANSAS**

**MULVANE LAND BANK**

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

**Year Ended December 31, 2018**

|  | <b>Budgeted Amounts</b> |              | <b>Actual<br/>Amounts<br/>Budgetary<br/>Basis</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|--------------|---|---|
|  | <b>Original</b>         | <b>Final</b> |   |   |
| <b>Revenues:</b>                             |                         |              |   |   |
| Appropriation from City<br>of Mulvane        | \$ 25,000               | 25,000       | –   | (25,000)  |
| Rentals                                      | 24,000                  | 24,000       | 8,913   | (15,087)  |
| Sale of property                             | 100,000                 | 100,000      | 148,063   | 48,063  |
| Total revenues                               | 149,000                 | 149,000      | 156,976   | 7,976   |
| <b>Expenditures and other uses:</b>          |                         |              |   |   |
| Insurance                                    | 1,500                   | 1,500        | 1,855   | (355)   |
| Legal services                               | 25,000                  | 25,000       | 8,862   | 16,138  |
| Utilities                                    | 5,000                   | 5,000        | 101   | 4,899   |
| Repairs to buildings                         | 87,500                  | 87,500       | –   | 87,500  |
| Proceeds to City of Mulvane                  | 25,000                  | 25,000       | –   | 25,000  |
| Property purchases                           | –                       | –            | –   | –   |
| Miscellaneous                                | 5,000                   | 5,000        | 94,596  | (89,596)  |
| Total expenditure                            | 149,000                 | 149,000      | 105,414   | 43,586  |
| Revenues over expenditures<br>and other uses | –                       | –            | 51,562  | 51,562  |
| Fund balance, beginning<br>of year           | –                       | –            | 87,951  | 87,951  |
| Fund balance, end of year                    | \$ –                    | –            | 139,513   | 139,513   |

## **STATISTICAL SECTION**

# STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
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|-----------------|-------------|

|                         |  |
|-------------------------|--|
| <b>Financial Trends</b> |  |
|-------------------------|--|

|   |     |
|---|-----|
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 110 |
|---|-----|

|                         |  |
|-------------------------|--|
| <b>Revenue Capacity</b> |  |
|-------------------------|--|

|   |     |
|---|-----|
| These schedules contain information to help the reader assess the City's most significant local revenue source. | 115 |
|---|-----|

|                      |  |
|----------------------|--|
| <b>Debt Capacity</b> |  |
|----------------------|--|

|   |     |
|---|-----|
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 119 |
|---|-----|

|   |  |
|---|--|
| <b>Demographic and Economic Information</b> |  |
|---|--|

|  |     |
|--|-----|
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 127 |
|--|-----|

|                              |  |
|------------------------------|--|
| <b>Operating Information</b> |  |
|------------------------------|--|

|  |     |
|--|-----|
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 129 |
|--|-----|

**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)*

| Governmental Activities                            | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net Investment in Capital Assets                   | \$ 18,441,345        | \$ 18,060,089        | \$ 18,417,687        | \$ 3,807,377         | \$ 1,923,151         | \$ 3,659,539         | \$ (3,125,468)       | \$ (1,597,973)       | \$ 1,034,051         | \$ 325,720           |
| Restricted for:                                    | 3,386,328            | 3,145,384            | —                    | —                    | —                    | —                    | —                    | —                    | —                    | —                    |
| Debt Service                                       | —                    | —                    | 2,762,968            | 21,080,642           | 20,186,897           | 19,004,749           | 17,035,947           | 15,513,868           | 14,556,981           | 12,864,822           |
| Capital Improvements                               | —                    | —                    | 1,801,919            | 1,525,762            | 120,116              | 245,467              | 280,568              | 799,708              | 95,323               | 193,378              |
| General Government                                 | —                    | —                    | —                    | —                    | 470,251              | 205,676              | 138,559              | 40,196               | 156,235              | 275,702              |
| Employee Benefits                                  | —                    | —                    | 306,581              | 285,909              | 117,642              | 903,319              | 1,308,689            | 821,572              | 306,691              | 194,063              |
| Parks and Recreation                               | —                    | —                    | 60,261               | 139,632              | 394,800              | 287,970              | 528,310              | 832,185              | 945,165              | 1,179,447            |
| Economic Development                               | —                    | —                    | 153,253              | 85,430               | 125,077              | 437,536              | 488,678              | 499,479              | 475,272              | 518,714              |
| Street Maintenance                                 | —                    | —                    | 31,173               | 159,646              | 373,437              | 15,414               | 37,791               | 82,963               | 92,191               | 52,293               |
| Public Safety                                      | —                    | —                    | 1,873                | 27,925               | 30,732               | —                    | —                    | —                    | —                    | —                    |
| Health and Welfare                                 | —                    | —                    | 6,830                | 39,636               | 44,587               | 59,373               | 81,665               | 106,878              | 70,969               | 87,977               |
| Unrestricted                                       | 3,159,996            | 3,279,893            | (11,277,773)         | 3,394,081            | 3,350,087            | 3,283,535            | 1,872,601            | 2,245,722            | 598,792              | 1,579,488            |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 24,987,669</b> | <b>\$ 24,485,366</b> | <b>\$ 12,264,772</b> | <b>\$ 30,546,040</b> | <b>\$ 27,136,777</b> | <b>\$ 28,102,578</b> | <b>\$ 18,647,340</b> | <b>\$ 19,344,598</b> | <b>\$ 18,331,670</b> | <b>\$ 17,271,604</b> |
| Business-type Activities                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 4,934,176         | \$ 4,974,701         | \$ 18,749,118        | \$ 18,669,822        | \$ 22,516,919        | \$ 22,521,469        | \$ 30,478,002        | \$ 30,038,002        | \$30,795,123         | \$31,574,138         |
| Restricted for Debt Service                        | 2,482,221            | 2,305,666            | 2,237,436            | 2,661,129            | 3,009,366            | 2,956,153            | 133,838              | —                    | —                    | —                    |
| Unrestricted                                       | 2,509,398            | 2,769,107            | 2,524,714            | 2,510,461            | 2,600,777            | 2,777,796            | 4,778,601            | 5,671,807            | 5,769,899            | 6,226,438            |
| <b>Total Business-type Activities Net Position</b> | <b>\$ 9,925,795</b>  | <b>\$ 10,049,474</b> | <b>\$ 23,511,268</b> | <b>\$ 23,841,412</b> | <b>\$ 28,127,062</b> | <b>\$ 28,255,418</b> | <b>\$ 35,390,441</b> | <b>\$ 35,709,809</b> | <b>\$ 36,565,022</b> | <b>\$ 37,800,576</b> |
| Primary Government                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 23,375,521        | \$ 23,034,790        | \$ 37,166,805        | \$ 22,477,199        | \$ 24,440,070        | \$ 26,181,008        | \$ 27,352,534        | \$ 28,440,029        | \$ 31,829,174        | \$ 31,899,858        |
| Restricted   | 5,868,549            | 5,451,050            | 7,362,294            | 26,005,711           | 24,872,905           | 24,115,657           | 20,034,045           | 18,696,849           | 16,698,827           | 15,366,396           |
| Unrestricted                                       | 5,669,394            | 6,049,000            | (8,753,059)          | 5,904,542            | 5,950,864            | 6,061,331            | 6,651,202            | 7,917,529            | 6,368,691            | 7,805,926            |
| <b>Total Primary Government Net Position</b>       | <b>\$ 34,913,464</b> | <b>\$ 34,534,840</b> | <b>\$ 35,776,040</b> | <b>\$ 54,387,452</b> | <b>\$ 55,263,839</b> | <b>\$ 56,357,996</b> | <b>\$ 54,037,781</b> | <b>\$ 55,054,407</b> | <b>\$ 54,896,692</b> | <b>\$ 55,072,180</b> |

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

|   | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental Activities                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government                              | \$ 345,662           | \$ 388,764           | \$ 367,607           | \$ 898,033           | \$ 1,120,120         | \$ 1,297,410         | \$ 1,515,897         | \$ 1,782,329         | \$ 2,151,881         | \$ 1,179,135         |
| Public Safety                                   | 1,972,712            | 1,967,491            | 2,214,923            | 2,465,933            | 2,846,130            | 2,880,502            | 3,138,385            | 3,584,483            | 3,733,737            | 4,316,866            |
| Highways and Streets                            | 1,326,646            | 1,402,712            | 1,620,242            | 1,436,490            | 1,538,787            | 2,392,668            | 1,527,136            | 1,665,590            | 2,320,717            | 2,361,133            |
| Health and Sanitation                           | -                    | -                    | -                    | -                    | 45,963               | 52,180               | 39,130               | 39,130               | 106,129              | 600                  |
| Culture and Recreation                          | 711,336              | 818,353              | 732,029              | 924,244              | 962,253              | 881,440              | 1,560,950            | 1,622,079            | 1,432,675            | 1,454,413            |
| Economic Development                            | 9,396                | 11,358               | 91,345               | 26,008               | 49,927               | 219,093              | 291,281              | 340,265              | 343,545              | 256,058              |
| Environmental Protection                        | 704                  | 1,600                | 414                  | 829                  | 739                  | 1,099                | 233                  | 120                  | 308                  | 615                  |
| Interest on Long Term Debt                      | 552,841              | 372,438              | 343,708              | 547,071              | 875,012              | 814,828              | 1,072,292            | 710,073              | 734,791              | 746,287              |
| Total Governmental Activities Expenses          | <u>\$ 4,919,297</u>  | <u>\$ 4,962,716</u>  | <u>\$ 5,370,268</u>  | <u>\$ 6,298,608</u>  | <u>\$ 7,438,931</u>  | <u>\$ 8,539,220</u>  | <u>\$ 9,145,304</u>  | <u>\$ 9,744,069</u>  | <u>\$ 10,823,783</u> | <u>\$ 10,315,107</u> |
| Business-type Activities                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Electric Utility                                | \$ 3,998,986         | \$ 4,264,535         | \$ 4,561,418         | \$ 4,258,246         | \$ 4,268,774         | \$ 4,995,057         | \$ 4,738,239         | \$ 4,742,936         | \$ 4,768,801         | \$ 5,013,606         |
| Water Utility                                   | 797,814              | 798,895              | 954,799              | 982,341              | 914,372              | 1,018,362            | 1,291,157            | 1,214,150            | 1,251,030            | 1,299,081            |
| Wastewater Utility                              | 1,149,896            | 1,195,183            | 1,431,809            | 1,483,160            | 1,698,378            | 1,670,390            | 1,593,965            | 1,687,656            | 1,556,034            | 1,633,447            |
| Total Business-type Activities                  | <u>\$ 5,946,696</u>  | <u>\$ 6,258,613</u>  | <u>\$ 6,948,026</u>  | <u>\$ 6,723,747</u>  | <u>\$ 6,881,524</u>  | <u>\$ 7,683,809</u>  | <u>\$ 7,623,361</u>  | <u>\$ 7,644,742</u>  | <u>\$ 7,575,865</u>  | <u>\$ 7,946,134</u>  |
| <br>Total Primary Government Expenses           | <u>\$ 10,865,993</u> | <u>\$ 11,221,329</u> | <u>\$ 12,318,294</u> | <u>\$ 13,022,355</u> | <u>\$ 14,320,455</u> | <u>\$ 16,223,029</u> | <u>\$ 16,768,665</u> | <u>\$ 17,388,811</u> | <u>\$ 18,399,648</u> | <u>\$ 18,261,241</u> |
| <br><b>Program Revenues</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental Activities                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for Services                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government                              | \$ 83,793            | \$ 104,906           | \$ 215,240           | \$ 293,070           | \$ 133,536           | \$ 129,915           | \$ 126,761           | \$ 343,275           | \$ 128,893           | \$ 158,357           |
| Public Safety                                   | 316,185              | 283,306              | 384,999              | 425,312              | 483,626              | 535,702              | 1,071,489            | 1,094,153            | 1,143,085            | 1,123,961            |
| Highway & Streets                               | 35,496               | 32,053               | 39,840               | 33,448               | 33,840               | 38,053               | 31,841               | 39,126               | 41,631               | 42,188               |
| Culture and Recreation                          | 66,874               | 71,648               | 78,722               | 75,617               | 65,372               | 61,770               | 63,402               | 66,051               | 64,186               | 72,271               |
| Economic Development                            | -                    | -                    | -                    | -                    | 203,839              | -                    | -                    | -                    | -                    | -                    |
| Operating Grants and Contributions              | 771,910              | 769,505              | 686,986              | 19,532,368           | 1,749,079            | 1,298,001            | 1,889,916            | 1,733,706            | 1,378,067            | 1,724,379            |
| Capital Grants and Contributions                | 95,443               | 175,986              | 2,312,499            | 58,364               | 204                  | 716,331              | 723,512              | 700,756              | 677,275              | 673,750              |
| Total Governmental Activities Program Revenues  | <u>\$ 1,369,701</u>  | <u>\$ 1,437,404</u>  | <u>\$ 3,718,286</u>  | <u>\$ 20,418,179</u> | <u>\$ 2,669,496</u>  | <u>\$ 2,779,772</u>  | <u>\$ 3,906,921</u>  | <u>\$ 3,977,067</u>  | <u>\$ 3,433,137</u>  | <u>\$ 3,794,906</u>  |
| Business-type Activities                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for Services                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Electric Utility                                | \$ 3,739,283         | \$ 4,072,152         | \$ 4,325,273         | \$ 4,053,466         | \$ 4,358,191         | \$ 4,859,153         | \$ 4,441,803         | \$ 4,855,854         | \$ 4,812,129         | \$ 5,296,701         |
| Water Utility                                   | 793,216              | 953,201              | 1,013,865            | 1,138,454            | 1,092,281            | 1,098,460            | 1,096,022            | 1,105,822            | 1,082,368            | 1,113,993            |
| Wastewater Utility                              | 1,148,151            | 1,320,646            | 1,373,352            | 1,557,136            | 1,639,641            | 1,623,215            | 1,738,424            | 1,956,166            | 1,857,701            | 1,787,322            |
| Capital Grants and Contributions                | 9,710                | -                    | -                    | -                    | 1,651                | -                    | -                    | -                    | 59,538               | -                    |
| Total Business-type Activities Program Revenues | <u>\$ 5,690,360</u>  | <u>\$ 6,345,999</u>  | <u>\$ 6,712,490</u>  | <u>\$ 6,749,056</u>  | <u>\$ 7,091,764</u>  | <u>\$ 7,580,828</u>  | <u>\$ 7,276,249</u>  | <u>\$ 7,917,842</u>  | <u>\$ 7,811,736</u>  | <u>\$ 8,198,016</u>  |
| <br>Total Primary Government Program Revenues   | <u>\$ 7,060,061</u>  | <u>\$ 7,783,403</u>  | <u>\$ 10,430,776</u> | <u>\$ 27,167,235</u> | <u>\$ 9,761,260</u>  | <u>\$ 10,360,600</u> | <u>\$ 11,183,170</u> | <u>\$ 11,894,909</u> | <u>\$ 11,244,873</u> | <u>\$ 11,992,922</u> |

Continued on the next page

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

*Continued from the previous page*

|   | 2009                  | 2010                  | 2011                   | 2012                 | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  |
|---|-----------------------|-----------------------|------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Net (Expense) Revenue</b>                              |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   | \$ (3,549,596)        | \$ (3,525,312)        | \$ (1,651,982)         | \$ 14,119,571        | \$ (4,769,435)        | \$ (5,759,448)        | \$ (5,238,383)        | \$ (5,767,002)        | \$ (7,390,646)        | \$ (6,520,201)        |
| Business-type Activities                                  | (256,336)             | 87,386                | (235,536)              | 25,309               | 210,240               | (102,981)             | (347,112)             | 273,100               | 235,871               | 251,882               |
| Total Primary Government Net Expenses                     | <u>\$ (3,805,932)</u> | <u>\$ (3,437,926)</u> | <u>\$ (1,887,518)</u>  | <u>\$ 14,144,880</u> | <u>\$ (4,559,195)</u> | <u>\$ (5,862,429)</u> | <u>\$ (5,585,495)</u> | <u>\$ (5,493,902)</u> | <u>\$ (7,154,775)</u> | <u>\$ (6,268,319)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| Taxes   |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| Property Taxes  |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| General Purposes  | \$ 1,651,051          | \$ 1,519,683          | \$ 1,519,802           | \$ 1,637,634         | \$ 2,217,654          | \$ 3,751,657          | \$ 2,851,045          | \$ 2,919,006          | \$ 2,346,878          | \$ 3,543,583          |
| Debt Service  | 336,907               | 455,327               | 455,327                | 371,681              | 371,681               | 431,877               | 431,877               | 818,784               | 1,606,932             | 367,703               |
| Gaming Facility Revenue Sharing                           | —                     | —                     | —                      | 1,892,058            | 1,926,430             | 1,784,165             | 1,832,260             | 1,806,329             | 1,798,789             | 1,819,997             |
| Sales Taxes   | 658,940               | 661,759               | 691,642                | 725,464              | 661,288               | 718,740               | 741,498               | 690,564               | 911,338               | 790,162               |
| Franchise Taxes   | 380,254               | 388,190               | 425,525                | 193,496              | 244,783               | 252,328               | 223,642               | 201,404               | 234,263               | 250,630               |
| Investment Earnings                                       | 45,034                | 16,795                | 21,932                 | 12,171               | 10,573                | 11,660                | 29,556                | 38,520                | 54,518                | 76,599                |
| Transfers   | —                     | (18,745)              | (13,682,840)           | (670,807)            | (4,072,237)           | (225,178)             | (8,318,410)           | (10,347)              | (575,000)             | (1,034,154)           |
| Total Governmental Activities                             | <u>\$ 3,072,186</u>   | <u>\$ 3,023,009</u>   | <u>\$ (10,568,612)</u> | <u>\$ 4,161,697</u>  | <u>\$ 1,360,172</u>   | <u>\$ 6,725,249</u>   | <u>\$ (2,208,532)</u> | <u>\$ 6,464,260</u>   | <u>\$ 6,377,718</u>   | <u>\$ 5,814,520</u>   |
| Business Type Activities                                  |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| Investment Earnings                                       | \$ 54,304             | \$ 17,548             | \$ 14,490              | \$ 7,303             | \$ 3,173              | \$ 6,159              | \$ 13,152             | \$ 35,921             | \$ 44,342             | \$ 67,645             |
| Transfers   | —                     | 18,745                | 13,682,840             | 670,807              | 4,072,237             | 225,178               | 8,318,410             | 10,347                | 575,000               | 1,034,154             |
| Total Business-type Activities                            | <u>\$ 54,304</u>      | <u>\$ 36,293</u>      | <u>\$ 13,697,330</u>   | <u>\$ 678,110</u>    | <u>\$ 4,075,410</u>   | <u>\$ 231,337</u>     | <u>\$ 8,331,562</u>   | <u>\$ 46,268</u>      | <u>\$ 619,342</u>     | <u>\$ 1,101,799</u>   |
| Total Primary Government                                  | <u>\$ 3,126,490</u>   | <u>\$ 3,059,302</u>   | <u>\$ 3,128,718</u>    | <u>\$ 4,839,807</u>  | <u>\$ 5,435,582</u>   | <u>\$ 6,956,586</u>   | <u>\$ 6,123,030</u>   | <u>\$ 6,510,528</u>   | <u>\$ 6,997,060</u>   | <u>\$ 6,916,319</u>   |
| <b>Change in Net Position</b>                             |                       |                       |                        |                      |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   | \$ (477,410)          | \$ (502,303)          | \$ (12,220,594)        | \$ 18,281,268        | \$ (3,409,263)        | \$ 965,801            | \$ (7,446,915)        | \$ 697,258            | \$ (1,012,928)        | \$ (705,681)          |
| Business-type Activities                                  | (202,032)             | 123,679               | 13,461,794             | 703,419              | 4,285,650             | 128,356               | 7,984,450             | 319,368               | 855,213               | 1,353,681             |
| Total Primary Government                                  | <u>\$ (679,442)</u>   | <u>\$ (378,624)</u>   | <u>\$ 1,241,200</u>    | <u>\$ 18,984,687</u> | <u>\$ 876,387</u>     | <u>\$ 1,094,157</u>   | <u>\$ 537,535</u>     | <u>\$ 1,016,626</u>   | <u>\$ (157,715)</u>   | <u>\$ 648,000</u>     |

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

|   | 2009                | 2010                | 2011                   | 2012                | 2013                 | 2014                | 2015                | 2016                | 2017                | 2018                |
|---|---------------------|---------------------|------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                       |                     |                     |                        |                     |                      |                     |                     |                     |                     |                     |
| Reserved                                  | \$ -                | \$ -                | \$ -                   | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted: Insurance Claims              | -                   | -                   | 160,605                | 139,632             | 117,642              | 205,676             | 138,559             | 40,196              | 156,235             | 275,702             |
| Assigned: General Government              | -                   | -                   | 746,627                | 2,799,723           | 2,781,546            | 1,408,934           | 3,643,955           | 3,009,377           | 2,946,773           | 2,692,998           |
| Unreserved                                | 1,729,665           | 1,631,791           | -                      | -                   | -                    | -                   | -                   | -                   | -                   | -                   |
| Unassigned                                | -                   | -                   | 699,690                | -                   | -                    | 1,805,946           | -                   | 1,438,247           | 1,129,253           | 1,279,140           |
| <b>Total General Fund</b>                 | <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>    | <u>4,487,820</u>    | <u>4,232,261</u>    | <u>4,247,840</u>    |
| <b>All Other Governmental Funds</b>       |                     |                     |                        |                     |                      |                     |                     |                     |                     |                     |
| Reserved                                  | \$ 179,765          | \$ 131,643          | \$ -                   | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted: Debt Service                  | -                   | -                   | 241,212                | 130,802             | 351,859              | 603,419             | 147,359             | 114,268             | 601,951             | 315,414             |
| EMS Facility & Equipment                  | -                   | -                   | 1,801,919              | 1,504,299           | 394,800              | -                   | -                   | -                   | -                   | -                   |
| General Government                        | -                   | -                   | 306,581                | 285,909             | 470,251              | 903,319             | 1,308,689           | 821,572             | 306,691             | 194,063             |
| Recreation                                | -                   | -                   | 60,261                 | 85,430              | 125,077              | 287,970             | 528,310             | 832,185             | 945,165             | 1,179,447           |
| Health and Welfare                        | -                   | -                   | 6,830                  | 39,636              | 44,587               | 59,373              | 81,665              | 106,878             | 70,969              | 87,977              |
| Economic Development                      | -                   | -                   | 153,253                | 159,646             | 373,437              | 437,536             | 488,678             | 499,479             | 475,272             | 518,714             |
| Street Improvements                       | -                   | -                   | 31,173                 | 27,925              | 30,732               | 15,414              | 37,791              | 82,963              | 92,191              | 52,293              |
| Capital Improvements                      | -                   | -                   | 1,873                  | 21,463              | 157,667              | 4,730,162           | 2,998,388           | 799,708             | 95,323              | 193,378             |
| Committed: Street Improvements            | -                   | -                   | 430,201                | 461,980             | 463,229              | 355,445             | 306,441             | 334,764             | 331,384             | 311,321             |
| Parks & Recreation                        | -                   | -                   | 54,512                 | 56,452              | 57,172               | 58,786              | 68,437              | 78,602              | 67,424              | 3,189               |
| Capital Improvements                      | -                   | -                   | 274,326                | 676,701             | 7,599,451            | -                   | -                   | -                   | -                   | -                   |
| Assigned: General Government              | -                   | -                   | -                      | -                   | -                    | -                   | -                   | -                   | -                   | -                   |
| Culture & Recreation                      | -                   | -                   | 4,987                  | 79                  | 2,957                | 2                   | 4,202               | 6,951               | 661                 | 1,684               |
| Capital Outlay                            | -                   | -                   | 373,628                | 468,071             | 282,651              | 374,062             | 286,659             | 228,787             | 203,670             | 381,868             |
| Unassigned                                | -                   | -                   | (13,786,952)           | (141,277)           | (249,159)            | (799)               | (477)               | (314,697)           | (1,303,181)         | 241,413             |
| Unreserved, reported in:                  |                     |                     |                        |                     |                      |                     |                     |                     |                     |                     |
| Capital Project Funds                     | (168,215)           | 500                 | -                      | -                   | -                    | -                   | -                   | -                   | -                   | -                   |
| Debt Service Funds                        | 109,690             | 238,687             | -                      | -                   | -                    | -                   | -                   | -                   | -                   | -                   |
| Special Revenue Funds                     | 1,645,787           | 1,746,993           | -                      | -                   | -                    | -                   | -                   | -                   | -                   | -                   |
| <b>Total all other Governmental Funds</b> | <u>\$ 1,587,262</u> | <u>\$ 1,986,180</u> | <u>\$ (10,046,196)</u> | <u>\$ 3,777,116</u> | <u>\$ 10,104,711</u> | <u>\$ 7,824,689</u> | <u>\$ 6,256,142</u> | <u>\$ 3,591,460</u> | <u>\$ 1,887,520</u> | <u>\$ 3,480,761</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)

|   | 2009                | 2010                | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>   |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes   | \$ 2,660,984        | \$ 2,649,199        | \$ 2,676,968         | \$ 2,800,388         | \$ 3,890,550         | \$ 5,356,082         | \$ 5,717,474         | \$ 5,558,969         | \$ 5,977,570         | \$ 5,816,319         |
| Special Assessment Taxes                                    | 536,508             | 524,968             | 517,422              | 488,220              | 1,825,520            | 2,080,579            | 1,716,222            | 2,113,053            | 1,721,295            | 1,964,110            |
| Intergovernmental   | 651,998             | 778,034             | 663,855              | 2,442,513            | 2,528,703            | 2,697,818            | 2,537,254            | 2,476,111            | 2,464,974            | 2,544,760            |
| Licenses and Permits  | 440,573             | 455,860             | 739,744              | 276,208              | 341,642              | 342,885              | 330,161              | 294,594              | 281,645              | 300,959              |
| Charges for Services  | 290,487             | 274,776             | 260,920              | 503,924              | 304,186              | 339,117              | 343,678              | 383,857              | 446,216              | 449,633              |
| Fines and Forfeitures                                       | 116,773             | 101,296             | 98,534               | 88,368               | 149,907              | 170,708              | 209,614              | 208,008              | 208,041              | 190,501              |
| Use of Money & Property                                     | 54,231              | 24,457              | 45,416               | 144,472              | 144,397              | 149,046              | 637,884              | 658,099              | 657,735              | 695,680              |
| Other Revenues  | 32,349              | 40,509              | 2,214,596            | 78,506               | 31,802               | 27,672               | 37,254               | 247,971              | 72,949               | 87,240               |
| <b>Total Revenues</b>                                       | <b>\$ 4,783,903</b> | <b>\$ 4,849,099</b> | <b>\$ 7,217,455</b>  | <b>\$ 6,822,599</b>  | <b>\$ 9,216,707</b>  | <b>\$ 11,163,907</b> | <b>\$ 11,529,541</b> | <b>\$ 11,940,662</b> | <b>\$ 11,830,425</b> | <b>\$ 12,049,202</b> |
| <b>Expenditures</b>   |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government  | \$ 322,713          | \$ 348,987          | \$ 343,559           | \$ 420,584           | \$ 1,174,908         | \$ 1,565,701         | \$ 1,584,854         | \$ 1,832,201         | \$ 2,043,947         | \$ 1,107,015         |
| Public Safety   | 2,001,478           | 1,819,700           | 2,061,435            | 2,199,104            | 2,673,387            | 3,095,509            | 2,916,081            | 3,371,380            | 3,348,962            | 4,323,817            |
| Highways and Streets  | 449,734             | 601,551             | 720,724              | 529,036              | 719,963              | 781,258              | 725,994              | 764,464              | 1,372,749            | 1,577,701            |
| Culture and Recreation                                      | 705,892             | 619,363             | 665,260              | 795,930              | 880,129              | 939,174              | 1,453,318            | 1,374,513            | 1,277,834            | 1,258,069            |
| Environmental Protection                                    | 704                 | 1,600               | 414                  | 829                  | 46,702               | 53,279               | 39,363               | 39,250               | 106,437              | 1,215                |
| Economic Development  | 9,396               | 11,358              | 91,345               | 26,008               | 49,927               | 219,093              | 291,281              | 340,265              | 343,545              | 283,558              |
| Capital Outlay  | 148,432             | 285,772             | 14,349,717           | 5,314,426            | 3,249,817            | 8,698,524            | 2,051,227            | 2,715,999            | 1,851,688            | 1,811,575            |
| Debt Service  |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Principal   | 669,967             | 569,447             | 829,832              | 1,317,945            | 1,548,308            | 2,358,336            | 2,541,373            | 2,691,997            | 2,652,213            | 2,569,921            |
| Interest  | 500,830             | 370,293             | 344,057              | 325,419              | 905,067              | 690,356              | 1,228,457            | 745,175              | 792,549              | 779,511              |
| <b>Total Expenditures</b>                                   | <b>\$ 4,809,146</b> | <b>\$ 4,628,071</b> | <b>\$ 19,406,343</b> | <b>\$ 10,929,281</b> | <b>\$ 11,248,208</b> | <b>\$ 18,401,230</b> | <b>\$ 12,831,948</b> | <b>\$ 13,875,244</b> | <b>\$ 13,789,924</b> | <b>\$ 13,712,382</b> |
| Revenues over (under) Expenditures                          | \$ (25,243)         | \$ 221,028          | \$ (12,188,888)      | \$ (4,106,682)       | \$ (2,031,501)       | \$ (7,237,323)       | \$ (1,302,407)       | \$ (1,934,582)       | \$ (1,959,499)       | \$ (1,663,180)       |
| <b>Other Financing Sources (Uses)</b>                       |                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Bond Proceeds   | \$ 2,538,769        | \$ 2,938,000        | \$ -                 | \$ 19,275,000        | \$ 8,225,000         | \$ 5,393,047         | \$ 2,543,576         | \$ 8,330,000         | -                    | 3,205,000            |
| Premium on GO Bonds Issued                                  | -                   | -                   | -                    | -                    | \$ 63,929            | \$ 37,172            | \$ 21,183            | \$ 643,885           | -                    | 67,000               |
| Premium on PBC Revenue Bonds Issued                         | -                   | -                   | -                    | -                    | -                    | \$ 74,450            | -                    | -                    | -                    | -                    |
| Notes Payable   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Payment to Escrow Agent                                     | \$ (2,467,744)      | \$ (2,894,556)      | -                    | -                    | -                    | -                    | (2,468,941)          | (8,998,679)          | -                    | -                    |
| Transfers In  | 520,455             | 455,178             | 235,969              | 507,048              | 743,950              | 489,148              | 182,887              | 458,311              | 125,000              | 422,647              |
| Transfers Out   | (520,455)           | (455,178)           | (235,969)            | (519,621)            | (713,950)            | (515,148)            | (182,887)            | (458,311)            | (125,000)            | (422,647)            |
| <b>Total Other Financing Sources (Uses)</b>                 | <b>\$ 71,025</b>    | <b>\$ 43,444</b>    | <b>\$ -</b>          | <b>\$ 19,262,427</b> | <b>\$ 8,318,929</b>  | <b>\$ 5,478,669</b>  | <b>\$ 95,818</b>     | <b>\$ (24,794)</b>   | <b>\$ -</b>          | <b>\$ 3,272,000</b>  |
| Net Change in Fund Balance                                  | \$ 45,782           | \$ 264,472          | \$ (12,188,888)      | \$ 15,155,745        | \$ 6,287,428         | \$ (1,758,654)       | \$ (1,206,589)       | \$ (1,959,376)       | \$ (1,959,499)       | \$ 1,608,820         |
| Debt Service as a Percentage of<br>Non-capital Expenditures | 38.33%              | 28.96%              | 6.32%                | 24.61%               | 32.25%               | 31.97%               | 36.04%               | 31.60%               | 28.08%               | 28.14%               |

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

| <u>Fiscal<br/>Year</u> | <u>Real Property</u>      |                                   | <u>Personal Property</u>  |                                   | <u>Total</u>              |                                   | <u>Total Direct<br/>Tax Rate</u> | <u>Assessed Value<br/>as a % of<br/>Estimated<br/>Actual Value</u> |
|------------------------|---------------------------|-----------------------------------|---------------------------|-----------------------------------|---------------------------|-----------------------------------|----------------------------------|--|
|                        | <u>Assessed<br/>Value</u> | <u>Estimated<br/>Actual Value</u> | <u>Assessed<br/>Value</u> | <u>Estimated<br/>Actual Value</u> | <u>Assessed<br/>Value</u> | <u>Estimated<br/>Actual Value</u> |                                  |  |
| 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                     | 41.923                           | 18.04%   |
| 2016                   | \$79,173,604              | \$440,205,239                     | \$304,910                 | \$1,131,217                       | \$79,478,514              | \$441,336,456                     | 42.406                           | 18.01%   |
| 2017                   | \$82,210,092              | \$463,252,202                     | \$284,286                 | \$1,057,963                       | \$82,494,378              | \$464,310,165                     | 44.247                           | 17.77%   |
| 2018                   | \$86,319,759              | \$479,554,217                     | \$295,826                 | \$1,047,426                       | \$86,615,585              | \$480,601,643                     | 46.603                           | 18.02%   |

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 |        |        |          |          |         |
|-------------|------------|--------------|-------------------|---------|------------------------|----------------------|-------------------|------------|------------------------------|--------|--------|----------|----------|---------|
|             | General    | Debt Service | Employee Benefits | Library | Industrial Development | Capital Improvements | Special Liability | Total City | State                        | County | School | Cemetery | Township | Total   |
| 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 |
| 2016        | 9.503      | 15.316       | 10.972            | 5.000   | 0.053                  | 1.283                | 2.120             | 44.247     | 1.500                        | 29.393 | 62.956 | 1.492    | 0.000    | 139.588 |
| 2017        | 26.734     | 3.256        | 5.454             | 5.007   | 0.065                  | 2.347                | 1.441             | 44.304     | 1.500                        | 29.393 | 62.397 | 1.482    | 0.000    | 139.076 |
| 2018        | 26.191     | 7.063        | 6.096             | 4.972   | 0.051                  | 2.191                | 0.039             | 46.603     | 1.500                        | 29.383 | 59.244 | 1.454    | 0.000    | 138.184 |

Sumner County

|      |        |        |        |       |       |       |       |        |       |        |        |       |       |         |
|------|--------|--------|--------|-------|-------|-------|-------|--------|-------|--------|--------|-------|-------|---------|
| 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 |
| 2016 | 9.503  | 15.316 | 10.972 | 5.000 | 0.053 | 1.283 | 2.120 | 44.247 | 1.500 | 48.888 | 62.956 | 1.492 | 0.000 | 159.083 |
| 2017 | 26.734 | 3.256  | 5.454  | 5.007 | 0.065 | 2.347 | 1.441 | 44.304 | 1.500 | 48.585 | 62.397 | 1.482 | 0.000 | 158.268 |
| 2018 | 26.191 | 7.063  | 6.096  | 4.972 | 0.051 | 2.191 | 0.039 | 46.603 | 1.500 | 48.362 | 59.244 | 1.454 | 0.000 | 157.163 |

Source: Sedgwick County Clerk  
Sumner County Clerk

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

| 2018                            |                                   |             |  |
|---------------------------------|-----------------------------------|-------------|--|
| <u>Taxpayer</u>                 | <u>Taxable<br/>Assessed Value</u> | <u>Rank</u> | <u>Percentage of<br/>Total City Taxable<br/>Assessed Value</u> |
| <b>Sedgwick County:</b>         |                                   |             |  |
| Kansas Gas & Electric           | \$ 538,004                        | 1           | 0.62%  |
| Country Walk DG Prattville LLC  | 351,440                           | 2           | 0.41%  |
| Kansas Gas Service              | 327,371                           | 3           | 0.38%  |
| Larry J Fugate                  | 208,255                           | 4           | 0.24%  |
| Casey's Retail company          | 197,000                           | 5           | 0.23%  |
| O'Reilly Auto Enterprises LLC   | 182,703                           | 6           | 0.21%  |
| Traditional Holding Company LLC | 181,662                           | 7           | 0.21%  |
| BNSF                            | 179,350                           | 8           | 0.21%  |
| Prairie State Bank              | 154,350                           | 9           | 0.18%  |
| Carr Properties LLC             | 134,425                           | 10          | 0.16%  |
|                                 | <u>\$ 2,454,560</u>               |             | <u>2.83%</u>   |

|                       |                      |   |               |
|-----------------------|----------------------|---|---------------|
| <b>Sumner County:</b> |                      |   |               |
| Kansas Star Casino    | \$ 44,250,001        | 1 | 51.09%        |
| KSC Lodging, LC       | 3,653,603            | 2 | 4.22%         |
| John Brewer           | 251,435              | 2 | 0.29%         |
| Dabitojo Dev, LLC     | 240,465              | 3 | 0.28%         |
| Karl Jones            | 234,693              | 4 | 0.27%         |
| Mulvane Coop          | 227,682              | 5 | 0.26%         |
| BNSF                  | 169,574              | 6 | 0.20%         |
| Carson Bank           | 163,386              | 7 | 0.19%         |
| Union Pacific         | 150,760              | 8 | 0.17%         |
| Kansas Gas Service    | 118,191              | 9 | 0.14%         |
|                       | <u>\$ 49,459,790</u> |   | <u>57.10%</u> |

| 2009                          |                                   |             |  |
|-------------------------------|-----------------------------------|-------------|--|
| <u>Taxpayer</u>               | <u>Taxable<br/>Assessed Value</u> | <u>Rank</u> | <u>Percentage of<br/>Total City Taxable<br/>Assessed Value</u> |
| <b>Sedgwick County:</b>       |                                   |             |  |
| Kansas Gas Service            | \$ 287,407                        | 1           | 0.930%   |
| Mulvane Housing Associated LP | 252,701                           | 2           | 0.820%   |
| BNSF                          | 166,980                           | 3           | 0.540%   |
| Olderbak Enterprises South    | 155,275                           | 4           | 0.500%   |
| Congleton LLC                 | 144,632                           | 5           | 0.470%   |
| Prairie State Bank            | 143,945                           | 6           | 0.460%   |
| Gary E. Branine               | 135,001                           | 7           | 0.440%   |
| Ray & Sharron Westfall        | 130,916                           | 8           | 0.420%   |
| Antonio L Carro MD PA         | 122,960                           | 9           | 0.400%   |
| L Joyce Carr Rev Trust        | 104,300                           | 10          | 0.340%   |
|                               | <u>\$ 1,644,117</u>               |             | <u>5.320%</u>  |

|                        |                     |    |               |
|------------------------|---------------------|----|---------------|
| <b>Sumner County:</b>  |                     |    |               |
| Carson Bank            | \$ 152,729          | 1  | 0.490%        |
| Southwestern Bell      | 144,801             | 2  | 0.470%        |
| Ratzlaff Properties    | 141,528             | 3  | 0.460%        |
| Mulvane Coop           | 135,441             | 4  | 0.440%        |
| Pearl Street Duplex    | 116,003             | 5  | 0.370%        |
| Pendergraft Properties | 111,707             | 6  | 0.360%        |
| Wolfe, R.E. LLC        | 110,668             | 7  | 0.360%        |
| Ratzlaff Properties    | 99,258              | 8  | 0.320%        |
| Gilbert, Dennis        | 89,371              | 9  | 0.290%        |
| Mary A Wolfe Rev Trust | 82,553              | 10 | 0.270%        |
|                        | <u>\$ 1,184,059</u> |    | <u>3.830%</u> |

Source: Sumner County Clerk  
Sedgwick County Clerk

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

| <u>Fiscal Year</u> | <u>Taxes Levied<br/>for the Fiscal Year</u> | <u>Collected Within the<br/>Fiscal Year of the Levy</u> |                  | <u>Collections in<br/>Subsequent<br/>Years *</u> | <u>Total Collections to Date</u> |                  |
|--------------------|---|---|------------------|--|----------------------------------|------------------|
|                    |   | <u>Amount</u>   | <u>% of Levy</u> |  | <u>Amount</u>                    | <u>% of Levy</u> |
| 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%          |
| 2016               | \$3,453,308                                 | \$3,427,461   | 99.25%           | \$32,392   | \$3,459,853                      | 100.19%          |
| 2017               | \$3,564,953                                 | \$3,485,752   | 97.78%           | \$25,108   | \$3,510,860                      | 98.48%           |
| 2018               | \$3,642,244                                 | \$3,605,431   | 98.99%           | \$25,157   | \$3,630,588                      | 99.68%           |

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<br>Primary<br>Government | % of<br>Personal<br>Income | Per<br>Capita |
|-------------|--------------------------------|--|--------------------|------------------|------------------------------------|--------------------------|--|---|--------------------------------|----------------------------|---------------|
|             | General<br>Obligation<br>Bonds | Public Building<br>Commission<br>Revenue Bonds | Temporary<br>Notes | Notes<br>Payable | Unamortized<br>Premium on<br>Bonds | Revenue<br>Bonds         | G.O. Bonds<br>Secured by<br>Enterprise Funds | Unamortized Premium<br>on G.O. Bonds Secured<br>by Enterprise Funds |                                |                            |               |
| 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                                  | \$22,011  | \$41,917,225                   | 23.04%                     | \$6,665       |
| 2016        | \$26,199,255                   | \$3,990,000                                    | \$315,000          | -                | \$690,962                          | -                        | \$7,603,745                                  | \$89,018  | \$38,887,980                   | 21.09%                     | \$6,159       |
| 2017        | \$24,052,043                   | \$3,485,000                                    | \$2,515,000        | -                | \$595,182                          | -                        | \$6,738,957                                  | \$67,942  | \$37,454,124                   | 20.15%                     | \$5,890       |
| 2018        | \$24,207,122                   | \$3,965,000                                    | -                  | -                | \$567,072                          | -                        | \$5,805,878                                  | \$49,828  | \$34,594,900                   | 18.15%                     | \$5,392       |

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

| <u>Year</u> | <u>General<br/>Obligation<br/>Bonds</u> | <u>Premium on<br/>General<br/>Obligation<br/>Bonds</u> | <u>Less Debt<br/>Service<br/>Funds</u> | <u>Net<br/>Bonded<br/>Debt</u> | <u>Ratio of Net<br/>Bonded Debt to<br/>Estimated Actual<br/>Value of Property</u> | <u>Net Bonded<br/>Debt<br/>Per Capita</u> |
|-------------|---|--|--|--------------------------------|---|---|
| 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                                   |
| 2016        | \$33,803,000                            | \$649,036  | \$114,268                              | \$34,337,768                   | 7.78%   | \$5,438                                   |
| 2017        | \$30,791,000                            | \$630,294  | \$601,951                              | \$30,819,343                   | 6.64%   | \$4,847                                   |
| 2018        | \$30,013,000                            | \$577,165  | \$315,414                              | \$30,274,751                   | 6.30%   | \$4,719                                   |

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, 2018

| <u>Governmental Unit</u>          | <u>Debt<br/>Outstanding</u> | <u>City's %<br/>Applicable</u> | <u>City's<br/>Amount of<br/>Overlapping Debt</u> |
|-----------------------------------|-----------------------------|--------------------------------|--|
| Estimated Overlapping Debt:       |                             |                                |  |
| Sedgwick County                   | \$ 39,915,000               | 0.66%                          | \$ 263,439                                       |
| Sumner County                     | 10,102,689                  | 26.10%                         | 2,636,801.83                                     |
| School District #263              | <u>13,770,000</u>           | <u>35.38%</u>                  | <u>4,871,826.00</u>                              |
| Total Estimated Overlapping Debt  | 63,787,689                  | 12.18%                         | 7,772,067  |
| City's Direct Debt                | <u>24,734,548</u>           | <u>100.00%</u>                 | <u>\$ 24,734,548</u>                             |
| Total Direct and Overlapping Debt | <u>\$ 88,522,237</u>        | <u>36.72%</u>                  | <u>\$ 32,506,615</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: Piper Jaffray Company



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

|   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   | <u>2018</u>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt Limit  | \$ 11,371,226 | \$ 11,621,406 | \$ 11,811,123 | \$ 18,406,794 | \$ 29,369,725 | \$ 24,380,456 | \$ 26,330,743 | \$ 26,006,095 | \$ 26,505,045 | \$ 28,078,263 |
| Total Net Debt Applicable to Limit                                      | 4,816,119     | 4,701,264     | 4,353,656     | 4,002,291     | 3,961,945     | 3,667,956     | 3,590,157     | 3,525,047     | 3,861,518     | 3,365,024     |
| Legal Debt Margin   | 6,555,107     | 6,920,142     | 7,457,467     | 14,404,503    | 25,407,780    | 20,712,500    | 22,740,586    | 22,481,048    | 22,643,527    | 24,713,239    |
| Total Net Debt Applicable to the Limit<br>as a percentage of Debt Limit | 42%           | 40%           | 37%           | 22%           | 13%           | 15%           | 14%           | 14%           | 15%           | 12%           |

Legal Debt Margin Calculation for 2018

|   |                      |
|---|----------------------|
| Assessed Value  | \$ 86,615,585        |
| Motor-Vehicle K.S.A. 79-5113                                      | <u>7,251,445</u>     |
| Total Assessed Value  | <u>\$ 93,867,030</u> |
| Debt Limit-Approximately 30% of Assessed<br>Value (K.S.A. 10-308) | \$ 28,078,263        |
| Bonded Indebtedness (including temporary notes)                   | 30,013,000           |
| Less Exempt Debt  | <u>26,647,976</u>    |
| Total Amount Applicable to Debt Limit                             | <u>3,365,024</u>     |
| Legal Debt Margin   | <u>\$ 24,713,239</u> |

Source: City Financials  
Piper Jaffray Company

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

| Electric Revenue Bonds |                |                             |                       |           |           |           |              |
|------------------------|----------------|-----------------------------|-----------------------|-----------|-----------|-----------|--------------|
| Year                   | Gross Revenues | Less Operating Expenses (1) | Net Available Revenue | Principal | Interest  | Total     | Coverage (2) |
| 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         |
| 2016                   | \$4,870,084    | \$4,189,546                 | \$680,538             | ---       | ---       | ---       | ---          |
| 2017                   | \$4,890,700    | \$4,272,950                 | \$617,750             | ---       | ---       | ---       | ---          |
| 2018                   | \$5,327,706    | \$4,522,210                 | \$805,496             | ---       | ---       | ---       | ---          |

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

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

| <b>Water Revenue Bonds</b> |                       |                                    |                              |                  |                 |              |                     |
|----------------------------|-----------------------|------------------------------------|------------------------------|------------------|-----------------|--------------|---------------------|
| <b>Year</b>                | <b>Gross Revenues</b> | <b>Less Operating Expenses (1)</b> | <b>Net Available Revenue</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> | <b>Coverage (2)</b> |
| 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                    | ---              | ---             | ---          | ---                 |
| 2016                       | \$1,109,000           | \$911,817                          | \$197,183                    | ---              | ---             | ---          | ---                 |
| 2017                       | \$1,086,432           | \$915,373                          | \$171,059                    | ---              | ---             | ---          | ---                 |
| 2018                       | \$1,122,746           | \$956,248                          | \$166,498                    | ---              | ---             | ---          | ---                 |

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

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) |
| 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         |
| 2016                     | \$1,974,679    | \$881,875                   | \$1,092,804           | ---           | ---       | ---       | ---          |
| 2017                     | \$1,878,946    | \$858,739                   | \$1,020,207           | ---           | ---       | ---       | ---          |
| 2018                     | \$1,815,209    | \$928,471                   | \$886,738             | ---           | ---       | ---       | ---          |

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

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) |
| 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)            | ---       | ---      | ---   | ---          |
| 2016                      | \$34,974       | \$46,094                    | (\$11,120)            | ---       | ---      | ---   | ---          |
| 2017                      | \$42,001       | \$45,825                    | (\$3,824)             | ---       | ---      | ---   | ---          |
| 2018                      | \$42,694       | \$19,300                    | \$23,394              | ---       | ---      | ---   | ---          |

Source: City's Financial Statements

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expense
- (2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

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

| <u>Year</u> | <u>Population</u> | <u>Personal<br/>Income<br/>(thousands)</u> | <u>Per Capita<br/>Income</u> | <u>Median<br/>Age</u> | <u>School<br/>Enrollment</u> | <u>Unemployment Rate</u>   |                          |
|-------------|-------------------|--|------------------------------|-----------------------|------------------------------|----------------------------|--------------------------|
|             |                   |  |                              |                       |                              | <u>Sedgwick<br/>County</u> | <u>Sumner<br/>County</u> |
| 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%                    |
| 2016        | 6,314             | \$ 184,432                                 | \$ 29,210                    | 38.8                  | 1,821                        | 4.40%                      | 4.10%                    |
| 2017        | 6,359             | \$ 185,886                                 | \$ 29,232                    | 35                    | 1,784                        | 3.60%                      | 3.20%                    |
| 2018        | 6,416             | \$ 190,658                                 | \$ 29,716                    | 36.5                  | 1,874                        | 3.50%                      | 3.20%                    |

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>       | 2018             |             |                                   | 2009             |             |                                   |
|-----------------------|------------------|-------------|-----------------------------------|------------------|-------------|-----------------------------------|
|                       | <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    | 825              | 1           | 12.86%                            | Not Available    | 0           |                                   |
| USD #263              | 320              | 2           | 4.99%                             | 300              | 1           | 6.08%                             |
| Villa Maria Inc       | 284              | 3           | 4.43%                             | Not Available    |             |                                   |
| City of Mulvane       | 76               | 4           | 1.18%                             | 54               | 2           | 0.97%                             |
| Cowley County College | 55               | 5           | 0.86%                             | 8                | 8           | 0.14%                             |
| Dillons               | 45               | 6           | 0.70%                             | 5                | 10          | 0.09%                             |
| Carson Bank           | 28               | 7           | 0.44%                             | 39               | 3           | 0.68%                             |
| KMI                   | 35               | 8           | 0.55%                             | Not Available    |             | 0.45%                             |
| Maria Court           | 20               | 9           | 0.31%                             | Not Available    |             |                                   |
| Ledford Gage          | 16               | 10          | 0.25%                             | 20               | 7           | 0.33%                             |
|                       | <u>1704</u>      |             | <u>26.56%</u>                     | <u>426</u>       |             | <u>8.74%</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>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Administration     | 9           | 9           | 9           | 9           | 10          | 10          | 8           | 9           | 9           | 9           |
| Police Officers    | 12          | 11          | 11          | 12          | 14          | 14          | 15          | 14          | 15          | 15          |
| Police Dispatchers | 5           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| Emergency Services | 3           | 3           | 3           | 3           | 19          | 19          | 19          | 20          | 20          | 20          |
| Public Works       | 9           | 9           | 10          | 10          | 10          | 10          | 9           | 10          | 12          | 12          |
| Electric           | 8           | 8           | 8           | 8           | 8           | 8           | 9           | 8           | 7           | 7           |
| Water              | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 3           |
| Wastewater         | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Total              | 54          | 54          | 55          | 56          | 75          | 75          | 74          | 75          | 77          | 76          |

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



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

| <b>Function/Program</b>             | <b><u>2009</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police                              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Calls for Service                   | 3,856              | 3,669              | 3,508              | 3,701              | 3,813              | 3,742              | 4,138              | 4,202              | 4,459              | 4,264              |
| Moving Citations                    | 639                | 517                | 623                | 658                | 721                | 719                | 959                | 921                | 816                | 570                |
| DUI Arrests                         | 25                 | 17                 | 15                 | 68                 | 51                 | 25                 | 35                 | 17                 | 22                 | 12                 |
| Arrests                             | 229                | 214                | 213                | 316                | 348                | 390                | 424                | 453                | 386                | 352                |
| Emergency Services                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Fire & Rescue Calls                 | 383                | 350                | 389                | 436                | 408                | 362                | 384                | 426                | 412                | 430                |
| Ambulance Calls                     | 787                | 762                | 736                | 793                | 853                | 1,003              | 1,094              | 1,195              | 1,263              | 1,253              |
| Electric                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| New Connections                     | 6                  | 5                  | 4                  | 39                 | 1                  | 9                  | 7                  | 14                 | 44                 | 16                 |
| Average Daily Usage (mWh/Day)       | 117                | 119                | 120                | 117                | 114                | 116                | 115                | 114                | 122                | 124                |
| Peak Daily Usage (kW)               | 11,900             | 12,700             | 13,100             | 13,100             | 13,200             | 13,000             | 12,700             | 12,800             | 13,200             | 12,800             |
| Water                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| New Connections                     | 6                  | 1                  | 8                  | 32                 | 2                  | 9                  | 7                  | 14                 | 29                 | 13                 |
| Average Daily Consumption (Gallons) | 469,288            | 483,110            | 494,129            | 561,377            | 530,836            | 544,368            | 594,296            | 496,153            | 497,916            | 514,068            |
| Peak Daily Consumption (Gallons)    | 1,000,000          | 835,000            | 916,000            | 1,110,000          | 1,003,000          | 1,235,000          | 1,211,000          | 888,060            | 1,020,000          | 1,104,000          |
| Wastewater                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Average Daily Sewage Treatment      | 461,392            | 417,164            | 377,487            | 401,639            | 438,419            | 451,320            | 434,833            | 446,000            | 419,712            | 474,610            |

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**

| <b>Function/Program</b>       | <b><u>2009</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Police</b>                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 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                 |
| <b>Fire/EMS</b>               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Fire Station                  | 1                  | 1                  | 1                  | 1                  | 1                  | 2                  | 2                  | 2                  | 2                  | 2                  |
| Fire & Rescue Trucks          | 11                 | 11                 | 11                 | 11                 | 12                 | 12                 | 12                 | 12                 | 12                 | 12                 |
| Ambulances                    | 2                  | 2                  | 2                  | 3                  | 3                  | 3                  | 4                  | 4                  | 4                  | 4                  |
| <b>Parks &amp; Recreation</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| 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                 | 1                  | 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                  |
| <b>Streets</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Streets (Miles)               | 38                 | 38                 | 38                 | 38                 | 38                 | 38                 | 38                 | 38                 | 38                 | 43                 |
| Traffic Signals               | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  |
| <b>Electric</b>               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Power Plant                   | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 1                  | 1                  | 1                  |
| Miles of Line                 | 33                 | 33                 | 33                 | 33                 | 33                 | 33                 | 33                 | 34                 | 34                 | 34                 |
| Generating Capacity (kw)      | 16600              | 16600              | 16600              | 16600              | 16600              | 16600              | 16600              | 8200               | 8200               | 8200               |
| <b>Water</b>                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Water Mains (Miles)           | 35                 | 35                 | 39                 | 39                 | 39                 | 39                 | 39                 | 40                 | 40                 | 40                 |
| Fire Hydrants                 | 221                | 221                | 221                | 221                | 221                | 221                | 221                | 256                | 256                | 286                |
| Storage Capacity (kgal)       | 800                | 800                | 800                | 800                | 800                | 800                | 800                | 1300               | 1300               | 1300               |
| <b>Wastewater</b>             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sanitary Sewers (Miles)       | 26                 | 26                 | 34                 | 34                 | 34                 | 34                 | 34                 | 35                 | 35                 | 35                 |
| Storm Sewers (Miles)          | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 17                 | 17                 | 17                 |
| Treatment Capacity (mgd)      | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 0.5                | 0.5                | 0.5                |
| Lift Stations                 | 5                  | 5                  | 5                  | 5                  | 5                  | 5                  | 5                  | 4                  | 4                  | 4                  |

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