



City of Mulvane

Independent Auditor's Report and Financial Statements

December 31, 2022



Contents

Introductory Section

Director of Finance’s Letter of Transmittal i
 List of Principal Officials v
 Organizational Chart vi

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis..... 5

Government-Wide Financial Statements

Statement of Net Position..... 12
 Statement of Activities..... 13

Fund Financial Statements

Balance Sheet Government Funds 14
 Reconciliation of Total Governmental Fund Balances To Net Position of
 Governmental Activities..... 15
 Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds..... 16
 Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities..... 17
 Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual -
 General Fund 18
 Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual –
 Employee Benefits Plan 20
 Statement of Net Position - Proprietary Funds..... 21
 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds..... 22
 Statement of Cash Flows - Proprietary Funds 23
 Statement of Net Position - Discretely Presented Component Units..... 25
 Statement of Activities - Discretely Presented Component Units 26
 Notes to Financial Statements 27

Required Supplementary Information

KPERS Pension Plan – Schedule of City’s Proportionate Share of Net Pension Liability..... 58

KPERS Pension Plan – Schedule of City’s Contributions..... 58

Schedule of Changes in the City’s Disability Total OPEB Liability and Related Ratios..... 59

Combining Statements and Individual Fund Schedules

Governmental Funds Nonmajor Special Revenue Funds..... 60

Combining Balance Sheet- Nonmajor Governmental Funds 62

Combining Statement of Revenues, Expenditures and Changes in Fund Balances-
 Nonmajor Governmental Funds 63

Combining Balance Sheet Nonmajor Special Revenue Funds..... 64

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
 Nonmajor Special Revenue Funds 66

Combining Balance Sheet - Nonmajor Capital Project Funds 68

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Capital Project Funds 69

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
 Budgetary Basis for**

Library Fund 70

Special Liability Fund 71

Industrial Development Fund 72

Senior Citizens Fund 73

Special Highway Fund..... 74

Special Park and Recreation Fund 75

Storm Sewer Fund 76

Swimming Pool Fund 77

Special Alcohol Fund..... 78

Transient Guest Tax Fund..... 79

Library Sales Tax Fund 80

City of Mulvane
Contents
December 31, 2022

1% Sales Tax Fund	81
APRA Grant Fund	82
Capital Improvements Fund	83
Debt Service Fund.....	84
Enterprise Funds Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis for	
Enterprise Funds	85
Electric System Fund	86
Water System Fund.....	87
Sewer System Fund.....	88
Statistical Section	
Statistical Section	89
Net Position by Component	90
Changes in Net Position.....	91
Fund Balances of Governmental Funds.....	94
Changes in Fund Balances of Governmental Funds	95
Assessed Value and Estimated Actual Value of Taxable Property	97
Property Tax Rates- Direct and Overlapping Governments.	98
Principal Property Taxpayers	99
Property Tax Levies and Collections.....	101
Ratios of Outstanding Debt by Type	102
Ratios of General Bonded Debt Outstanding.....	103
Direct and Estimated Overlapping Governmental Activities Debt.....	104
Legal Debt Margin	105
Electric Revenue Bonds.....	106
Pledged- Revenue Coverage - Water Utility	107
Pledged- Revenue Coverage - Wastewater Utility.....	108

City of Mulvane
Contents
December 31, 2022

Pledged- Revenue Coverage - Storm Water Utility 109

Demographic and Economic Statistics..... 110

Principal Employers..... 111

Full-time Equivalent City Government Employees by Function/Program 112

Operating Indicators by Function/Program 113

Capital Asset Statistics by Function/Program 114



May 17, 2024

To the Citizens of the City of Mulvane, Kansas

The Annual Comprehensive Financial Report of the City of Mulvane, Kansas for the year ended December 31, 2022, 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 2022 A and 2022 B, General Obligation Bond issue.

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 community center as well as a new police station. 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 Annual Comprehensive 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 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 Annual Comprehensive Financial Report for the year ended December 31, 2020.

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.

Economic Outlook

Mulvane is included in the Wichita Metropolitan Area.

The Wichita labor market is showing promising growth in employment and a decrease in unemployment in the coming years.

The production sector is expected to experience a steady increase in employment over the next two years, with an estimated growth rate of 2.2% in 2023 and 1.6% in 2024. The growth is driven by the rebound in aerospace and continued manufacturing expansions. The trade sector is also projected to see a slight increase in employment, with a growth rate of 0.6% in 2023 and 0.5% in 2024. As employment continues to increase and wages are expected to inch up faster than inflation, consumption is expected to help drive the retail side of the trade sector.

The services sector, which makes up Wichita's most significant share of employment, is also projected to see modest growth in 2023 and 2024. Professional and business services are expected to increase by 0.4% and 0.7%, respectively, while education and health services are projected to grow by 0.4% and 0.8%. The leisure and hospitality sector is expected to see the largest growth rate in employment, with a projected increase of 0.7% in 2023 and 1.5% in 2024.

The government sector is also expected to see employment growth, with an estimated increase of 1.1% in 2023 and a total of 43,424 jobs by 2024.

"The Wichita labor market is showing promising signs of growth, with increasing employment rates and a decline in unemployment," said Jeremy Hill, the Director of CEDBR. "The manufacturing sector is leading the way as firms continue to invest in keeping up with growing demand. We expect continued growth in the coming years, which is great news for the Wichita economy."

The Wichita labor market is expected to continue its positive trajectory in 2023 and 2024. The unemployment rate is projected to drop to 3.2% in 2023 and 2.6% in 2024, down from 4.6% in 2021. This decrease is due to an estimated increase in employment, which is expected to reach 312,886 in 2023 and 316,586 in 2024.

**Wichita State University – Center for Economic Development and Business Research*

Construction Activity

In 2022, 362 building permits were issued, an increase of 18 permits issued in 2021. Permit numbers include all construction activity, commercial, residential, additions, remodel, and new construction.

The total permit valuation for new construction was \$23.6 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 to plan and budget for those needs. The City is currently planning to purchase two new patrol vehicles, new fire bunker gear in the year of 2023. In 2023 the City also has planned to do mobile computer upgrades for the police department. The City will also be upgrading the radios for the Fire, EMS, and Police Department. The City's public works department has plans to upgrade several of the City's public parks and purchase new mowers over the next five years. Plans are in place for a "splash pad" water park in 2023. The City is also currently in a multiphase sewer project, Sewer Main A, replacing the large portion of the City's sewer main. 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 to help with the revitalization of the downtown area. The Mulvane Land Bank has sold all of the 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 2022 from \$93.3 million to \$94.3 million. The Ad Valorem tax revenue collected in 2022 was \$3,454,678 compared to 2021 which was \$4,308,574. The mill levy stayed the same from 2021 to 2022 at 46.59.

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, FORVIS, LLP was retained, and their opinion is included in the Financial Section of this report.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated services of the employees in several City departments. They also contributed information to this report that makes it truly a cooperative, team effort.

Respectfully submitted,

Rachael Blackwell



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Independent Auditor's Report

The Honorable Mayor and City Council
City of Mulvane, Kansas

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information; and were engaged to audit the aggregate discretely presented component units, of the City of Mulvane, Kansas (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

We do not express an opinion on the financial statements of the accompanying financial statements of the aggregate discretely presented component units of the City. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units.

Unmodified Opinions on Governmental Activities, Business-type Activities, Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the general fund and employee benefits fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Mulvane Housing Authority have not been audited, and we were not engaged to audit the Mulvane Housing Authority's financial statements as part of our audit of the City's basic financial statements. Mulvane Housing Authority's financial activities are included in the City's basic financial statements as a part of the aggregate discretely presented component units and represent 18.9%, 7.7%, and 9.4% of the assets, net position, and revenues, respectively, of the City's aggregate discretely presented component units.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide (KMAAG). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

The 2021 financial statements, before they were restated for the matter discussed in *Note 12*, were audited by other auditors, and their report thereon, dated December 30, 2022, expressed unmodified and qualified opinions. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Aggregate Discretely Presented Component Units

Our responsibility is to conduct an audit of the City's financial statements in accordance with GAAS and KMAAG and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit.

Auditor's Responsibilities for the Audit of Governmental Activities, the Business-type Activities, Each Major Fund, and the Aggregate Remaining Fund Information

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and KMAAG will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and KMAAG, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund schedules and budgetary comparison schedules, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS and KMAAG. In our opinion, the identify accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

FORVIS,LLP

**Wichita, Kansas
May 17, 2024**

**City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2022**

Introduction

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, 2022. 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 \$60.2 million. Of this amount, \$30.9 million is the net investment in capital assets, and \$17.4 million is for restricted uses, leaving \$11.9 million unrestricted.
- The City's total net position decreased by \$1.1 million during the current fiscal year. The net position of the City's business-type activities decreased by \$139 thousand and the governmental activities net position decreased by \$990 thousand.
- At the end of the current fiscal year, the fund balance for the General Fund was \$4.8 million or 85% of the total General Fund expenditures and transfers out incurred in the current fiscal year.

Overview of the Financial Statements

This annual comprehensive 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 are 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 the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 13 and 14 of this report.

City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2022

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 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 24 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, Debt Service, and Employee Benefits funds which are considered major funds. Data for the remaining 21 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 15 special revenue funds, 1 of its 6 capital project funds and its Debt Service and Employee Benefits Fund. A budgetary comparison statement has been provided for the General Fund and 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 13 through 19 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 major funds of the City. 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 20 through 23 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City did not maintain any fiduciary funds in 2022.

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 26 through 56 of this report.

**City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2022**

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 \$60.2 million as of December 31, 2022.

A large portion of the City's net position (\$30.9 million) 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.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Current/Other Assets	\$ 29,364,662	\$ 24,422,547	\$ 12,263,211	\$11,870,349	\$ 41,627,873	\$ 36,292,896
Capital Assets	26,861,656	27,637,697	33,814,163	34,855,469	60,675,819	62,493,166
Total assets	56,226,318	52,060,245	46,077,374	46,725,818	102,303,692	98,786,063
Deferred Outflows of Resources	1,208,577	822,504	410,935	256,580	1,619,512	1,079,084
Current/Other Liabilities	5,204,242	2,977,049	1,428,033	526,948	6,632,275	3,503,997
Noncurrent liabilities	24,938,231	22,124,198	6,046,199	6,908,779	30,984,430	29,032,977
Total liabilities	30,142,473	25,101,247	7,474,232	7,435,727	37,616,705	32,536,974
Deferred Inflows of Resources	5,942,014	5,440,919	126,145	520,148	6,068,159	5,961,067
Net position						
Net investment in capital assets	2,444,409	6,211,435	28,492,696	28,803,220	30,937,105	35,014,655
Restricted	17,429,072	14,386,540	-	-	17,429,072	14,386,540
Unrestricted	1,476,927	1,742,608	10,395,236	10,223,303	11,872,163	11,965,911
Total net position	\$ 21,350,408	\$ 22,340,583	\$ 38,887,932	\$ 39,026,523	\$ 60,238,340	\$ 61,367,106

An additional portion of the City's net position (29%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$17.4 million.

City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Analysis of the City's operations -The following table provides a summary of the City's operations for the years ended December 31, 2022 and 2021. The City's net position decreased by \$1.1 million.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Revenues						
Program Revenues						
Charges for services	\$ 925,226	\$ 1,816,718	\$ 9,137,641	\$ 8,083,775	\$ 10,062,867	\$ 9,900,493
Operating grants and contributions	628,279	2,159,421	-	-	628,279	2,159,421
Capital grants and contributions	-	476,352	-	-	-	476,352
General Revenues						
Property taxes	5,616,259	4,651,983	-	-	5,616,259	4,651,983
Gaming facility	1,587,909	1,729,074	-	-	1,587,909	1,729,074
Sales taxes	1,100,509	988,232	-	-	1,100,509	988,232
Franchise taxes	258,380	235,145	-	-	258,380	235,145
Investment revenue	-	10,147	21,874	37,743	21,874	47,890
Total revenues	10,116,562	12,067,072	9,159,515	8,121,518	19,276,077	20,188,590
Expenses						
General government	2,339,991	1,582,696	-	-	2,339,991	1,582,696
Public safety	4,036,043	4,768,021	-	-	4,036,043	4,768,021
Highways and streets	2,478,010	2,242,816	-	-	2,478,010	2,242,816
Health and sanitation	4,046	1,768	-	-	4,046	1,768
Culture and recreation	1,199,323	1,874,437	-	-	1,199,323	1,874,437
Economic development	315,449	168,600	-	-	315,449	168,600
Environmental protection	33	311	-	-	33	311
Electric system	-	-	5,601,470	4,508,880	5,601,470	4,508,880
Water system	-	-	1,370,943	1,328,770	1,370,943	1,328,770
Sewer system	-	-	2,447,920	1,836,601	2,447,920	1,836,601
Interest on long term debt	611,614	436,005	-	-	611,614	436,005
Total expenses	10,984,509	11,074,654	9,420,333	7,674,251	20,404,842	18,748,905
Increase (Decrease) in net position before transfers	(867,947)	992,418	(260,818)	447,267	(1,128,765)	1,439,685
Transfers in (out)	(122,227)	-	122,227	-	-	-
Change in net position	(990,174)	992,418	(138,591)	447,267	(1,128,765)	1,439,685
Net Position, Beginning	22,340,582	21,348,164	39,026,523	38,579,256	61,367,105	59,927,420
Net Position, Ending	\$ 21,350,408	\$ 22,340,582	\$ 38,887,932	\$ 39,026,523	\$ 60,238,340	\$ 61,367,105

Governmental Activities - Governmental activities decreased the City's net position by \$990 thousand for the current fiscal year. Total governmental activity revenues decreased by \$1.95 million, or approximately 16%. A significant portion of the decrease in net position was due to decreases in charges for services and grants and contributions.

Total governmental activity expenses decreased by \$90 thousand for 2022, or approximately 0.8%. Salaries and benefits continue to be a significant portion of the operating expenses for many functional areas and comprise approximately 66% of total expenses.

Business-type Activities - Business-type activities decreased the City's net position by \$139 thousand for the current fiscal year. Total business-type charges for electric, water, and sewer services increased in 2022 by approximately \$1 million. The increase was mainly related to increased utility rates.

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. 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 \$12.5 million. This combined ending fund balance is a \$7.3 increase from 2021 due to two restatements totaling \$3.0 million and by the issuance of long-term debt.

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 \$4.8 million, which was \$489 thousand 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 31% of total General Fund expenditures and transfers out for the current year. The total fund balance of the General Fund represents 85% of total General Fund expenditures and transfers out for the current year.

The City Council has committed \$1.7 million to carryover to fund the 2023 General Fund budget.

Debt Service Fund

The Debt Service Fund of the City services most of the City's general obligation bonded debt. The fund balance of the Debt Service Fund at the end of the current year was \$1.4 million, which is an increase of \$1.1 million from 2021 due primarily to a restatement totaling \$950 thousand. Resources for this fund are generated from property taxes, special assessment taxes and interest earnings and decreased by \$339 thousand for 2022.

Employee Benefits Fund

The Employee Benefits Fund of the City 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. The fund balance of the Employee Benefits Fund at the end of the current year was \$700 thousand, which is an increase of \$495 thousand from 2021. Resources for this fund are generated from property taxes, increased by \$1.3 million for 2022.

Proprietary Funds

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

The total net position of the proprietary funds decreased by \$139 thousand for 2022. The change in net position by fund includes an increase in the Electric System Fund of \$708 thousand, a decrease in the Water System Fund of \$233 thousand, and a decrease in the Sewer System Fund of \$613 thousand.

Electric System Fund

Total net position of the Electric System Fund increased by \$708 thousand. Revenues increased by \$952 thousand, and operating expenses increased by \$1,086 thousand.

Water System Fund

Total net position of the Water System Fund decreased by \$233 thousand. Operating revenues increased by \$77 thousand during 2022. Operating expenses increased by \$14 thousand for 2022.

**City of Mulvane, Kansas
Management’s Discussion and Analysis (Unaudited)
December 31, 2022**

Sewer System Fund

The total net position of the Sewer System Fund decreased by \$613 thousand. Operating revenues increased by \$25 thousand while operating expenses increased \$580 thousand.

General Fund Budgetary Highlights - The General Fund total actual revenues were 125.8% of the total amount anticipated in the 2022 budget.

General Fund budgetary revenues were \$6.1 million for 2022. General Fund budgetary expenditures totaled \$5.2 million, which represented only 74.9% of the budgeted expenditures for 2022. Accordingly, the General Fund had an increase in fund balance of \$489 thousand.

Capital Assets

The City’s investment in capital assets as of December 31, 2022, amounts to \$60.7 million (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 2.4%. Major capital asset events during the current fiscal year included the following:

- Rock Rock Project - \$732 thousand
- New machinery and vehicles - \$385 thousand
- Housing Addition Utility and Infrastructure Improvements - \$305 thousand

	<u>Governmental Activity</u>		<u>Business-type Activity</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 482,514	\$ 482,514	\$ 676,863	\$ 676,863	\$ 1,159,377	\$ 1,159,377
Buildings	9,099,247	9,099,247	-	-	9,099,247	9,099,247
Utility plant	-	-	35,412,694	35,412,694	35,412,694	35,412,694
Improvements other than buildings	4,024,433	3,966,233	17,978,030	17,976,090	22,002,463	21,942,323
Infrastructure	39,848,443	37,109,420	-	-	39,848,443	37,109,420
Machinery and equipment	7,618,049	7,998,718	5,102,244	4,940,944	12,720,293	12,939,662
Construction in progress	30,612	1,926,663	81,312	18,292	111,924	1,944,955
Total	\$ 61,103,298	\$ 60,582,795	\$ 59,251,143	\$ 59,024,883	\$ 120,354,441	\$ 119,607,678

Additional information on the City’s capital assets can be found in Note 3 on pages 36 through 37 of this report.

Debt Administration

At the end of the current fiscal year, the City’s total long-term debt obligations outstanding are \$26.5 million. This amount was comprised of \$21.3 million of general obligation bonds secured by future tax revenues from governmental activities and \$5.2 million of such bonds being committed from resources generated by business-type revenues, and \$1,000,000 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 \$1.1 million at year-end. The remaining long-term debt obligations totaling \$5.4 million of the City pertains to accrued compensated absences in the amount of \$702 thousand, total OPEB liability of \$100 thousand and net pension liability in the amount of \$4.6 million.

The City’s total net long-term debt increased by \$4.0 million, or about 12.9% during the current year. New general obligation bonds were issued in 2022 totaling \$4.6 million and new PMIB loans were issued in 2022 totaling \$2.1 million.

Additional information on the City’s long-term debt can be found in Note 4 on pages 38 through 42 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 2023 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.
- A mill levy increase of 10.982 mills.

The gaming facility revenue for 2023 has been estimated at \$1,500,000 and comprises approximately 17% of the General Fund's 2023 total resources. The other significant resources for the General Fund are the carryover balance from 2022, the 1% county-wide sales tax for Sedgwick County, and property taxes, which comprise 20%, 10% and 33% respectively, of the total General Fund resources for the 2023 budget.

The City's total property tax rate for the 2023 budget is 57.586 mills with the General Fund's levy at 29.913mills. The Debt Service Fund and Employee Benefits Fund levies 6.011 mills and 16.037 mills, respectively, of the total City levy rate. The City's total assessed valuation for the 2023 budget is \$98,214,216, which reflects an increase from the 2022 budget of \$3,821,002.

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 and the economic effect of the pandemic, the City has worked to build up reserves for such uncertainties. The City has proactively increased the mill levy to offset the potential loss of revenue in the event the Kansas Star wins its tax appeals within the 2023 year. The City continues to build up the reserves for these uncertainties.

With unemployment on an increase due to lost jobs during the pandemic, sales tax revenues are still fluctuating due to the pandemic, the Kansas Star Casino's protesting of 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 2023 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.

City of Mulvane, Kansas
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 12,557,727	\$ 10,752,728	\$ 23,310,455	\$ 514,675
Receivables, net of allowance				
Property taxes	5,683,905	-	5,683,905	-
Special assessment taxes	10,609,989	-	10,609,989	-
Sales taxes	89,584	-	89,584	-
Franchise fees	23,715	-	23,715	-
Gaming facility revenue receivable	139,840	-	139,840	-
Trade accounts	208,131	1,221,286	1,429,417	-
Prepaid expenses	47,270	46,272	93,542	346
Restricted assets	4,501	242,925	247,426	52,610
	<u>29,364,662</u>	<u>12,263,211</u>	<u>41,627,873</u>	<u>567,631</u>
Total current assets				
Noncurrent Assets				
Capital assets				
Land	482,514	676,863	1,159,377	16,000
Buildings	9,099,247	35,412,694	44,511,941	632,066
Improvements other than buildings	4,024,433	17,978,030	22,002,463	-
Infrastructure	39,848,443	-	39,848,443	-
Machinery and equipment	7,618,049	5,102,244	12,720,293	303,126
Less accumulated depreciation	(34,241,642)	(25,436,980)	(59,678,622)	(821,704)
Construction work in progress	30,612	81,312	111,924	-
	<u>26,861,656</u>	<u>33,814,163</u>	<u>60,675,819</u>	<u>129,488</u>
Total noncurrent assets				
Total assets	<u>56,226,318</u>	<u>46,077,374</u>	<u>102,303,692</u>	<u>697,119</u>
Deferred outflows of resources				
Deferred charge on bond refunding	38,993	-	38,993	-
Deferred outflows of resources related to pensions	1,132,929	398,056	1,530,985	55,763
Deferred outflows of resources related to OPEB	36,655	12,879	49,534	-
	<u>1,208,577</u>	<u>410,935</u>	<u>1,619,512</u>	<u>55,763</u>
Total deferred outflows of resources				

See Notes to Financial Statements

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities

Accounts payable	\$ 447,658	\$ 342,513	\$ 790,171	\$ 5,344
Accrued payroll payable	148,739	53,749	202,488	-
Accrued interest payable	189,252	40,627	229,879	-
Unearned revenue	942,362	-	942,362	-
Current portion of compensated absences	274,433	146,830	421,263	-
Customer deposits	-	242,925	242,925	-
Current portion of bonds payable	3,201,798	601,389	3,803,187	10,182
Total current liabilities	<u>5,204,242</u>	<u>1,428,033</u>	<u>6,632,275</u>	<u>15,526</u>

Noncurrent Liabilities

Compensated absences	182,955	97,887	280,842	-
Net pension liability	3,426,992	1,204,079	4,631,071	-
Total OPEB liability	73,842	25,944	99,786	-
Bonds payable, net	21,254,442	4,718,289	25,972,731	263,580
Total other liabilities	<u>24,938,231</u>	<u>6,046,199</u>	<u>30,984,430</u>	<u>263,580</u>
Total liabilities	<u>30,142,473</u>	<u>7,474,232</u>	<u>37,616,705</u>	<u>279,106</u>

Deferred inflows of resources

Property taxes receivable	5,588,076	-	5,588,076	-
Deferred charge on bond refunding	-	1,789	1,789	-
Deferred inflows of resources related to pensions	71,264	25,038	96,302	15,389
Deferred inflows of resources related to OPEB	282,674	99,318	381,992	-
Total deferred inflows of resources	<u>5,942,014</u>	<u>126,145</u>	<u>6,068,159</u>	<u>15,389</u>
Total liabilities and deferred inflows of resources	<u>36,084,487</u>	<u>7,600,377</u>	<u>43,684,864</u>	<u>294,495</u>

Net Position

Net investment in capital assets	2,444,409	28,492,696	30,937,105	28,268
Restricted for:				
Debt service	11,037,807	-	11,037,807	-
Capital improvements	3,431,946	-	3,431,946	-
General government	252,272	-	252,272	-
Employee benefits	699,638	-	699,638	-
Parks and recreation	505,874	-	505,874	-
Economic development	731,293	-	731,293	-
Street maintenance and improvement	717,895	-	717,895	-
Health and welfare	52,347	-	52,347	-
Unrestricted	1,476,927	10,395,236	11,872,163	430,119
Total net position	<u>\$ 21,350,408</u>	<u>\$ 38,887,932</u>	<u>\$ 60,238,340</u>	<u>\$ 458,387</u>

City of Mulvane, Kansas
Statement of Activities
December 31, 2022

	Net (Expenses) Revenue and Changes in Net Position							
	Program Revenues			Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities		Total
Governmental activities								
General government	\$ 2,339,991	\$ 344,063	\$ 135,530	\$ -	\$ (1,860,398)	\$ -	\$ (1,860,398)	\$ -
Public safety	4,036,043	479,620	319,333	-	(3,237,090)	-	(3,237,090)	-
Highways and streets	2,478,010	-	45,380	-	(2,432,630)	-	(2,432,630)	-
Health and sanitation	4,046	43,830	128,036	-	167,820	-	167,820	-
Culture and recreation	1,199,323	57,713	-	-	(1,141,610)	-	(1,141,610)	-
Economic development	315,449	-	-	-	(315,449)	-	(315,449)	-
Environmental protection	33	-	-	-	(33)	-	(33)	-
Interest on long-term debt	611,614	-	-	-	(611,614)	-	(611,614)	-
Total governmental activities	10,984,509	925,226	628,279	-	(9,431,004)	-	(9,431,004)	-
Business-type activities								
Electric Utility	5,601,470	6,298,667	-	-	-	697,197	697,197	-
Water Utility	1,370,943	1,136,331	-	-	-	(234,612)	(234,612)	-
Sewer Utility	2,447,920	1,702,643	-	-	-	(745,277)	(745,277)	-
Total business-type activities	9,420,333	9,137,641	-	-	-	(282,692)	(282,692)	-
Total primary government	20,404,842	10,062,867	628,279	-	(9,431,004)	(282,692)	(9,713,696)	-
Component units								
Mulvane Public Library	704,542	5,656	82,777	355,628	-	-	-	(260,481)
Mulvane Housing Authority	114,710	75,884	22,123	-	-	-	-	(16,703)
Mulvane Land Bank	117	-	-	-	-	-	-	(117)
Total component units	819,369	81,540	104,900	355,628	-	-	-	(277,301)
General Revenues and Transfers								
General revenues								
Property taxes levied for								
General purposes					\$ 5,281,436	\$ -	\$ 5,281,436	\$ -
Debt service					334,823	-	334,823	-
Gaming facility revenue sharing					1,587,909	-	1,587,909	-
Sales tax					1,100,509	-	1,100,509	-
Franchise taxes					258,380	-	258,380	-
Payment from City of Mulvane					-	-	-	506,404
Investment earnings					-	21,874	21,874	118
Transfers, net					(122,227)	122,227	-	-
Subtotal general revenues					8,440,830	144,101	8,584,931	506,522
Change in net position					(990,174)	(138,591)	(1,128,765)	229,221
Net position - beginning, as previously reported					21,174,426	39,026,523	60,200,949	465,620
Prior period adjustment					1,166,156	-	1,166,156	(236,454)
Net position - beginning, restated					22,340,582	39,026,523	61,367,105	229,166
Net position - ending					\$ 21,350,408	\$ 38,887,932	\$ 60,238,340	\$ 458,387

City of Mulvane, Kansas
Balance Sheet – Governmental Funds
December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Employee Benefits</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and short-term investments	\$ 4,758,083	\$ 427,818	\$ 699,224	\$ 6,672,602	\$ 12,557,727
Cash held for appearance bonds	4,501	-	-	-	4,501
Property taxes receivable	2,908,794	584,557	1,559,477	631,077	5,683,905
Special assessment taxes receivable	-	10,609,989	-	-	10,609,989
Accounts receivable, net	51,217	-	414	156,500	208,131
Gaming facility revenue receivable	139,840	-	-	-	139,840
Franchise fees receivable	23,715	-	-	-	23,715
Sales tax receivable	89,584	-	-	-	89,584
	<u>7,975,734</u>	<u>11,622,364</u>	<u>2,259,115</u>	<u>7,460,179</u>	<u>29,317,392</u>
Total assets	<u>\$ 7,975,734</u>	<u>\$ 11,622,364</u>	<u>\$ 2,259,115</u>	<u>\$ 7,460,179</u>	<u>\$ 29,317,392</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 100,998	\$ -	\$ -	\$ 342,159	\$ 443,157
Accrued payroll payable	148,739	-	-	-	148,739
Municipal Court appearance bonds payable	4,501	-	-	-	4,501
Unearned revenue	51,217	-	-	891,145	942,362
	<u>305,455</u>	<u>-</u>	<u>-</u>	<u>1,233,304</u>	<u>1,538,759</u>
Total liabilities	<u>305,455</u>	<u>-</u>	<u>-</u>	<u>1,233,304</u>	<u>1,538,759</u>
Deferred inflows of resources					
Property taxes receivable	2,908,794	584,557	1,559,477	535,248	5,588,076
Special assessment taxes receivable	-	9,673,097	-	-	9,673,097
	<u>2,908,794</u>	<u>10,257,654</u>	<u>1,559,477</u>	<u>535,248</u>	<u>15,261,173</u>
Total deferred inflows of resources	<u>2,908,794</u>	<u>10,257,654</u>	<u>1,559,477</u>	<u>535,248</u>	<u>15,261,173</u>
Fund Balance					
Restricted					
Insurance claims	-	-	-	252,272	252,272
Debt service	-	1,364,710	-	-	1,364,710
General government	-	-	699,638	-	699,638
Recreation	-	-	-	501,025	501,025
Health and welfare	-	-	-	52,347	52,347
Economic development	-	-	-	731,293	731,293
Street improvements	-	-	-	285,320	285,320
Capital improvements	-	-	-	2,920,491	2,920,491
Committed					
Street improvements	-	-	-	432,575	432,575
Parks and recreations	-	-	-	3,087	3,087
Assigned					
General government	1,741,546	-	-	-	1,741,546
Culture and recreation	-	-	-	1,762	1,762
Capital outlay	-	-	-	511,455	511,455
Unassigned	3,019,939	-	-	-	3,019,939
	<u>4,761,485</u>	<u>1,364,710</u>	<u>699,638</u>	<u>5,691,627</u>	<u>12,517,460</u>
Total fund balances	<u>4,761,485</u>	<u>1,364,710</u>	<u>699,638</u>	<u>5,691,627</u>	<u>12,517,460</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,975,734</u>	<u>\$ 11,622,364</u>	<u>\$ 2,259,115</u>	<u>\$ 7,460,179</u>	<u>\$ 29,317,392</u>

City of Mulvane, Kansas
Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balances		\$ 12,517,460
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	\$ 61,103,298	
Accumulated depreciation is	<u>34,241,642</u>	26,861,656
Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:		
Special assessments receivable		9,673,097
Prepaid expenses		47,270
Deferred refunding bond costs resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements		
		38,993
The following liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds		
These liabilities at year end consist of:		
Accrued interest on bonds	189,252	
Compensated absences payable	457,388	
Bonds payable	23,454,689	
Unamortized premiums	1,001,551	
Net pension liability including deferred outflows of resources and deferred inflows of resources related to pensions	2,365,327	
Total OPEB liability including deferred outflows of resources and deferred inflows of resources related to pensions	<u>319,861</u>	<u>(27,788,068)</u>
Net Position of Governmental Activities		<u>\$ 21,350,408</u>

City of Mulvane, Kansas
Statement of Revenues, Expenditures and Changes
In Fund Balances-Governmental Funds
Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Employee Benefits</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 2,145,273	\$ 334,823	\$ 1,978,966	\$ 1,654,068	\$ 6,113,130
Special assessments	-	1,882,566	-	-	1,882,566
Intergovernmental	2,080,658	-	-	40,132	2,120,790
Licenses and permits	327,322	-	-	-	327,322
Charges for services	353,931	-	-	105,358	459,289
Fines and forfeitures	138,615	-	-	-	138,615
Grants and contributions	-	-	-	95,398	95,398
Miscellaneous	84,643	1,887	17,156	276,946	380,632
Total revenues	<u>5,130,442</u>	<u>2,219,276</u>	<u>1,996,122</u>	<u>2,171,902</u>	<u>11,517,742</u>
Expenditures					
Current					
General government	618,352	-	1,518,049	122,589	2,258,990
Public safety	3,576,631	-	-	-	3,576,631
Highways and streets	930,274	-	350,340	186,649	1,467,263
Health and sanitation	-	-	-	3,970	3,970
Culture and recreation	-	-	-	907,303	907,303
Economic development	117,274	-	-	192,262	309,536
Environmental protection	33	-	-	-	33
Capital improvements	-	-	-	904,775	904,775
Debt service					
Principal	-	1,885,646	-	-	1,885,646
Issuance costs	-	95,492	-	51,720	147,212
Interest	-	557,543	-	-	557,543
Total expenditures	<u>5,242,564</u>	<u>2,538,681</u>	<u>1,868,389</u>	<u>2,369,268</u>	<u>12,018,902</u>
Revenues over (under) expenditures	<u>(112,122)</u>	<u>(319,405)</u>	<u>127,733</u>	<u>(197,366)</u>	<u>(501,160)</u>
Other Financing Sources (Uses)					
General obligation refunding bonds issued	-	2,064,650	-	2,525,000	4,589,650
PMIB loans issued	984,825	393,786	366,771	387,364	2,132,746
Premium on general obligation refunding bonds	-	79,762	-	204,389	284,151
Payment to escrow agent	-	(2,020,239)	-	-	(2,020,239)
Transfers in	-	-	-	390,480	390,480
Transfers (out)	(383,302)	-	-	(129,405)	(512,707)
Total other financing sources (uses)	<u>601,523</u>	<u>517,959</u>	<u>366,771</u>	<u>3,377,828</u>	<u>4,864,081</u>
Net change in fund balance	489,401	198,554	494,504	3,180,462	4,362,921
Fund balance - Beginning of year	4,272,084	216,355	205,134	496,165	5,189,738
Prior period adjustment	-	949,801	-	2,015,000	2,964,801
Fund Balance, Beginning, restated	<u>4,272,084</u>	<u>1,166,156</u>	<u>205,134</u>	<u>2,511,165</u>	<u>8,154,539</u>
Fund balance - End of year	<u>\$ 4,761,485</u>	<u>\$ 1,364,710</u>	<u>\$ 699,638</u>	<u>\$ 5,691,627</u>	<u>\$ 12,517,460</u>

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, 2022

Total Net Change In Fund Balances - Governmental Funds	\$	4,362,921
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.		
Capital outlays	\$	958,990
Depreciation expense	(1,686,352)	(727,362)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		
		(823)
The issuance of long-term debt provides current financial resources in the governmental funds but represent an increase in long-term liabilities in the statement of activities for:		
General obligation bonds		(4,589,650)
PMIB Loans		(2,132,746)
The premium on the issuance of bonded indebtedness provides current financial resources in the governmental funds but represents an increase to the long-term liabilities in the statement of activities		
		(284,151)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
General obligation bonds		1,885,646
Payment to escrow agent		2,020,239
In the statement of activities the deferred refunding costs increases deferred outflows of resources but does not provide current resources to the governmental funds. Amortization of the deferred refunding costs is reflected in the statement of activities but is not reported as expenditures in the governmental funds:		
Amortization of deferred refunding costs		(53,248)
Special assessments are not considered available to liquidate liabilities of the current period. However, they are recognized as revenue in the statement of activities as soon as the related improvement is completed and the special assessments are levied		
		(1,421,429)
Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for pensions are only recorded in the statement of activities.		
		(123,414)
OPEB contributions is an expenditure in the governmental funds but reduces the total OPEB liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for OPEB are only recorded in the statement of activities.		
		19,709
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Prepaid items	(1,000)	
Compensated absences payable	(59,112)	
Other	(53,918)	
Amortization of premium on issuance of general obligation bonds	166,172	
Amortization of premium on issuance of Mulvane Public Building Commission revenue bonds	1,992	54,134
Change in Net Position of Governmental Activities	\$	(990,174)

City of Mulvane, Kansas
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual Budgetary Basis- General Fund
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 2,119,929	\$ 2,119,929	\$ 2,139,861	\$ 19,932
Intergovernmental	2,062,618	2,062,618	2,088,959	26,341
Licenses, fees and permits	257,850	257,850	336,931	79,081
Charges for services	254,000	254,000	353,931	99,931
Fines and Forfeitures	130,000	130,000	144,279	14,279
Miscellaneous	29,988	29,988	57,805	27,817
Bond proceeds	-	-	984,825	984,825
Total revenues	4,854,385	4,854,385	6,106,591	1,252,206
Expenditures, encumbrances and other uses:				
General government				
Administration department	1,914,250	1,914,250	732,174	1,182,076
Total general government	1,914,250	1,914,250	732,174	1,182,076
Public safety:				
Police department	1,962,281	1,962,281	1,702,200	260,081
Fire department	511,363	511,363	454,060	57,303
EMS department	1,410,567	1,410,567	1,286,204	124,363
Municipal Court	-	-	-	-
	3,884,211	3,884,211	3,442,464	441,747
Highways and streets:				
Public works	998,793	998,793	901,117	97,676

City of Mulvane, Kansas
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual Budgetary Basis- General Fund (Continued)
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Economic development:				
Planning and zoning	\$ 131,354	\$ 131,354	\$ 113,202	\$ 18,152
Environmental protection:				
Bindweed department	1,000	1,000	32	968
Other				
Debt service	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total expenditures, encumbrances and other uses	6,929,608	6,929,608	5,188,989	1,740,619
Net Change in Fund Balances	(2,075,223)	(2,075,223)	917,602	2,992,825
Fund Balances, Beginning	2,075,223	2,075,223	3,730,305	1,655,082
Fund Balances, Ending	\$ -	\$ -	\$ 4,647,907	\$ 4,647,907

**City Of Mulvane, Kansas
Employee Benefits Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,175,154	\$ 2,175,154	\$ 1,989,952	\$ (185,202)
Bond proceeds	-	-	366,771	366,771
Miscellaneous	9,200	9,200	-	(9,200)
Total revenues	2,184,354	2,184,354	2,356,723	172,369
Expenditures				
Administrative department	426,404	426,404	288,118	138,286
Public works department	385,500	385,500	350,339	35,161
Economic development	60,600	60,600	49,422	11,178
Public safety	1,450,050	1,450,050	1,174,340	275,710
Total expenditures	2,322,554	2,322,554	1,862,219	460,335
Revenues over (under) expenditures	(138,200)	(138,200)	494,504	632,704
Fund Balances, Beginning	138,200	138,200	205,134	66,934
Fund Balances, Ending	\$ -	\$ -	\$ 699,638	\$ 699,638

City of Mulvane, Kansas
Proprietary Funds
Statement of Net Position
Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Current assets:				
Cash and investments	\$ 5,469,923	\$ 1,304,512	\$ 3,978,293	\$ 10,752,728
Trade accounts receivable	806,175	148,762	266,349	1,221,286
Prepaid expenses	23,908	9,185	13,179	46,272
Restricted assets:				
Cash and investments restricted for:				
Customer deposits	176,697	66,228	-	242,925
Total current assets	6,476,703	1,528,687	4,257,821	12,263,211
Property, plant and equipment:				
Land	220,495	118,107	338,261	676,863
Utility plant	5,430,385	9,038,852	20,943,457	35,412,694
Improvements other than buildings	5,343,290	6,015,168	6,619,572	17,978,030
Machinery and equipment	2,212,271	988,527	1,901,446	5,102,244
Construction work in process	-	18,292	63,020	81,312
	13,206,441	16,178,946	29,865,756	59,251,143
Less accumulated depreciation	(10,977,225)	(4,932,096)	(9,527,659)	(25,436,980)
Property, plant and equipment, net	2,229,216	11,246,850	20,338,097	33,814,163
Total assets	8,705,919	12,775,537	24,595,918	46,077,374
Deferred outflows of resources:				
Deferred outflows of resources related to pensions	199,028	76,549	122,479	398,056
Deferred outflows of resources related to OPEB	6,439	2,477	3,963	12,879
Total deferred outflows of resources	205,467	79,026	126,442	410,935
Total assets and deferred outflows of resources	8,911,386	12,854,563	24,722,360	46,488,309

See Notes to Financial Statements

	Business-type Activities - Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
Current liabilities:				
Salaries and wages payable	\$ 24,853	\$ 11,846	\$ 17,050	\$ 53,749
Accounts payable	319,163	7,217	16,133	342,513
Compensated absences payable	73,250	27,257	46,322	146,830
Current portion of bonds payable	267,266	4,445	329,678	601,389
Accrued interest payable	9,156	712	30,759	40,627
Customer deposits payable	176,697	66,228	-	242,925
Total current liabilities	<u>870,385</u>	<u>117,705</u>	<u>439,942</u>	<u>1,428,033</u>
Noncurrent liabilities:				
Net pension liability	602,039	231,554	370,486	1,204,079
Total OPEB liability	12,972	4,989	7,983	25,944
Long-term portion of compensated absences payable	48,834	18,172	30,882	97,887
Long-term portion of bonds payable	<u>780,986</u>	<u>46,760</u>	<u>3,890,543</u>	<u>4,718,289</u>
Total noncurrent liabilities	<u>1,444,831</u>	<u>301,475</u>	<u>4,299,894</u>	<u>6,046,199</u>
Total liabilities	<u>2,315,216</u>	<u>419,180</u>	<u>4,739,836</u>	<u>7,474,232</u>
Deferred inflows of resources				
Unamortized deferred costs on bond refunding	1,789	-	-	1,789
Deferred inflows of resources related to pensions	12,519	4,815	7,704	25,038
Deferred inflows of resources related to OPEB	<u>49,659</u>	<u>19,100</u>	<u>30,559</u>	<u>99,318</u>
Total deferred inflows of resources	<u>63,967</u>	<u>23,915</u>	<u>38,263</u>	<u>126,145</u>
Total liabilities and deferred inflows of resources	<u>2,379,183</u>	<u>443,095</u>	<u>4,778,099</u>	<u>7,600,377</u>
Net Position				
Net investment in capital assets	1,179,175	11,195,645	16,117,876	28,492,696
Unrestricted	<u>5,353,028</u>	<u>1,215,823</u>	<u>3,826,385</u>	<u>10,395,236</u>
Total net position	<u>\$ 6,532,203</u>	<u>\$ 12,411,468</u>	<u>\$ 19,944,261</u>	<u>\$ 38,887,932</u>

City of Mulvane, Kansas
Proprietary Funds
Statement of Revenues, Expenditures and Changes in Net Position
Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Operating Revenues				
Charges for services	\$ 6,258,614	\$ 1,106,679	\$ 1,676,040	\$ 9,041,333
Miscellaneous	32,231	19,474	26,603	78,308
Rents and royalties	7,822	10,178	-	18,000
Total operating revenues	6,298,667	1,136,331	1,702,643	9,137,641
Operating Expenses				
Production	4,201,471	-	-	4,201,471
Treatment	-	950,409	1,021,695	1,972,104
Distribution and maintenance	976,715	-	-	976,715
Collection	-	-	601,560	601,560
Depreciation	384,224	390,482	729,731	1,504,437
Total operating expenses	5,562,410	1,340,891	2,352,986	9,256,287
Operating income (loss)	736,257	(204,560)	(650,343)	(118,646)
Nonoperating Revenues (Expenses)				
Interest income	10,388	4,927	6,559	21,874
Interest expense	(39,060)	(30,052)	(94,934)	(164,046)
Total nonoperating revenues (expenses)	(28,672)	(25,125)	(88,375)	(142,172)
Income (loss) before transfers	707,585	(229,685)	(738,718)	(260,818)
Transfers in	-	-	125,817	125,817
Transfers out	-	(3,590)	-	(3,590)
Change in net position	707,585	(233,275)	(612,901)	(138,591)
Net Position, Beginning	5,824,618	12,644,743	20,557,162	39,026,523
Net Position, Ending	\$ 6,532,203	\$ 12,411,468	\$ 19,944,261	\$ 38,887,932

**City of Mulvane, Kansas
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2022**

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Operating Activities				
Cash received from customers	\$ 6,124,383	\$ 1,098,286	\$ 1,650,031	\$ 8,872,700
Cash paid for materials and services	(4,227,890)	(516,958)	(996,985)	(5,741,833)
Cash paid to employees for services	(819,684)	(403,851)	(573,745)	(1,797,280)
Other operating receipts	40,053	29,652	9,826	79,531
Net cash provided by (used in) operating activities	1,116,862	207,129	89,127	1,413,118
Capital and Related Financing Activities				
Principal payments - general obligation bonds	(318,453)	(4,667)	(451,235)	(774,355)
Proceeds from issuances of GO bonds	24,744	362	35,244	60,350
Interest paid on debt	(39,060)	(30,052)	(94,934)	(164,046)
Acquisition and construction of capital assets	(33,371)	(183,903)	(245,857)	(463,131)
Net cash used in capital and related financing activities	(366,140)	(218,260)	(756,782)	(1,341,182)
Noncapital and Related Financing Activities				
Transfers in	-	-	125,817	125,817
Transfers out	-	(3,590)	-	(3,590)
Net cash provided by (used in) noncapital and related financing activities	-	(3,590)	125,817	122,227
Investing Activities				
Interest received	10,388	4,927	6,559	21,874
Net cash provided by investing activities	10,388	4,927	6,559	21,874
Net increase (decrease) in cash and cash equivalents	761,110	(9,794)	(535,279)	216,037
Cash and Cash Equivalents, Beginning of Year	<u>4,885,510</u>	<u>1,380,534</u>	<u>4,513,572</u>	<u>10,779,616</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,646,620</u>	<u>\$ 1,370,740</u>	<u>\$ 3,978,293</u>	<u>\$ 10,995,653</u>
Cash and cash equivalents	\$ 5,469,923	\$ 1,304,512	\$ 3,978,293	\$ 10,752,728
Restricted cash and cash equivalents included in restricted cash and investments	176,697	66,228	-	242,925
Cash and Cash Equivalents, End of Year	<u>\$ 5,646,620</u>	<u>\$ 1,370,740</u>	<u>\$ 3,978,293</u>	<u>\$ 10,995,653</u>

City of Mulvane, Kansas
Proprietary Funds
Statement of Cash Flows (Continued)
Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 736,257	\$ (204,560)	\$ (650,343)	\$ (118,646)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	384,224	390,482	729,731	1,504,437
Amortization of bond premium	-	-	(16,777)	(16,777)
(Increase) decrease in receivables	(140,079)	(10,737)	(26,009)	(176,825)
(Increase) decrease in prepaid expenses	5,848	2,344	-	8,192
(Increase) decrease in salaries and wages payable	24,853	11,846	-	36,699
Increase (decrease) in accounts payable	71,762	4,877	31,336	107,975
Increase (decrease) in compensated absences payable	15,778	5,871	9,978	31,627
Increase (decrease) in net pension liability	18,219	7,006	11,211	36,436
Net cash provided by (used in) operating activities	<u>\$ 1,116,862</u>	<u>\$ 207,129</u>	<u>\$ 89,127</u>	<u>\$ 1,413,118</u>

City of Mulvane, Kansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2022

	Mulvane Public Library	Mulvane Housing Authority	Mulvane Land Bank	Total
Assets:				
Cash and investments	\$ 485,111	\$ 6,945	\$ 22,619	\$ 514,675
Trade accounts receivable	-	-	-	-
Prepaid expenses	-	346	-	346
Restricted assets	-	52,610	-	52,610
	<u>485,111</u>	<u>59,901</u>	<u>22,619</u>	<u>567,631</u>
Capital assets				
Land	-	16,000	-	16,000
Buildings	34,574	597,492	-	632,066
Machinery and equipment	127,181	175,945	-	303,126
Less accumulated depreciation	(114,288)	(707,416)	-	(821,704)
	<u>47,467</u>	<u>82,021</u>	<u>-</u>	<u>129,488</u>
Total noncurrent assets	<u>47,467</u>	<u>82,021</u>	<u>-</u>	<u>129,488</u>
Total assets	<u>532,578</u>	<u>141,922</u>	<u>22,619</u>	<u>697,119</u>
Deferred outflows of resources:				
Deferred outflows of resources related to pensions	55,763	-	-	55,763
	<u>55,763</u>	<u>-</u>	<u>-</u>	<u>55,763</u>
Total deferred outflows of resources	<u>55,763</u>	<u>-</u>	<u>-</u>	<u>55,763</u>
Total assets and deferred outflows of resources	<u>588,341</u>	<u>141,922</u>	<u>22,619</u>	<u>752,882</u>
Liabilities:				
Accounts payable	\$ -	\$ 5,344	\$ -	\$ 5,344
Long-term debt				
Due within one year	-	10,182	-	10,182
Due in more than one year	172,542	91,038	-	263,580
	<u>172,542</u>	<u>106,564</u>	<u>-</u>	<u>279,106</u>
Total liabilities	<u>172,542</u>	<u>106,564</u>	<u>-</u>	<u>279,106</u>
Deferred inflows of resources				
Deferred inflows of resources related to pensions	15,389	-	-	15,389
	<u>15,389</u>	<u>-</u>	<u>-</u>	<u>15,389</u>
Total deferred inflows of resources	<u>15,389</u>	<u>-</u>	<u>-</u>	<u>15,389</u>
Total liabilities and deferred inflows of resources	<u>187,931</u>	<u>106,564</u>	<u>-</u>	<u>294,495</u>
Net Position				
Net investment in capital assets	47,467	(19,199)	-	28,268
Unrestricted	352,943	54,557	22,619	430,119
	<u>400,410</u>	<u>35,358</u>	<u>22,619</u>	<u>458,387</u>
Total net position	<u>\$ 400,410</u>	<u>\$ 35,358</u>	<u>\$ 22,619</u>	<u>\$ 458,387</u>

City of Mulvane, Kansas
Statement of Activities
Discretely Presented Component Units
Year Ended December 31, 2022

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Mulvane Public Library	Mulvane Housing Authority		Mulvane Land Bank
Component units								
Mulvane Public Library	\$ 704,542	\$ 5,656	\$ 82,777	\$ 355,628	\$ (260,481)	\$ -	\$ -	\$ (260,481)
Mulvane Housing Authority	114,710	75,884	22,123	-	-	(16,703)	-	(16,703)
Mulvane Land Bank	117	-	-	-	-	-	(117)	(117)
Total component units	819,369	81,540	104,900	355,628	(260,481)	(16,703)	(117)	(277,301)
General Revenues:								
Payment from City of Mulvane					\$ 506,404	\$ -	\$ -	\$ 506,404
Investment earnings					75	43	-	118
Total general revenues					506,479	43	-	506,522
Change in net position					245,998	(16,660)	(117)	229,221
Net position - beginning, as previously reported					154,412	52,018	259,190	465,620
Prior period adjustment					-	-	(236,454)	(236,454)
Net position, Beginning, restated					154,412	52,018	22,736	229,166
Net position - ending					\$ 400,410	\$ 35,358	\$ 22,619	\$ 458,387

Note 1. Nature of Operations and Summary of Significant Accounting Policies

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 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 reporting principles.

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Measurement Focus and Basis of Accounting

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

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

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

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.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

The City also reports the following fund types:

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

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

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

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

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

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

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

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

Cash and Short-Term Investments

Cash and short-term investments include amounts in demand deposit, money market accounts and certificates of deposit. Investments are carried at fair value. Deposits are reported at their cost, which approximates fair value. For purposes of the statement of 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 deferred inflows of resources 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 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. Balances not collected within 60 days of year-end are not considered available spendable resources for the funds statement, and are reported as deferred inflows of resources 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.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Capital Assets

Capital assets, include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs). 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.

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:

<u>Capital Asset Class</u>	<u>Lives (in Years)</u>
Utility plant in service	28 - 50
Buildings	15 - 40
Improvements other than buildings	28 - 50
Infrastructure (streets)	20 years
Machinery and equipment	5 - 20

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 lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another 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 governmental activities and 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, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, 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. There were no material claims during 2022 and 2021.

At December 31, 2022, Other Governmental Funds cash and short-term investments of \$252,272 were held for purposes of funding the City's future claims liabilities, including \$0 at year-end. As a result, \$252,272 of the Other Governmental Fund balance is restricted for payment of future claims liabilities.

Deferred Inflows/Outflows of Resources

A deferred outflow of resources represent a consumption of net assets that applies to future periods. A deferred inflow of resources represent an acquisition of net assets that applies to future periods. 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 intact.
- Restricted - Assets with externally imposed constraints such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
- Committed - The committed portion of fund balance can only be used for specific purposes and imposed by formal action of the government's highest level of decision making authority. In the case of the City it is the City Council and the formal action would be an ordinance to modify or rescind the commitment.
- Assigned - The assigned portion of fund balance is comprised of amounts intended to be used by the City for specific purposes that are neither restricted 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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, Police Building, Mulvane Street Drainage, Sewer Injection Plant, Homestead Senior Housing, Sedgwick County Care, Sumner County SPARS and CBDG Grant funds are exempted from a legally adopted budget. In addition, the Mulvane Public Building Commission is not required to prepare annual budgets. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budgets amended during 2022.

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.

Note 2. Deposits and Investments

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, 2022, is as follows:

Carson Bank	100%
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Custodial Credit Risk Deposit

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.

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.

At year-end, the carrying amount of the City's deposits was \$23,304,655, with the bank balances of such accounts being \$23,644,754. Of the deposits, \$2,515,958 were held in money market accounts and \$9,500,000 were held in certificates of deposit. These deposits are carried at net asset value. Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining balance of \$23,394,754 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 was \$24,725,372 at December 31, 2022.

The remaining carrying amount of the City's cash and investments at December 31, 2022, consisted of cash on hand of \$5,800.

The Mulvane Public Library's cash and investments at December 31, 2022 consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$485,111 with the bank balances of such accounts being \$235,111. The bank balances were entirely secured by FDIC insurance at December 31, 2022.

The Mulvane Housing Authority's cash and investments at December 31, 2022, consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$59,555 with the bank balances of such accounts being \$59,555. The bank balances were entirely secured by FDIC insurance at December 31, 2022.

The Mulvane Land Bank cash and investments at December 31, 2022, consisted of a checking account and the carrying amount of the Mulvane Land Bank deposit was \$22,619 with the bank balance of such accounts being \$22,619. The bank balance was entirely secured by FDIC insurance at December 31, 2022.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Note 3. Changes In Capital Assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 482,514	\$ -	\$ -	\$ -	\$ 482,514
Construction in progress	1,926,663	110,479	-	(2,006,530)	30,612
Total capital assets not being depreciated	<u>2,409,177</u>	<u>110,479</u>	<u>-</u>	<u>(2,006,530)</u>	<u>513,126</u>
Capital assets being depreciated:					
Buildings	9,099,247	-	-	-	9,099,247
Improvements other than buildings	3,966,233	58,200	-	-	4,024,433
Infrastructure	37,109,420	732,493	-	2,006,530	39,848,443
Machinery and equipment	7,998,718	57,818	(438,487)	-	7,618,049
Totals capital assets being depreciated	<u>58,173,618</u>	<u>848,511</u>	<u>(438,487)</u>	<u>2,006,530</u>	<u>60,590,172</u>
Less accumulated depreciation for:					
Buildings	2,500,088	235,928	-	-	2,736,016
Improvements other than buildings	1,459,301	102,058	-	-	1,561,359
Infrastructure	23,234,259	899,674	-	-	24,133,933
Machinery and equipment	5,751,451	448,692	(389,809)	-	5,810,334
Total accumulated depreciation	<u>32,945,099</u>	<u>1,686,352</u>	<u>(389,809)</u>	<u>-</u>	<u>34,241,642</u>
Total capital assets being depreciated, net	<u>25,228,519</u>	<u>(837,841)</u>	<u>(48,678)</u>	<u>2,006,530</u>	<u>26,348,530</u>
Total capital assets, net	<u>\$ 27,637,696</u>	<u>\$ (727,362)</u>	<u>\$ (48,678)</u>	<u>\$ -</u>	<u>\$ 26,861,656</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 676,863	\$ -	\$ -	\$ -	\$ 676,863
Construction in progress	18,292	63,020	-	-	81,312
Total capital assets not being depreciated	<u>695,155</u>	<u>63,020</u>	<u>-</u>	<u>-</u>	<u>758,175</u>
Capital assets being depreciated:					
Utility plant	35,412,694	-	-	-	35,412,694
Improvements other than buildings	17,976,090	1,940	-	-	17,978,030
Machinery and equipment	4,940,943	398,172	(236,871)	-	5,102,244
Totals capital assets being depreciated	<u>58,329,727</u>	<u>400,112</u>	<u>(236,871)</u>	<u>-</u>	<u>58,492,968</u>
Less accumulated depreciation for:					
Utility plant	12,285,334	794,227	-	-	13,079,561
Improvements other than buildings	8,749,157	411,184	-	-	9,160,341
Machinery and equipment	3,134,923	299,026	(236,871)	-	3,197,078
Total accumulated depreciation	<u>24,169,414</u>	<u>1,504,437</u>	<u>(236,871)</u>	<u>-</u>	<u>25,436,980</u>
Total capital assets being depreciated, net	<u>34,160,313</u>	<u>(1,104,325)</u>	<u>-</u>	<u>-</u>	<u>33,055,988</u>
Total capital assets, net	<u>\$ 34,855,468</u>	<u>\$ (1,041,305)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,814,163</u>

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

Governmental Activities

General government	\$ 37,850
Public safety	391,092
Highways and streets (including infrastructure assets)	982,721
Culture and recreation	274,689
Total depreciation expense – governmental activities	<u>\$ 1,686,352</u>

Business-type Activities

Electric system	\$ 384,224
Water system	390,482
Sewer system	729,731
Total depreciation expense – business-type activities	<u>\$ 1,504,437</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Note 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, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 17,617,939	\$ 4,589,650	\$ (1,885,646)	\$ 20,321,943	\$ 2,668,611
General obligation bond premium	876,574	284,151	(166,172)	994,553	-
PMIB Loans	-	2,132,746	-	2,132,746	533,187
Mulvane Public Building Commission Revenue bonds	1,000,000	-	-	1,000,000	-
Mulvane Public Building Commission Revenue bond premium	8,990	-	(1,992)	6,998	-
Net pension liability	2,114,677	1,312,315	-	3,426,992	-
Total OPEB liability	107,742	-	(33,900)	73,842	-
Compensated absences	398,276	59,112	-	457,388	274,433
Total	<u>\$ 22,124,198</u>	<u>\$ 8,377,974</u>	<u>\$ (2,087,710)</u>	<u>\$ 28,414,462</u>	<u>\$ 3,476,231</u>
Business-type Activities					
General obligation bonds	\$ 5,912,062	\$ 60,350	\$ (774,355)	\$ 5,198,057	\$ 601,389
General obligation bond premium	135,173	-	(13,552)	121,621	-
Net pension liability	742,995	461,084	-	1,204,079	-
Total OPEB liability	37,856	-	(11,912)	25,944	-
Compensated absences	213,091	31,626	-	244,717	146,830
Total	<u>\$ 7,041,177</u>	<u>\$ -</u>	<u>\$ (799,819)</u>	<u>\$ 6,794,418</u>	<u>\$ 748,219</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

General Obligation Bonds

General obligation bonds payable are serial bonds to be retired through calendar year 2042. At December 31, 2022, the bonds consist of the following:

<u>Purpose, Series</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>
General Obligation Refunding Bonds, Series A, 2016	2.00% to 3.00%	\$ 5,110,000
General Obligation Refunding Bonds, Series B, 2016	1.50% to 2.15%	410,000
General Obligation Refunding Bonds, Series 2018	3.00% to 4.00%	1,845,000
General Obligation Refunding Bonds, Series A, 2019	3.00% to 5.00%	7,315,000
General Obligation Refunding Bonds, Series A, 2021	2.00%	3,460,000
General Obligation Refunding Bonds, Series B, 2021	1.15% to 3.00%	2,730,000
General Obligation Bonds, Series A, 2022	5.00%	2,525,000
General Obligation Bonds, Series B, 2022	4.00%	<u>2,125,000</u>
Total general obligation bonds outstanding		25,520,000
Less debt service from enterprise funds		<u>(5,198,057)</u>
Total general obligation bonds payable from governmental activities		<u><u>\$ 20,321,943</u></u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Remaining debt service requirements for general obligation bonds will be paid from the debt service fund and sales tax 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>
2023	\$ 2,668,611	\$ 729,053	\$ 3,397,664
2024	2,797,570	602,491	3,400,061
2025	2,937,649	500,641	3,438,290
2026	2,888,769	387,149	3,275,918
2027	2,471,494	286,766	2,758,260
2028	1,021,084	214,045	1,235,129
2029	722,399	182,587	904,986
2030	746,950	160,040	906,990
2031	722,525	136,709	859,234
2032	742,218	114,061	856,279
2033	771,666	91,225	862,891
2034	801,114	66,478	867,592
2035	111,734	41,196	152,930
2036	116,592	36,726	153,318
2037	121,450	32,063	153,513
2038	126,308	27,205	153,513
2039	131,166	22,152	153,318
2040	136,024	16,906	152,930
2041	140,882	11,465	152,347
2042	145,738	5,830	151,568
	<u>\$ 20,321,943</u>	<u>\$ 3,664,788</u>	<u>\$ 23,986,731</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

General Obligation Bonds Payable From Enterprise Funds

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

Year	Electric Utility			Water Utility		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 267,266	\$ 21,519	\$ 288,785	\$ 4,445	\$ 1,920	\$ 6,365
2024	275,739	16,098	291,837	4,655	1,698	6,353
2025	288,986	10,503	299,489	4,900	1,465	6,365
2026	195,204	4,583	199,787	5,215	1,220	6,435
2027	3,140	548	3,688	5,495	960	6,455
2028	3,220	454	3,674	5,635	795	6,430
2029	1,960	358	2,318	3,430	626	4,056
2030	2,020	299	2,319	3,535	523	4,058
2031	1,880	238	2,118	3,290	417	3,707
2032	1,940	182	2,122	3,395	318	3,713
2033	2,020	45	2,065	3,535	79	3,614
2034	2,100	63	2,163	3,675	110	3,785
Total	\$ 1,045,475	\$ 54,890	\$ 1,100,365	\$ 51,205	\$ 10,131	\$ 61,336

Year	Sewer and Storm Sewer Utility			Total Utility		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 329,678	\$ 85,304	\$ 414,982	\$ 601,389	\$ 108,743	\$ 710,132
2024	342,036	78,180	420,216	622,430	95,976	718,406
2025	358,463	71,107	429,570	652,349	83,075	735,424
2026	245,812	63,592	309,404	446,231	69,395	515,626
2027	254,872	58,343	313,215	263,507	59,851	323,358
2028	260,062	50,673	310,735	268,917	51,922	320,839
2029	267,211	42,847	310,058	272,601	43,831	316,432
2030	277,496	34,805	312,301	283,051	35,627	318,678
2031	282,305	26,453	308,758	287,475	27,108	314,583
2032	287,448	23,044	310,492	292,783	23,544	316,327
2033	287,780	18,966	306,746	293,335	19,090	312,425
2034	293,112	14,969	308,081	298,887	15,142	314,029
2035	293,266	10,420	303,686	293,266	10,420	303,686
2036	298,408	5,794	304,202	298,408	5,794	304,202
2037	3,550	937	4,487	3,550	937	4,487
2038	3,692	795	4,487	3,692	795	4,487
2039	3,834	648	4,482	3,834	648	4,482
2040	3,976	494	4,470	3,976	494	4,470
2041	4,118	335	4,453	4,118	335	4,453
2042	4,258	170	4,428	4,258	170	4,428
Total	\$ 4,101,377	\$ 587,876	\$ 4,689,253	\$ 5,198,057	\$ 652,897	\$ 5,850,954

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

PMIB Loans

Annual debt service requirements to maturity for PMIB loans are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 533,187	\$ 19,202	\$ 552,389
2024	533,187	14,402	547,589
2025	533,186	9,602	542,788
2026	533,186	4,800	537,986
	<u>\$ 2,132,746</u>	<u>\$ 48,006</u>	<u>\$ 2,180,752</u>

Mulvane Public Building Commission Revenue Bonds

<u>Purpose, Series</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>
Mulvane Public Building Commission Revenue Bonds, Series A 2018 (Police Building)	3.00%	\$ 1,000,000

The Mulvane Public Building Commission Series 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 was scheduled to expire on the 30th day of September 2024 or such earlier date as all obligations incurred have been paid in full. Effective July 1, 2021, the City repealed the 1 % sales tax as sufficient sales tax was collected to retire the bonds.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 30,000	\$ 30,000
2024	-	30,000	30,000
2025	240,000	30,000	270,000
2026	245,000	22,800	267,800
2027	255,000	15,450	270,450
2028	260,000	7,800	267,800
	<u>\$ 1,000,000</u>	<u>\$ 136,050</u>	<u>\$ 1,136,050</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, 2022.

Compensated Absences

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

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. Conduit debt outstanding at December 31, 2022, totaled approximately \$8,261,000.

Note 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. Temporary notes of \$2,015,000 were paid in full during 2022.

During 2022, the temporary note activity for the various capital improvement projects were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Temporary notes	\$ 2,015,000	\$ -	\$ (2,015,000)	\$ -

Note 6. Pension Plans

Plan Description

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

Public employees, which includes:

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

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

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

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

Benefits Provided

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 ten 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.

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. Contributions were \$449,878 for 2022.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

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

	Actuarial Employer Rate	Statutory Employer Capped Rate
State employees	9.97%	13.33%
School employees	14.20%	13.33%
Local government employees	8.90%	8.90%
Police and Firemen	22.99%	22.99%
Judges	18.40%	18.40%

- 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 2022 are 6.00% for Public Employees, 7.15% for Police and Firemen, and 6.00% or 2.00% for Judges.

Employer Allocations

Although KPERS administers one cost sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially 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, 2022, 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, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the City's proportion was .258810%, which was an increase of .020662% from its proportion measured at June 30, 2021.

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, 2022, the outstanding balance was \$2,564,230. These payments are due over various time periods up through December 31, 2032.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

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

At December 31, 2022, the City reported a liability of \$4,631,071 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the City recognized pension expense of \$578,027. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 200,000	\$ -
Differences between actual and expected experience	175,166	8,300
Net differences between projected and actual earnings on investments	392,020	-
Changes in assumptions	740,250	-
Changes in proportion	23,549	88,002
	<u>1,530,985</u>	<u>88,002</u>
Total	<u>\$ 1,530,985</u>	<u>\$ 96,302</u>

The City reported \$200,000 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, 2023. 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 December 31,</u>	<u>Amount</u>
2023	\$ 324,959
2024	329,229
2025	159,991
2026	406,601
2027	13,903
	<u>1,234,683</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.50% to 12.00%, including price inflation
Investment Rate of Return	7.00% compounded annually, net of investment expense, including price inflation

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

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. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

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

- Investment return assumption was lowered from 7.25 percent to 7.00 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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 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 2022 was 1.2 percent.

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, 2022, calculated using the discount rate of 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 6,652,681	\$ 4,631,071	\$ 2,946,774

Special Funding Situation

The employer contributions for non-public school district schools, as defined in K.S.A. 74- 4931 (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 (GASB) 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 no 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.

Pension Plan Fiduciary Net Position

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Note 7. Budgetary Data

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

	General Fund	Debt Service Fund	Employee Benefits Fund	Other Nonmajor Govern- mental Funds
GAAP Net Change in Fund Balance for the year ended December 31, 2022	\$ 489,401	\$ 198,554	\$ 494,504	\$ 3,180,462
Adjustments:				
Transfers	383,302	-	-	(2,774)
Capital outlay	-	-	-	(83,974)
Timing of revenue	-	-	-	(65,709)
Unbudgeted funds				(159,231)
Other	3,354	12,909	-	6,566
	<u>3,354</u>	<u>12,909</u>	<u>-</u>	<u>6,566</u>
Budgetary Net Change in Fund Balance for the year ended December 31, 2022	<u>\$ 917,602</u>	<u>\$ 211,463</u>	<u>\$ 494,504</u>	<u>\$ 2,875,340</u>

Note 8. Interfund Transactions

Interfund Transfers

A summary of interfund transfers by individual fund for 2022 is as follows:

Fund	Transfer In	Transfer Out
Major Funds:		
General	\$ -	\$ 383,302
Proprietary Funds:		
Water System	-	3,590
Sewer System	125,817	-
Nonmajor Funds:		
Sewer Injection Plant	-	129,405
Homestead Senior Housing	7,179	-
Special Liability	258,301	-
Senior Citizens	35,000	-
Swimming Pool	90,000	-
	<u>516,297</u>	<u>516,297</u>
Total transfers	<u>\$ 516,297</u>	<u>\$ 516,297</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 Swimming Pool Fund (\$90,000) and also to the Senior Citizens Fund (\$35,000) are routinely made to support those functional operations. Transfer related to the Sewer Injection Plant and Homestead Senior Housing were made to close out the activity of these funds.

Note 9. 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 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 65th 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, 2021, the following employees were covered by the benefit terms:

Active employees	74
Retirees and covered spouses	1
Total	75

Total OPEB Liability

The City's total OPEB liability of \$99,786 was measured as of June 30, 2022, and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

Inflation	2.75%
Payroll growth	3.00%
Discount rate	3.54%
Salary increases	3.50%
Actuarial cost method	Entry age normal as a level percentage of payroll
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree's share of benefit related costs	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-2021.

The actuarial assumptions used in the December 31, 2021, valuation were based on an actuarial experience study for the period 2016- 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2021, KPERs pension valuation.

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

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Changes in the Total OPEB Liability

Balance, January 1, 2022	\$	145,598
Service cost		19,809
Interest		3,560
Economic/demographic gains/losses		(28,164)
Changes in assumptions		(39,817)
Benefit paid		(1,200)
		<u>(1,200)</u>
Balance, December 31, 2022	\$	<u>99,786</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 2.16% on June 30, 2021, to 3.54% on June 30, 2022.

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 (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$ 104,355</u>	<u>\$ 99,786</u>	<u>\$ 95,015</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,491	\$ 330,425
Changes of assumptions	16,043	51,567
Total	<u>\$ 49,534</u>	<u>\$ 381,992</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Deferred (Inflows)</u> <u>Outflows Amount</u>
2023	\$ (46,208)
2024	(46,208)
2025	(46,208)
2026	(45,296)
2027	(43,825)
Thereafter	<u>(104,713)</u>
Total	<u>\$ (332,458)</u>

Note 10. 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, 2022, the City abated property taxes totaling \$9,614 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.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

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;
- 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.

Casino Operations and Commitments

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 through 2021. 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 City received notification from Sumner County on October 29, 2021, that the property tax distribution to the City scheduled for January 20, 2022, would be reduced by \$989,987 to account for the City's portion of the 2015 refund.

The casino has appealed the 2018 assessed valuation of \$44.2 million. The Board of Tax Appeals found the assessed valuation to be \$19.7 million. The Court of Appeals upheld the valuation. The Court of Appeals decision has been appealed to the Supreme Court and the parties are awaiting notice of whether the Supreme Court will hear the appeal. It was determined in September, 2022 that the 2018 tax reduction would be \$1,142,756.

On November 7, 2023, the Sumner County Board of County Commissioners approved an agreement to resolve the outstanding appeals regarding the valuation of The Kansas Star Casino for property tax purposes. The agreement resolves the appeals for tax years 2014, 2016, 2017, 2019, 2020, 2021, 2022, and 2023. The agreed values are derived consistent with the Uniform Standards of Appraisal Practice (USPAP), as required by Kansas Law.

The appeals for tax years 2014 and 2016 will be resolved immediately and, once the Board of Tax Appeals' valuations become final, the County will issue refunds for those years as required by Kansas law.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2022

The appeal for tax year 2023 will be resolved forthwith: upon the Board of Tax Appeals' valuations becoming final, the County will make the clerical changes required by Kansas law and issue a tax statement to the Kansas Star Casino based on the adjusted valuation.

The appeals for tax years 2017 and 2019 will be resolved in August 2024. When the Board of Tax Appeals' valuations for the 2017 and 2019 appeals become final, the County will issue refunds for those years as required by Kansas law.

The appeals for tax years 2020 and 2021 will be resolved in August 2025. When the Board of Tax Appeals' valuations for the 2020 and 2021 appeals become final, the County will issue refunds for those years as required by Kansas law.

The appeal for tax year 2022 will be resolved in August 2026. When the Board of Tax Appeals' valuations for the 2022 appeal becomes final, the County will issue refunds for that year as required by Kansas law.

The agreement also sets forth a formula, which complies with USPAP, by which the Kansas Star Casino will be valued for the next five years. Kansas Star has agreed that it will not appeal from a valuation that is derived from the agreed formula. This formula, which employs the income approach to valuation, will fluctuate annually based on actual casino performance (annual revenues).

The City originally budgeted a total of \$1,500,000 in anticipation of possible reductions in property tax revenues due to tax refunds to the casino. After the City had exhausted these funds, they established a multi-year plan to manage the current and potential future refunds that includes (1) application for similar loans from the PMIB (see next paragraph below), (2) short-term borrowing from the City's utility funds, and (3) potential mill levy increases, if necessary. Through these funding mechanisms, the City intends to budget additional funding for future refunds. There can be no assurance that the City's efforts will alleviate funding shortfalls resulting from property tax refunds.

The City has applied to the State of Kansas for a Property Tax Loan from the Pooled Money Investment Board ("PMIB") two times; in May of 2022 for the City's portion of the refund for the 2015 tax year (\$989,990) to be repaid in four equal installments over the next four tax years; and again in September of 2022 for the City's portion of the refund for the 2018 tax year (\$1,142,756) to be repaid in four equal installments over the next four years.

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 and 2016 through 2021, 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 agreed valuation, and accompanying reduction in future tax revenue, could be approximately \$7.27 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.

Note 11. Adoption of Governmental Accounting Boards Statement

In 2022, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. There were no leases to be recorded at December 31, 2022.

Note 12. Prior Period Adjustments

Special assessment taxes receivable and the deferred inflows of resources related to special assessment taxes receivable in the debt service fund were not recorded in accordance with payment schedules provided by Sumner County and Sedgwick County. The beginning fund balance for Debt Service Fund was increased by \$949,801 for this error. The beginning net position for Governmental Activities was increased by \$1,166,156 for this error. There was no material change in the net change in fund balance for the General Fund or for the change in net position of the Governmental Activities for the year ended December 31, 2021.

Temporary notes payable of \$2,015,000 were reported as a liability in the Capital Projects Funds in the 2021 ACFR, but these notes were refinanced in 2022, prior to issuance of the 2021 ACFR, without the use of current resources. The temporary notes should have been reported as proceeds from loans in 2021 and not reported as a liability in the Capital Projects Funds. The 2022 beginning fund balance for Capital Projects Funds was increased by \$2,015,000 for this error. The net change in fund balance for the Capital Projects Funds for the year ended December 31, 2021 would have been increased by \$2,015,000.

As of December 31, 2022, all buildings held in the Mulvane Land Bank had been sold in 2021 or prior years. The 2022 beginning net position for Mulvane Land Bank was decreased by \$236,454 for this error. There was no change to the change in net position for the Mulvane Land Bank for the year ended December 31, 2021.

Required Supplementary Information

**City of Mulvane, Kansas
Required Supplementary Information
KPERS Pension Plan
December 31, 2022**

**Schedule of City's
Proportionate Share of
Net Pension Liability**

	Measurement Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.231939%	0.246065%	0.229256%	0.247112%	0.245637%	0.235144%	0.235996%	0.238148%	0.258810%
City's proportionate share of the net pension liability	\$ 2,854,735	\$ 3,230,942	\$ 3,546,658	\$ 3,579,380	\$ 3,423,664	\$ 3,285,837	\$ 4,091,354	\$ 2,857,672	\$ 4,631,071
City's covered-employee payroll	\$ 3,612,771	\$ 3,969,325	\$ 3,994,760	\$ 4,568,936	\$ 4,414,815	\$ 4,225,141	\$ 4,528,908	\$ 4,523,687	\$ 4,782,079
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.02%	81.40%	88.78%	78.34%	77.55%	77.77%	90.34%	63.17%	96.84%
Plan fiduciary net position as a percentage of the total pension liability	72.56%	71.98%	68.55%	72.16%	74.22%	75.02%	70.77%	81.14%	70.66%

Schedule of City's Contributions

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 392,087	\$ 430,043	\$ 378,272	\$ 357,913	\$ 367,772	\$ 392,564	\$ 384,571	\$ 409,381	\$ 449,878
Contributions in relation to the contractually required contribution	(392,087)	(430,043)	(378,272)	(357,913)	(367,772)	(392,564)	(384,571)	(409,381)	(449,878)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,435,373	\$ 4,536,319	\$ 4,120,610	\$ 4,230,650	\$ 4,383,459	\$ 4,415,789	\$ 4,440,546	\$ 4,582,657	\$ 4,782,079
Contributions as a percentage of covered employee payroll	8.84%	9.48%	9.18%	8.46%	8.39%	8.89%	8.66%	8.93%	9.41%

* - 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
Schedule of Changes in City's Disability
Total OPEB Liability and Related Ratios – Last 10 years*
December 31, 2022

	Measurement Year				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 16,529	\$ 16,641	\$ 17,236	\$ 19,667	\$ 19,809
Interest	16,469	18,382	18,697	3,611	3,560
Economic/demographic gains/losses	25,163	31,780	(413,702)	(21,029)	(28,164)
Effect of assumption changes	(10,789)	14,085	10,830	257	(39,817)
Benefit payments	(32,065)	(32,982)	(11,355)	(1,200)	(1,200)
Net Change in Total OPEB Liability	15,307	47,906	(378,294)	1,306	(45,812)
Total OPEB Liability – Beginning	459,373	474,680	522,586	144,292	145,598
Total OPEB Liability – Ending	<u>\$ 474,680</u>	<u>\$ 522,586</u>	<u>\$ 144,292</u>	<u>\$ 145,598</u>	<u>\$ 99,786</u>
Covered Employee Payroll	<u>\$ 4,188,681</u>	<u>\$ 4,209,668</u>	<u>\$ 4,259,755</u>	<u>\$ 4,386,277</u>	<u>\$ 4,432,388</u>
Total OPEB liability as a percentage of covered-employee payroll	11.33%	12.41%	3.39%	3.32%	2.25%

* - Data became available with the inception of GASB Statement No. 75, therefore 10 years of data is unavailable.

Changes in assumptions: Discount rate changes from 2.16% in 2021 to 3.54% in 2022

From 2.21% in 2020 to 2.16% in 2021

From 3.50% in 2019 to 2.21% in 2020

From 3.87% in 2018 to 3.50% in 2019

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:

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.

Special Liability – to account for legal fees for the City

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

Senior Citizens - to account for the operations of the Senior Center activities. Financing is provided from intergovernmental revenue and 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.

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.

Swimming Pool - to account for the operations of the municipal swimming pool. Financial is provided through charges for services and appropriations from the City's general fund.

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.

1% Sales Tax - to account for projects funded by the 1% local sales tax – City Park Improvements, Rock Road and Styx Creek Storm Drainage

ARPA Grant – to account for resources provided by Federal Funding under the *American Rescue Plan Act*.

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. There was no activity in the funds for 2022.

Flexible Spending - to account for moneys held on behalf of City employees' payroll for reimbursement of qualifying medical expenses by City employees. There was no activity in the funds for 2022.

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.

Mulvane Street Drainage - to account for the construction of improvements to the Mulvane Street Drainage project. Financing is provided from long-term debt sources.

Sewer Injection Plant - to account for the construction of improvements to the Sewer Injection Plant. Financing is provided from long-term debt sources.

Homestead Senior Housing - to account for the engineering of improvements to the Homestead Senior Housing project.

Capital Projects - to account for the construction of improvements to residential housing addition. Financing is provided from long-term debt sources.

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2022

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash including short-term investments	\$ 5,533,817	\$ 1,138,785	\$ 6,672,602
Property taxes receivable	583,873	47,204	631,077
Accounts receivable	156,500	-	156,500
	<hr/>	<hr/>	<hr/>
Total assets	\$ 6,274,190	\$ 1,185,989	\$ 7,460,179
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable	342,159	-	342,159
Unearned revenues	891,145	-	891,145
	<hr/>	<hr/>	<hr/>
Total liabilities	1,233,304	-	1,233,304
Deferred inflows of resources			
Property taxes receivable	488,044	47,204	535,248
	<hr/>	<hr/>	<hr/>
Fund Balances			
Restricted			
Insurance claims	252,272	-	252,272
Recreation	501,025	-	501,025
Health and welfare	52,347	-	52,347
Economic development	731,293	-	731,293
Street improvements	285,320	-	285,320
Capital improvements	2,293,161	627,330	2,920,491
Committed			
Street improvements	432,575	-	432,575
Parks and recreations	3,087	-	3,087
Assigned			
Culture and recreation	1,762	-	1,762
Capital outlay	-	511,455	511,455
	<hr/>	<hr/>	<hr/>
Total fund balances	4,552,842	1,138,785	5,691,627
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	\$ 6,274,190	\$ 1,185,989	\$ 7,460,179
	<hr/>	<hr/>	<hr/>

City of Mulvane, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Taxes	\$ 1,654,068	\$ -	\$ 1,654,068
Intergovernmental	40,132	-	40,132
Charges for services	105,358	-	105,358
Miscellaneous	523	276,423	276,946
Grants and contributions	95,398	-	95,398
	<u>1,895,479</u>	<u>276,423</u>	<u>2,171,902</u>
Total revenues			
Expenditures			
Current			
General government	122,589	-	122,589
Highways and streets	186,649	-	186,649
Culture and recreation	907,303	-	907,303
Health and sanitation	3,970	-	3,970
Economic development	192,262	-	192,262
Capital improvements	732,493	172,282	904,775
Debt Service			
Issuance costs	51,720	-	51,720
	<u>2,196,986</u>	<u>172,282</u>	<u>2,369,268</u>
Total expenditures			
Revenues over (under) expenditures	<u>(301,507)</u>	<u>104,141</u>	<u>(197,366)</u>
Other Financing Sources (Uses)			
General obligation bonds issued	2,525,000	-	2,525,000
PMIB loans issued	210,048	177,316	387,364
Premium on general obligation bonds issued	204,389	-	204,389
Transfers in	383,301	7,179	390,480
Transfers out	-	(129,405)	(129,405)
	<u>3,322,738</u>	<u>55,090</u>	<u>3,377,828</u>
Total other financing sources (uses)			
Net Change in Fund Balances	3,021,231	159,231	3,180,462
Fund Balances, Beginning, as previously reported	1,531,611	(1,035,446)	496,165
Prior period adjustment	<u>-</u>	<u>2,015,000</u>	<u>2,015,000</u>
Fund Balance, Beginning, restated	<u>1,531,611</u>	<u>979,554</u>	<u>2,511,165</u>
Fund Balances, Ending	<u>\$ 4,552,842</u>	<u>\$ 1,138,785</u>	<u>\$ 5,691,627</u>

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2022

	Library	Special Liability	Industrial Development	Senior Citizens	Special Highway	Special Park and Recreation	Storm Sewer Fee	Swimming Pool
Assets								
Cash including short-term investments	\$ 135,905	\$ 252,272	\$ 184,408	\$ 3,290	\$ 285,320	\$ 81,054	\$ 425,394	\$ 3,348
Accounts receivable	-	-	-	-	-	-	7,181	-
Property taxes receivable	486,162	11,719	1,882	-	-	-	-	-
Total assets	622,067	263,991	186,290	3,290	285,320	81,054	432,575	3,348
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	-	-	-	1,528	-	-	-	261
Unearned revenue	-	11,719	-	-	-	-	-	-
Total liabilities	-	11,719	-	1,528	-	-	-	261
Deferred inflows of resources:								
Property taxes receivable	486,162	-	1,882	-	-	-	-	-
Fund balance:								
Restricted								
Insurance claims	-	252,272	-	-	-	-	-	-
Recreation	135,905	-	-	-	-	81,054	-	-
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	-	184,408	-	-	-	-	-
Street improvements	-	-	-	-	285,320	-	-	-
Capital improvements	-	-	-	-	-	-	-	-
Committed								
Street improvements	-	-	-	-	-	-	432,575	-
Parks and recreation	-	-	-	-	-	-	-	3,087
Assigned								
Culture and recreation	-	-	-	1,762	-	-	-	-
Total fund balance	135,905	252,272	184,408	1,762	285,320	81,054	432,575	3,087
Total liabilities, deferred inflows and fund balances	\$ 622,067	\$ 263,991	\$ 186,290	\$ 3,290	\$ 285,320	\$ 81,054	\$ 432,575	\$ 3,348

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2022

	Special Alcohol	Transient Guest Tax	Library Sales Tax	1% Sales Tax	ARPA Grant	Payroll Clearing	Employee Flexible Spending	Total Nonmajor Special Revenue Funds
Assets								
Cash including short-term investments	\$ 52,347	\$ 397,566	\$ 284,066	\$ 2,209,051	\$ 879,426	\$ 298,562	\$ 41,808	\$ 5,533,817
Accounts receivable	-	149,319	-	-	-	-	-	156,500
Property taxes receivable	-	-	-	84,110	-	-	-	583,873
Total assets	52,347	546,885	284,066	2,293,161	879,426	298,562	41,808	6,274,190
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	-	-	-	-	-	298,562	41,808	342,159
Unearned revenue	-	-	-	-	879,426	-	-	891,145
Total liabilities	-	-	-	-	879,426	298,562	41,808	1,233,304
Deferred inflows of resources:								
Property taxes receivable	-	-	-	-	-	-	-	488,044
Fund balance:								
Restricted								
Insurance claims	-	-	-	-	-	-	-	252,272
Recreation	-	-	284,066	-	-	-	-	501,025
Health and welfare	52,347	-	-	-	-	-	-	52,347
Economic development	-	546,885	-	-	-	-	-	731,293
Street improvements	-	-	-	-	-	-	-	285,320
Capital improvements	-	-	-	2,293,161	-	-	-	2,293,161
Committed								
Street improvements	-	-	-	-	-	-	-	432,575
Parks and recreation	-	-	-	-	-	-	-	3,087
Assigned								
Culture and recreation	-	-	-	-	-	-	-	1,762
Total fund balance	52,347	546,885	284,066	2,293,161	-	-	-	4,552,842
Total liabilities, deferred inflows and fund balances	\$ 52,347	\$ 546,885	\$ 284,066	\$ 2,293,161	\$ 879,426	\$ 298,562	\$ 41,808	\$ 6,274,190

City of Mulvane, Kansas
Combining Schedule of Revenues, Expenditures, and Changes in Fund Bal - Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Library	Special Liability	Industrial Development	Senior Citizens	Special Highway	Special Park and Recreation	Storm Sewer Fee	Swimming Pool
Revenues								
Taxes	\$ 428,505	\$ 8,193	\$ (888)	\$ -	\$ 244,982	\$ 127,636	\$ -	\$ -
Intergovernmental revenues	-	-	-	40,132	-	-	-	-
Charges for services	-	-	-	3,815	-	-	43,830	57,713
Miscellaneous	-	483	-	-	40	-	-	-
Grants and contributions	-	-	-	-	-	-	-	-
Total revenues	428,505	8,676	(888)	43,947	245,022	127,636	43,830	57,713
Expenditures								
Current								
General government	-	17,629	-	-	-	-	-	-
Highways and streets	-	-	-	-	139,534	-	1,917	-
Culture and recreations	505,046	-	-	77,749	-	140,408	-	147,737
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Debt Service								
Capital Outlay	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Total expenditures	505,046	17,629	-	77,749	139,534	140,408	1,917	147,737
Revenues over (under) expenditures	(76,541)	(8,953)	(888)	(33,802)	105,488	(12,772)	41,913	(90,024)
Other Financing Sources (Uses)								
General obligation refunding bonds issued	-	-	-	-	-	-	-	-
Premium on general obligation refunding bonds	-	-	-	-	-	-	-	-
PMIB loans issued	203,860	2,924	3,264	-	-	-	-	-
Transfers in	-	258,301	-	35,000	-	-	-	90,000
Total other financing sources (uses)	203,860	261,225	3,264	35,000	-	-	-	90,000
Net Change in Fund Balances	127,319	252,272	2,376	1,198	105,488	(12,772)	41,913	(24)
Fund Balances, Beginning, as previously reported	8,586	-	182,032	564	179,832	93,826	390,662	3,111
Prior period adjustment	-	-	-	-	-	-	-	-
Fund Balance, Beginning, restated	8,586	-	182,032	564	179,832	93,826	390,662	3,111
Fund Balances, Ending	\$ 135,905	\$ 252,272	\$ 184,408	\$ 1,762	\$ 285,320	\$ 81,054	\$ 432,575	\$ 3,087

City of Mulvane, Kansas
Combining Schedule of Revenues, Expenditures, and Changes in Fund Bal - Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Special Alcohol	Transient Guest Tax	Library Sales Tax	1% Sales Tax	ARPA Grant	Payroll Clearing	Employee Flexible Spending	Total Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ -	\$ 438,947	\$ 3,948	\$ 402,745	\$ -	\$ -	\$ -	\$ 1,654,068
Intergovernmental revenues	-	-	-	-	-	-	-	40,132
Charges for services	-	-	-	-	-	-	-	105,358
Miscellaneous	-	-	-	-	-	-	-	523
Grants and contributions	-	-	-	-	95,398	-	-	95,398
Total revenues	-	438,947	3,948	402,745	95,398	-	-	1,895,479
Expenditures								
Current								
General government	-	-	-	9,562	95,398	-	-	122,589
Highways and streets	-	-	-	45,198	-	-	-	186,649
Culture and recreations	-	-	36,363	-	-	-	-	907,303
Health and welfare	3,970	-	-	-	-	-	-	3,970
Economic development	-	192,262	-	-	-	-	-	192,262
Debt Service								
Capital Outlay	-	-	-	732,493	-	-	-	732,493
Issuance costs	-	-	-	51,720	-	-	-	51,720
Total expenditures	3,970	192,262	36,363	838,973	95,398	-	-	2,196,986
Revenue over (under) expenditures	(3,970)	246,685	(32,415)	(436,228)	-	-	-	(301,507)
Other Financing Sources (Uses)								
General obligation refunding bonds issued	-	-	-	2,525,000	-	-	-	2,525,000
Premium on general obligation refunding bonds	-	-	-	204,389	-	-	-	204,389
PMIB loans issued	-	-	-	-	-	-	-	210,048
Transfers in	-	-	-	-	-	-	-	383,301
Total other financing sources (uses)	-	-	-	2,729,389	-	-	-	3,322,738
Net Change in Fund Balances	(3,970)	246,685	(32,415)	2,293,161	-	-	-	3,021,231
Fund Balances, Beginning, as previously reported	56,317	300,200	316,481	-	-	-	-	1,531,611
Prior period adjustment	-	-	-	-	-	-	-	-
Fund Balance, Beginning, restated	56,317	300,200	316,481	-	-	-	-	1,531,611
Fund Balances, Ending	\$ 52,347	\$ 546,885	\$ 284,066	\$ 2,293,161	\$ -	\$ -	\$ -	\$ 4,552,842

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Capital Project Funds
December 31, 2022

	Capital Improvement Reserve	Municipal Equipment Reserve	Mulvane Street Drainage	Sewer Injection Plant	Homestead Senior Housing	Capital Projects	Total
Assets							
Cash and short-term investments	\$ 627,330	\$ 511,455	\$ -	\$ -	\$ -	\$ -	\$ 1,138,785
Taxes receivable	47,204	-	-	-	-	-	47,204
Total assets	674,534	511,455	-	-	-	-	1,185,989
Liabilities, Deferred Inflows and Fund Balances							
Deferred inflows of resources							
Property taxes receivable	47,204	-	-	-	-	-	47,204
Fund balance (deficit)							
Restricted							
Capital improvements	627,330	-	-	-	-	-	627,330
Assigned							
Capital outlay	-	511,455	-	-	-	-	511,455
Total fund balance	627,330	511,455	-	-	-	-	1,138,785
Total liabilities, deferred inflows and funds balance	\$ 674,534	\$ 511,455	\$ -	\$ -	\$ -	\$ -	\$ 1,185,989

City of Mulvane, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- Nonmajor Capital Project Funds
Year Ended December 31, 2022

	<u>Capital Improvement Reserve</u>	<u>Municipal Equipment Reserve</u>	<u>Mulvane Street Drainage</u>	<u>Sewer Injection Plant</u>	<u>Homestead Senior Housing</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	276,423	-	-	-	276,423
Total revenues	-	-	276,423	-	-	-	276,423
Expenditures							
Capital outlay	64,201	16,858	28,699	-	-	62,524	172,282
Total expenditures	64,201	16,858	28,699	-	-	62,524	172,282
Expenditures over (under) revenues	(64,201)	(16,858)	247,724	-	-	(62,524)	104,141
Other financing sources (uses)							
PMIB loans issued	177,316	-	-	-	-	-	177,316
Transfers in	-	-	-	-	7,179	-	7,179
Transfers out	-	-	-	(129,405)	-	-	(129,405)
	177,316	-	-	(129,405)	7,179	-	55,090
Change in fund balance	113,115	(16,858)	247,724	(129,405)	7,179	(62,524)	159,231
Fund Balance, Beginning, as previously reported	514,215	528,313	(247,724)	129,405	(7,179)	(1,952,476)	(1,035,446)
Prior period adjustment	-	-	-	-	-	2,015,000	2,015,000
Fund Balance, Beginning, restated	514,215	528,313	(247,724)	129,405	(7,179)	62,524	979,554
Fund Balance, Ending	<u>\$ 627,330</u>	<u>\$ 511,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,138,785</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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 499,734	\$ 499,734	\$ 428,505	\$ (71,229)
Bond proceeds	-	-	203,860	203,860
Total revenues	499,734	499,734	632,365	132,631
Expenditures				
Appropriations to Library Board	506,450	506,450	505,046	1,404
Total expenditures	506,450	506,450	505,046	1,404
Revenues over (under) expenditures	(6,716)	(6,716)	127,319	134,035
Fund Balances, Beginning	6,716	6,716	8,586	1,870
Fund Balances, Ending	\$ -	\$ -	\$ 135,905	\$ 135,905

City Of Mulvane, Kansas
Special Liability Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,521	\$ 9,521	\$ 8,649	\$ (872)
Bond proceeds	-	-	2,924	2,924
Transfers in	-	-	258,301	258,301
Total revenues	9,521	9,521	269,874	260,353
Expenditures				
Legal services	110,000	110,000	17,921	92,079
Total expenditures	110,000	110,000	17,921	92,079
Revenues over (under) expenditures	(100,479)	(100,479)	251,953	352,432
Fund Balances, Beginning	100,479	100,479	-	(100,479)
Fund Balances, Ending	\$ -	\$ -	\$ 251,953	\$ 251,953

**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, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,006	\$ 1,006	\$ (889)	\$ (1,895)
Bond proceeds	-	-	3,265	3,265
Total revenues	1,006	1,006	2,376	1,370
Expenditures				
Capital Outlay	179,000	179,000	-	179,000
Total expenditures	179,000	179,000	-	179,000
Revenues over (under) expenditures	(177,994)	(177,994)	2,376	180,370
Fund Balances, Beginning	177,994	177,994	182,032	4,038
Fund Balances, Ending	\$ -	\$ -	\$ 184,408	\$ 184,408

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 18,980	\$ 18,980	\$ 40,132	\$ 21,152
Charges for services	1,500	1,500	10,414	8,914
Miscellaneous	500	500	-	(500)
Transfers in	75,000	75,000	35,000	(40,000)
Total revenues	95,980	95,980	85,546	(10,434)
Expenditures				
Operating expenditures	97,654	97,654	84,348	13,306
Total expenditures	97,654	97,654	84,348	13,306
Revenues over (under) expenditures	(1,674)	(1,674)	1,198	2,872
Fund Balances, Beginning	11,674	11,674	565	(11,109)
Fund Balances, Ending	\$ 10,000	\$ 10,000	\$ 1,763	\$ (8,237)

**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, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 228,210	\$ 228,210	\$ 250,409	\$ 22,199
Total revenues	228,210	228,210	250,409	22,199
Expenditures				
Street operations	300,000	300,000	140,955	159,045
Capital outlay	72,943	72,943	3,966	68,977
Total expenditures	372,943	372,943	144,921	228,022
Revenues over (under) expenditures	(144,733)	(144,733)	105,488	250,221
Fund Balances, Beginning	144,733	144,733	179,832	35,099
Fund Balances, Ending	\$ -	\$ -	\$ 285,320	\$ 285,320

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Liquor tax	\$ 96,618	\$ 96,618	\$ 127,636	\$ 31,018
Total revenues	96,618	96,618	127,636	31,018
Expenditures				
Culture and recreations	96,618	96,618	95,972	646
Total expenditures	96,618	96,618	95,972	646
Revenues over (under) expenditures	-	-	31,664	31,664
Fund Balances, Beginning	-	-	66	66
Fund Balances, Ending	\$ -	\$ -	\$ 31,730	\$ 31,730

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 40,000	\$ 40,000	\$ 43,711	\$ 3,711
Miscellaneous	-	-	575	575
Total revenues	40,000	40,000	44,286	4,286
Expenditures				
Highways and streets	176,089	176,089	2,493	173,596
Total expenditures	176,089	176,089	2,493	173,596
Revenues over (under) expenditures	(136,089)	(136,089)	41,793	177,882
Fund Balances, Beginning	136,089	136,089	384,754	248,665
Fund Balances, Ending	\$ -	\$ -	\$ 426,547	\$ 426,547

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 58,000	\$ 58,000	\$ 57,713	\$ (287)
Transfers in	110,000	110,000	90,000	(20,000)
Total revenues	168,000	168,000	147,713	(20,287)
Expenditures				
Swimming pool operations	183,960	183,960	147,737	36,223
Total expenditures	183,960	183,960	147,737	36,223
Revenues over (under) expenditures	(15,960)	(15,960)	(24)	15,936
Fund Balances, Beginning	15,960	15,960	3,111	(12,849)
Fund Balances, Ending	\$ -	\$ -	\$ 3,087	\$ 3,087

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Liquor tax	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Awareness programs	25,000	25,000	3,970	21,030
Total expenditures	25,000	25,000	3,970	21,030
Revenues over (under) expenditures	(25,000)	(25,000)	(3,970)	21,030
Fund Balances, Beginning	53,085	53,085	56,317	3,232
Fund Balances, Ending	\$ 28,085	\$ 28,085	\$ 52,347	\$ 24,262

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Transient guest tax	\$ 200,000	\$ 200,000	\$ 373,238	\$ 173,238
Total revenues	200,000	200,000	373,238	173,238
Expenditures				
Contractual services	200,000	200,000	192,262	7,738
Total expenditures	200,000	200,000	192,262	7,738
Revenues over (under) expenditures	-	-	180,976	180,976
Fund Balances, Beginning	-	-	216,590	216,590
Fund Balances, Ending	\$ -	\$ -	\$ 397,566	\$ 397,566

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sales tax	\$ -	\$ -	\$ 8,179	\$ 8,179
Total revenues	-	-	8,179	8,179
Expenditures				
Debt service - lease payment	125,873	125,873	-	125,873
Miscellaneous	-	-	36,363	(36,363)
Total expenditures	125,873	125,873	36,363	89,510
Revenues over (under) expenditures	(125,873)	(125,873)	(28,184)	97,689
Fund Balances, Beginning	125,873	125,873	312,250	186,377
Fund Balances, Ending	\$ -	\$ -	\$ 284,066	\$ 284,066

City Of Mulvane, Kansas
1% Sales Tax
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sales tax	\$ -	\$ 250,000	\$ 318,635	\$ 68,635
Bond proceeds	-	2,525,000	2,715,402	190,402
Total revenues	-	2,775,000	3,034,037	259,037
Expenditures				
Capital outlay	-	1,595,000	859,724	735,276
Miscellaneous	-	-	9,562	(9,562)
Total expenditures	-	1,595,000	869,286	725,714
Revenues over (under) expenditures	-	1,180,000	2,164,751	984,751
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ 1,180,000	\$ 2,164,751	\$ 984,751

City Of Mulvane, Kansas
ARPA Grant Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2022

	Actual Amounts Budgetary Basis
Revenues	
Grants and contributions	\$ 95,398
Total revenues	<u>95,398</u>
Expenditures	
General government	<u>95,398</u>
Total expenditures	<u>95,398</u>
Revenues over (under) expenditures	-
Fund Balances, Beginning, as previously reported	-
Prior period adjustment	<u>-</u>
Fund Balance, Beginning, restated	-
Fund Balances, Ending	<u><u>\$ -</u></u>

City Of Mulvane, Kansas
Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 88,121	\$ 88,121	\$ -	\$ (88,121)
Bond proceeds	-	-	177,316	177,316
Total revenues	88,121	88,121	177,316	89,195
Expenditures				
Capital outlay	400,000	400,000	32,300	367,700
Total expenditures	400,000	400,000	32,300	367,700
Revenues over (under) expenditures	(311,879)	(311,879)	145,016	456,895
Fund Balances, Beginning	311,879	311,879	514,215	202,336
Fund Balances, Ending	\$ -	\$ -	\$ 659,231	\$ 659,231

City Of Mulvane, Kansas
Debit Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 546,316	\$ 546,316	\$ 336,708	\$ (209,608)
Special assessments	1,800,000	1,800,000	1,895,474	95,474
Bond proceeds	-	-	393,786	393,786
Total revenues	<u>2,346,316</u>	<u>2,346,316</u>	<u>2,625,968</u>	<u>279,652</u>
Expenditures				
Bond principal	1,885,655	1,885,655	1,885,655	-
Bond interest and commission	560,814	560,814	528,850	31,964
Cost of issuance	-	-	-	-
Cash basis reserve	15,000	15,000	-	15,000
Total expenditures	<u>2,461,469</u>	<u>2,461,469</u>	<u>2,414,505</u>	<u>46,964</u>
Revenues over (under) expenditures	(115,153)	(115,153)	211,463	326,616
Fund Balances, Beginning	<u>115,153</u>	<u>115,153</u>	<u>216,355</u>	<u>101,202</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,818</u>	<u>\$ 427,818</u>

Enterprise Funds

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 5,113,933	\$ 5,113,933	\$ 6,196,993	\$ 1,083,060
Use of money and property	40,000	40,000	-	(40,000)
Miscellaneous	20,000	20,000	10,388	(9,612)
Total revenues	<u>5,173,933</u>	<u>5,173,933</u>	<u>6,207,381</u>	<u>1,033,448</u>
Expenditures				
Operations	5,012,793	5,012,793	5,022,274	(9,481)
Capital outlay	205,000	205,000	183,594	21,406
Debt service	325,000	325,000	332,745	(7,745)
Total expenditures	<u>5,542,793</u>	<u>5,542,793</u>	<u>5,538,613</u>	<u>4,180</u>
Revenues over (under) expenditures	(368,860)	(368,860)	668,768	1,037,628
Fund Balances, Beginning	<u>3,329,905</u>	<u>3,329,905</u>	<u>4,629,083</u>	<u>1,299,178</u>
Fund Balances, Ending	<u>\$ 2,961,045</u>	<u>\$ 2,961,045</u>	<u>\$ 5,297,851</u>	<u>\$ 2,336,806</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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,102,785	\$ 1,102,785	\$ 1,134,705	\$ 31,920
Bond proceeds	2,400,000	2,400,000	-	(2,400,000)
Total revenues	<u>3,502,785</u>	<u>3,502,785</u>	<u>1,134,705</u>	<u>(2,368,080)</u>
Expenditures				
Operations	1,256,712	1,256,712	1,055,028	201,684
Capital outlay	2,850,000	2,850,000	51,157	2,798,843
Debt service	6,700	6,700	34,357	(27,657)
Total expenditures	<u>4,113,412</u>	<u>4,113,412</u>	<u>1,140,542</u>	<u>2,972,870</u>
Revenues over (under) expenditures	(610,627)	(610,627)	(5,837)	604,790
Fund Balances, Beginning	<u>1,187,246</u>	<u>1,187,246</u>	<u>1,356,528</u>	<u>169,282</u>
Fund Balances, Ending	<u>\$ 576,619</u>	<u>\$ 576,619</u>	<u>\$ 1,350,691</u>	<u>\$ 774,072</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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,833,000	\$ 1,833,000	\$ 1,687,146	\$ (145,854)
Use of money and property	15,000	15,000	-	(15,000)
Miscellaneous	10,000	10,000	6,559	(3,441)
Total revenues	1,858,000	1,858,000	1,693,705	(164,295)
Expenditures				
Operations	1,322,440	1,322,440	1,227,736	94,704
Capital outlay	280,000	280,000	109,889	170,111
Debt service	580,000	580,000	571,290	8,710
Total expenditures	2,182,440	2,182,440	1,908,915	273,525
Adjustments for qualifying budget credits	-	-	-	-
Total expenditures and credits	2,182,440	2,182,440	1,908,915	273,525
Revenues over (under) expenditures	(324,440)	(324,440)	(215,210)	109,230
Fund Balances, Beginning	1,553,059	1,553,059	1,646,152	93,093
Fund Balances, Ending	\$ 1,228,619	\$ 1,228,619	\$ 1,430,942	\$ 202,323

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.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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

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

	Fiscal Year									
	2013 Amount	2014 Amount	2015 Amount	2016 Amount	2017 Amount	2018 Amount	2019 Amount	2020 Amount	2021 Amount	2022 Amount
Governmental activities										
Net investment in capital assets	\$ 1,923,151	\$ 3,659,539	\$ (3,125,468)	\$ (1,597,973)	\$ 1,034,051	\$ 325,720	\$ 2,841,055	\$ 4,576,371	\$ 6,211,435	2,444,409
Restricted for:										
Debt service	20,186,897	19,004,749	17,035,947	15,513,868	14,556,981	12,864,822	14,101,663	12,477,711	11,094,526	\$ 11,037,807
Capital Improvements	120,116	245,467	280,568	799,708	95,323	193,378	395,939	499,716	514,215	3,431,946
General government	470,251	205,676	138,559	40,196	156,235	275,702	275,542	263,928	269,234	252,272
Employee Benefits	117,642	903,319	1,308,689	821,572	306,691	194,063	122,858	192,444	205,134	699,638
Parks and recreation	394,800	287,970	528,310	832,185	945,165	1,179,447	577,767	757,871	418,893	505,874
Economic Development	125,077	437,536	488,678	499,479	475,272	518,714	461,572	315,976	482,232	731,293
Street Maintenance	373,437	15,414	37,791	82,963	92,191	52,293	55,938	131,550	179,832	717,895
Public safety	30,732	-	-	-	-	-	-	-	-	-
Health and Welfare	44,587	59,373	81,665	106,878	70,969	87,977	58,421	58,085	56,317	52,347
Unrestricted	3,350,087	3,283,535	1,872,601	2,245,722	598,792	1,579,488	850,605	908,356	1,742,608	1,476,927
Total governmental activities net position	<u>\$ 27,136,777</u>	<u>\$ 28,102,578</u>	<u>\$ 18,647,340</u>	<u>\$ 19,344,598</u>	<u>\$ 18,331,670</u>	<u>\$ 17,271,604</u>	<u>\$ 19,741,360</u>	<u>\$ 20,182,008</u>	<u>\$ 21,174,426</u>	<u>\$ 21,350,408</u>
Business-type activities										
Net investment in capital assets	22,516,919	22,521,469	30,478,002	30,038,002	30,795,123	31,574,138	31,325,225	31,982,415	28,803,220	28,492,696
Restricted for Debt Service	3,009,366	2,956,153	133,838	-	-	-	-	-	-	-
Unrestricted	2,600,777	2,777,796	4,778,601	5,671,807	5,769,899	6,226,438	6,919,091	6,596,841	10,223,303	10,395,236
Total business-type activities	<u>\$ 28,127,062</u>	<u>\$ 28,255,418</u>	<u>\$ 35,390,441</u>	<u>\$ 35,709,809</u>	<u>\$ 36,565,022</u>	<u>\$ 37,800,576</u>	<u>\$ 38,244,316</u>	<u>\$ 38,579,256</u>	<u>\$ 39,026,523</u>	<u>\$ 38,887,932</u>
Primary government										
Net investment in capital assets	24,440,070	26,181,008	27,352,534	28,440,029	31,829,174	31,899,858	34,166,280	36,558,786	35,014,655	30,937,105
Restricted	24,402,654	24,115,657	20,034,045	18,696,849	16,698,827	15,366,396	16,049,700	14,697,281	13,220,383	17,429,072
Unrestricted	5,950,864	6,061,331	6,651,202	7,917,529	6,368,691	7,805,926	7,769,696	7,505,197	11,965,911	11,872,163
Total primary government	<u>\$ 54,793,588</u>	<u>\$ 56,357,996</u>	<u>\$ 54,037,781</u>	<u>\$ 55,054,407</u>	<u>\$ 54,896,692</u>	<u>\$ 55,072,180</u>	<u>\$ 57,985,676</u>	<u>\$ 58,761,264</u>	<u>\$ 60,200,949</u>	<u>\$ 60,238,340</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 1,120,120	\$ 1,297,410	\$ 1,515,897	\$ 1,782,897	\$ 2,151,881	\$ 1,179,135	\$ 1,177,761	\$ 1,138,868	\$ 1,582,696	\$ 2,339,991
Public safety	2,846,130	2,880,502	3,138,385	3,584,483	3,733,737	4,316,866	4,572,523	4,501,353	4,768,021	4,036,043
Highways and Streets	1,538,787	2,392,668	1,527,136	1,665,590	2,320,717	2,361,133	2,366,506	2,287,801	2,242,816	2,478,010
Health Sanitation	45,963	52,180	39,130	39,130	106,129	600	29,556	123,426	1,768	4,046
Culture and Recreation	962,253	881,440	1,560,950	1,622,079	1,432,675	1,454,413	2,298,566	1,432,248	1,874,437	1,199,323
Economic Development	49,927	219,093	291,281	340,265	343,545	256,058	404,942	372,574	168,600	315,449
Environmental Protection	739	1,099	233	233	308	615	478	849	311	33
Interest on long term debt	875,012	814,828	1,072,292	710,073	734,791	746,287	769,278	548,577	436,005	611,614
Total governmental activities expenses	<u>\$ 7,438,931</u>	<u>\$ 8,539,220</u>	<u>\$ 9,145,304</u>	<u>\$ 9,744,750</u>	<u>\$ 10,823,783</u>	<u>\$ 10,315,107</u>	<u>\$ 11,619,610</u>	<u>\$ 10,405,696</u>	<u>\$ 11,074,654</u>	<u>\$ 10,984,509</u>
Business-type activities:										
Electric Utility	\$ 4,268,774	\$ 4,995,057	\$ 4,738,239	\$ 4,742,936	\$ 4,768,801	\$ 5,013,606	\$ 4,648,838	\$ 4,271,131	\$ 4,508,880	\$ 5,601,470
Water Utility	914,372	1,018,362	1,291,157	1,214,150	1,251,030	1,299,081	1,238,769	1,261,213	1,328,770	1,370,943
Wastewater Utility	1,698,378	1,670,390	1,593,965	1,687,656	1,556,034	1,633,447	1,672,720	1,670,964	1,836,601	2,447,920
Total business-type activities expenses	<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>	<u>\$ 7,560,327</u>	<u>\$ 7,203,308</u>	<u>\$ 7,674,251</u>	<u>\$ 9,420,333</u>
Total primary government expenses	<u>\$ 14,320,455</u>	<u>\$ 16,223,029</u>	<u>\$ 16,768,665</u>	<u>\$ 17,389,492</u>	<u>\$ 18,399,648</u>	<u>\$ 18,261,241</u>	<u>\$ 19,179,937</u>	<u>\$ 17,609,004</u>	<u>\$ 18,748,905</u>	<u>\$ 20,404,842</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 133,536	\$ 129,915	\$ 126,761	\$ 343,275	\$ 128,893	\$ 158,357	\$ 119,790	\$ 125,653	\$ 196,951	\$ 344,063
Public safety	483,626	535,702	1,071,489	1,094,153	1,143,085	1,123,961	2,033,870	1,048,487	1,470,171	479,620
Highway & Streets	33,840	38,053	31,841	39,126	41,631	42,188	42,435	42,370	43,410	-
Health and Sanitation	-	-	-	-	-	-	-	112,643	44,412	43,830
Culture and Recreation	65,372	61,770	63,402	66,051	64,186	72,271	75,301	6,413	61,774	57,713
Economic Development	203,839	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,749,079	1,298,001	1,889,916	1,733,706	1,378,067	1,724,379	4,538,085	1,822,052	2,159,421	628,279
Capital grants and contributions	204	716,331	723,512	700,756	677,275	673,750	774,806	711,048	476,352	-
Total governmental activities program revenues	<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>	<u>\$ 7,584,287</u>	<u>\$ 3,868,666</u>	<u>\$ 4,452,491</u>	<u>\$ 1,553,505</u>

Continued on next page

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

Business-type activities:

Charges for services

Electric Utility	\$ 4,358,191	\$ 4,859,153	\$ 4,441,803	\$ 4,855,854	\$ 4,812,129	\$ 5,296,701	\$ 5,038,007	\$ 4,553,985	\$ 5,346,807	\$ 6,298,667
Water Utility	1,092,281	1,098,460	1,096,022	1,105,822	1,082,368	1,113,993	1,091,439	1,105,199	1,059,237	1,136,331
Wastewater Utility	1,639,641	1,623,215	1,738,424	1,956,166	1,857,701	1,787,322	1,763,654	1,727,383	1,677,731	1,702,643
Capital grants and contributions	1,651	-	-	-	59,538	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>\$ 7,893,100</u>	<u>\$ 7,386,567</u>	<u>\$ 8,083,775</u>	<u>\$ 9,137,641</u>

Total primary government program revenues	<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>	<u>\$ 15,477,387</u>	<u>\$ 11,255,233</u>	<u>\$ 12,536,266</u>	<u>\$ 10,691,146</u>
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Net (Expense) Revenue

Governmental activities	\$ (4,769,435)	\$ (5,759,448)	\$ (5,238,383)	\$ (5,767,683)	\$ (7,390,646)	\$ (6,520,201)	\$ (4,035,323)	\$ (6,537,030)	\$ (6,622,163)	\$ (9,431,004)
Business-type activities	<u>210,240</u>	<u>(102,981)</u>	<u>(347,112)</u>	<u>273,100</u>	<u>235,871</u>	<u>251,882</u>	<u>332,773</u>	<u>183,259</u>	<u>409,524</u>	<u>(282,692)</u>
Total Primary Government Net Expenses	<u>\$ (4,559,195)</u>	<u>\$ (5,862,429)</u>	<u>\$ (5,585,495)</u>	<u>\$ (5,494,583)</u>	<u>\$ (7,154,775)</u>	<u>\$ (6,268,319)</u>	<u>\$ (3,702,550)</u>	<u>\$ (6,353,771)</u>	<u>\$ (6,212,639)</u>	<u>\$ (9,713,696)</u>

Continued on next page

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

General Revenues & Other Changes in Net Position

Governmental activities:

Taxes

Property Taxes

General Purposes	\$ 2,217,654	\$ 3,751,657	\$ 2,851,045	\$ 2,919,006	\$ 2,346,878	\$ 3,543,583	\$ 2,828,655	\$ 3,924,076	\$ 4,026,556	\$ 5,281,436
Debt Services	371,681	431,877	431,877	818,784	1,606,932	367,703	627,003	541,409	625,427	334,823
Gaming Facility Revenue Sharing	1,926,430	1,784,165	1,832,260	1,806,329	1,798,789	1,819,997	1,864,339	1,414,783	1,729,074	1,587,909
Sales Taxes	661,288	718,740	741,498	690,564	911,338	790,162	837,322	865,772	988,232	1,100,509
Franchise Taxes	244,783	252,328	223,642	201,404	234,263	250,630	254,163	219,852	235,145	258,380
Investment Earnings	10,573	11,660	29,556	38,520	54,518	76,599	93,597	63,237	10,147	-
Transfers	(4,072,237)	(225,178)	(8,318,410)	(10,347)	(575,000)	(1,034,154)	-	(51,451)	-	(122,227)
Total governmental activities general revenues	<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>	<u>6,505,079</u>	<u>6,977,678</u>	<u>7,614,581</u>	<u>\$ 8,440,830</u>

Business-type activities:

Investment earnings

Investment earnings	\$ 3,173	\$ 6,159	\$ 13,152	\$ 35,921	\$ 44,342	\$ 67,645	\$ 110,967	\$ 100,230	\$ 37,743	\$ 21,874
Transfers	4,072,237	225,178	8,318,410	10,347	575,000	1,034,154	-	51,451	-	122,227
Total business-type activities general revenues	<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>	<u>\$ 110,967</u>	<u>\$ 151,681</u>	<u>\$ 37,743</u>	<u>\$ 144,101</u>

Total primary government

Total primary government	<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>	<u>\$ 6,616,046</u>	<u>\$ 7,129,359</u>	<u>\$ 7,652,324</u>	<u>\$ 8,584,931</u>
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Change in Net Position

Governmental Activities

Governmental Activities	\$ (3,409,263)	\$ 965,801	\$ (7,446,915)	\$ 696,577	\$ (1,012,928)	\$ (705,681)	\$ 2,469,756	\$ 440,648	\$ 992,418	\$ (990,174)
Business-type Activities	4,285,650	128,356	7,984,450	319,368	855,213	1,353,681	443,740	334,940	447,267	(138,591)
Total primary government	<u>\$ 876,387</u>	<u>\$ 1,094,157</u>	<u>\$ 537,535</u>	<u>\$ 1,015,945</u>	<u>\$ (157,715)</u>	<u>\$ 648,000</u>	<u>\$ 2,913,496</u>	<u>\$ 775,588</u>	<u>\$ 1,439,685</u>	<u>\$ (1,128,765)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Restricted: Insurance	\$ 117,642	\$ 205,676	\$ 138,559	\$ 401,196	\$ 156,235	\$ 40,196	\$ 275,702	\$ 263,928	\$ 269,234	\$ -
Assigned: General Government	2,781,546	1,408,934	3,643,955	3,009,377	2,946,773	2,692,998	1,979,839	1,655,581	2,075,223	1,741,546
Unassigned	-	1,805,946	-	1,438,247	1,129,253	1,279,140	1,649,750	1,783,720	1,927,627	3,019,939
Total General Fund	<u>\$ 2,899,188</u>	<u>\$ 3,420,556</u>	<u>\$ 3,782,514</u>	<u>\$ 4,848,820</u>	<u>\$ 4,232,261</u>	<u>\$ 4,012,334</u>	<u>\$ 3,905,291</u>	<u>\$ 3,703,229</u>	<u>\$ 4,272,084</u>	<u>\$ 4,761,485</u>
All other governmental funds										
Restricted: Debt Service	\$ 351,859	\$ 603,419	\$ 147,359	\$ 114,268	\$ 601,951	\$ 315,414	\$ 221,115	\$ 131,306	\$ 216,355	\$ 1,364,710
Insurance	-	-	-	-	-	-	-	-	-	252,272
EMS Facility & Equipment	394,800	-	-	-	-	-	-	-	-	-
General Government	470,251	903,319	1,308,689	821,572	306,691	194,063	122,858	192,444	205,134	699,638
Recreation	125,077	287,970	528,310	832,185	945,165	1,179,447	577,767	757,871	418,893	501,025
Health and Welfare	44,587	59,373	81,665	106,878	70,969	87,977	58,421	58,085	56,317	52,347
Economic Development	373,437	437,536	488,678	499,479	475,272	518,714	461,572	315,976	482,232	731,293
Street Improvements	30,732	15,414	37,791	82,963	92,191	52,293	55,938	131,550	179,832	285,320
Capital Improvements	157,667	4,730,162	2,998,388	799,708	95,323	193,378	395,939	499,716	514,215	2,920,491
Committed: Street Improvements	463,229	355,445	306,441	334,764	331,384	311,321	320,007	354,860	390,662	432,575
Parks and recreation	57,172	58,786	68,437	78,602	67,424	3,189	2,460	2,789	3,111	3,087
Capital improvements	7,599,451	-	-	-	-	-	-	-	-	-
Assigned: General Government	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	2,957	2	4,202	6,951	661	1,684	694	273	564	1,762
Capital Outlay	282,651	374,062	286,659	228,787	203,670	381,868	188,642	364,843	528,313	511,455
Unassigned	(249,159)	(799)	(477)	(314,697)	(1,303,181)	241,413	19	-	(2,077,974)	-
Total all other Governmental Funds	<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>	<u>\$ 2,405,432</u>	<u>\$ 2,809,713</u>	<u>\$ 917,654</u>	<u>\$ 7,755,975</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 3,890,550	\$ 5,356,082	\$ 5,717,474	\$ 5,558,969	\$ 5,977,570	\$ 5,816,319	\$ 5,535,220	\$ 6,336,804	\$ 6,527,078	\$ 6,113,130
Special Assessment Taxes	1,825,520	2,080,579	1,716,222	2,113,053	1,721,295	1,964,110	1,951,808	2,009,364	1,932,333	1,882,566
Intergovernmental	2,528,703	2,697,818	2,537,254	2,476,111	2,464,974	2,544,760	2,630,805	2,467,115	2,495,485	2,120,790
Licenses and permits	341,642	342,885	330,161	294,594	281,645	300,959	299,158	279,543	296,433	327,322
Charges for Services	304,186	339,117	343,678	383,857	446,216	449,633	424,845	335,478	379,012	459,289
Fines and Forfeitures	149,907	170,708	209,614	208,008	208,041	190,501	177,256	156,630	163,443	138,615
Grants and Contributions	-	-	-	-	-	-	-	-	521,140	95,398
Use of Money & Property	144,397	149,046	637,884	658,099	657,735	695,680	1,654,182	671,397	1,077,247	-
Other Revenues	31,802	27,672	37,254	247,971	72,949	87,240	84,952	175,607	143,135	380,632
Total revenues	<u>\$ 9,216,707</u>	<u>\$ 11,163,907</u>	<u>\$ 11,529,541</u>	<u>\$ 11,940,662</u>	<u>\$ 11,830,425</u>	<u>\$ 12,049,202</u>	<u>\$ 12,758,226</u>	<u>\$ 12,431,938</u>	<u>\$ 13,535,306</u>	<u>\$ 11,517,742</u>
Expenditures										
General government	\$ 1,174,908	\$ 1,565,701	\$ 1,584,854	\$ 1,832,201	\$ 2,043,947	\$ 1,107,015	\$ 1,095,817	\$ 1,091,419	\$ 1,528,853	\$ 2,258,990
Public safety	2,673,387	3,095,509	2,916,081	3,371,380	3,348,962	4,323,817	4,481,933	4,576,210	4,487,783	3,576,631
Highways and Streets	719,963	781,258	725,994	764,464	1,372,749	1,577,701	1,474,670	1,343,007	1,443,988	1,467,263
Culture and recreation	880,129	939,174	1,453,318	1,374,513	1,277,834	1,258,069	2,134,189	1,374,807	1,623,916	907,303
Environmental Protection	46,702	53,279	39,363	39,250	106,437	1,215	478	849	311	4,003
Economic Development / Health-Sanitation	49,927	219,093	291,281	340,265	343,545	283,558	404,978	353,625	135,519	309,536
Capital outlay	3,249,817	8,698,524	2,051,227	2,715,999	1,851,688	1,811,575	469,774	243,991	2,132,214	904,775
Debt service										
Principal	1,548,308	2,358,336	2,541,373	2,691,997	2,652,213	2,569,921	3,454,278	2,452,675	2,861,567	1,885,646
Issuance costs	-	-	-	-	-	-	-	-	-	147,212
Interest	905,067	690,356	1,228,457	745,175	792,549	779,511	776,026	792,976	673,381	557,543
Total expenditures	<u>\$ 11,248,208</u>	<u>\$ 18,401,230</u>	<u>\$ 12,831,948</u>	<u>\$ 13,875,244</u>	<u>\$ 13,789,924</u>	<u>\$ 13,712,382</u>	<u>\$ 14,292,143</u>	<u>\$ 12,229,559</u>	<u>\$ 14,887,532</u>	<u>\$ 12,018,902</u>
Revenues over (under) Expenditures	\$ (2,031,501)	\$ (7,237,323)	\$ (1,302,407)	\$ (1,934,582)	\$ (1,959,499)	\$ (1,663,180)	\$ (1,533,917)	\$ 202,379	\$ (1,352,226)	\$ (501,160)

Continued on next page

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

Other financing sources (uses)										
Bond and Loan Proceeds	\$ 8,225,000	\$ 5,393,047	\$ 2,543,576	\$ 8,330,000	\$ -	\$ 3,205,000	\$ 8,335,545	\$ -	\$ 1,721,412	\$ 4,589,650
Premium and Go Bonds Issues	63,929	37,172	21,183	643,885	-	67,000	827,486	-	104,163	284,151
Premium on PBC Revenue Bonds Issued	-	74,450	-	-	-	-	-	-	-	-
PMIB loans issued	-	-	-	-	-	-	-	-	-	2,132,746
Payment to Escrow Agent	-	-	(2,468,941)	(8,998,679)	-	-	(9,047,152)	-	(1,796,553)	(2,020,239)
Transfers in	743,950	489,148	182,887	458,311	125,000	422,647	162,238	226,500	-	390,480
Transfers out	(713,950)	(515,148)	(182,887)	(458,311)	(125,000)	(422,647)	(162,238)	(226,500)	-	(512,707)
Total other financing sources (uses)	<u>\$ 8,318,929</u>	<u>\$ 5,478,669</u>	<u>\$ 95,818</u>	<u>\$ (24,794)</u>	<u>\$ -</u>	<u>\$ 3,272,000</u>	<u>\$ 115,879</u>	<u>\$ -</u>	<u>\$ 29,022</u>	<u>\$ 4,864,081</u>
Net change in fund balance	<u>\$ 6,287,428</u>	<u>\$ (1,758,654)</u>	<u>\$ (1,206,589)</u>	<u>\$ (1,959,376)</u>	<u>\$ (1,959,499)</u>	<u>\$ 1,608,820</u>	<u>\$ (1,418,038)</u>	<u>\$ 202,379</u>	<u>\$ (1,323,204)</u>	<u>\$ 4,362,921</u>
Debt service as a percentage of non-capital expenditures	30.67%	31.42%	34.97%	30.80%	28.85%	28.14%	31.77%	28.61%	28.24%	20.33%

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

FY	Real Property		Personal Property		Total		Total Direct Tax Rate	Assessed value as a % of Estimated Actual Value
	Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual value		
2013	\$ 90,689,753	\$ 488,497,844	\$ 542,529	\$ 2,018,951	\$ 91,232,282	\$ 490,516,795	41.923%	18.60%
2014	73,772,161	421,192,368	604,247	2,237,952	74,376,408	423,430,320	42.406%	17.57%
2015	80,317,379	446,207,661	594,490	2,201,815	80,911,869	448,409,476	42.406%	18.04%
2016	80,264,699	440,205,239	304,910	1,131,217	80,569,609	441,336,456	46.531%	18.26%
2017	81,925,806	463,252,202	284,286	1,057,963	82,210,092	464,310,165	42.406%	17.71%
2018	86,319,759	479,554,217	295,826	1,047,426	86,615,585	480,601,643	44.247%	18.02%
2019	89,113,156	495,373,893	280,515	1,040,711	89,393,671	496,414,604	46.603%	18.01%
2020	93,333,144	518,187,249	285,353	1,300,200	93,618,497	519,487,449	46.599%	18.02%
2021	94,403,593	528,550,994	266,692	1,326,204	94,670,285	529,877,198	46.590%	17.87%
2022	98,241,208	530,000,000	270,000	1,350,000	98,511,208	531,350,000	4660.000%	18.54%

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**

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
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	8.5070	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	9.5030	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
2019	26.896	5.533	6.632	4.999	0.056	2.437	0.037	46.590	1.500	29.384	64.511	1.429	0.000	143.414
2020	28.761	6.324	6.417	5.001	0.004	0.042	0.050	46.599	1.500	29.376	59.633	1.430	0.000	138.538
2021	28.755	6.323	6.416	5.000	0.004	0.042	0.050	46.590	1.500	29.370	60.944	1.411	0.000	139.815
2022	29.905	6.010	16.033	4.998	0.019	0.485	0.120	57.570	1.500	29.368	61.724	1.411	0.000	151.573

Sumner 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
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
2019	26.896	5.533	6.632	4.999	0.056	2.437	0.037	46.590	1.500	52.375	64.511	1.429	0.000	166.405
2020	28.761	6.324	6.417	5.001	0.004	0.042	0.050	46.599	1.500	52.363	59.633	1.430	0.000	161.525
2021	28.755	6.323	6.416	5.000	0.004	0.042	0.050	46.590	1.500	52.180	60.944	1.411	0.000	162.625
2022	29.905	6.010	16.033	4.998	0.019	0.485	0.120	57.570	1.500	52.216	61.724	1.411	0.000	174.421

Source: Sedgwick County Clerk
Sumner County Clerk

**City Of Mulvane, Kansas
Principal Property Taxpayers
Current Year and Nine Years Prior**

2022			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sedgwick County:			
Kansas Gas - A Division Of One Gas	\$ 470,169	1	0.97%
Country Walk DG Prattville LLC	457,126	2	0.94%
Larry J Fugate	220,115	3	0.45%
Traditional Holding Company LLC	203,650	4	0.42%
Pamela Schaefer	197,456	5	0.41%
Casey's Retail Company	196,650	6	0.41%
O'Reilly Auto Enterprises LLC	188,963	7	0.39%
Westfall Mini-Storage LLC	176,276	8	0.36%
Vintage Bank Kansas	155,650	9	0.32%
Carr Properties LLC	131,660	10	0.27%
	<u>\$ 2,397,715</u>		<u>4.95%</u>
Sumner County:			
Kansas Star Casino	\$ 47,400,475	1	44.82%
KSC Lodging, LC	2,503,338	2	2.37%
Mulvane Coop Union	249,680	4	0.24%
Winedoc Invest, LLC	212,698	5	0.20%
Individual Trust	187,643	6	0.18%
Dabitojo Dev, LLC	175,938	3	0.17%
Carson Bank	167,004	8	0.16%
BNSF	157,512	7	0.15%
Kansas Gas Service	148,086	9	0.14%
Central Plains	139,699	10	0.13%
	<u>\$ 51,342,073</u>		<u>48.55%</u>

Continued on next page

**City Of Mulvane, Kansas
Principal Property Taxpayers (Continued)
Current Year and Nine Years Prior**

2013

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sedgwick County:			
Kansas Gas Service	\$ 297,815	1	0.33%
Mulvane Housing Associated LP	252,701	2	0.28%
Fugate J. Larry	228,413	3	0.25%
Casey's Retail Company	163,298	4	0.18%
Prairie State Bank	161,815	5	0.18%
Carr Properties	126,400	6	0.14%
BNSF	118,468	7	0.13%
Carro Antonio L MD	117,325	8	0.13%
Westfall Ray W & Sharron	112,975	9	0.12%
Schaefer David A & Pamela A	107,576	10	0.12%
	<u>\$ 1,686,786</u>		<u>1.86%</u>
Sumner County:			
Kansas Star Casino	\$ 56,500,000	1	61.93%
KSC Lodging, LC	2,575,000	2	2.82%
Brewer, John A	241,549	3	0.26%
Ratzlaff Properties, LLC	198,783	4	0.22%
Pearl St Duplex	172,251	5	0.19%
Mulvane State Bank	150,977	6	0.17%
Mulvane Coop Union	134,686	7	0.15%
BNSF	112,660	8	0.12%
Pedergraft Properties	111,671	9	0.12%
Union Pacific	108,907	10	0.12%
	<u>\$ 60,306,484</u>		<u>66.10%</u>

Source: Sedgwick County Clerk
Sumner County Clerk

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years *	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
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%
2019	4,022,772	3,963,308	98.52%	21,013	3,984,321	99.04%
2020	4,348,245	4,123,809	94.84%	28,824	4,152,633	95.50%
2021	4,399,025	4,308,574	97.94%	175,025	4,483,599	101.92%
2022	5,655,794	3,454,678	61.08%	71,156	3,525,834	62.34%

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
(Accrual Basis of Accounting)

Governmental Activities						
FY	General Obligation Bonds	Public Building Commission Revenue Bonds	Temporary Notes	Notes Payable	Unamortized Premium on Bonds	PMIB Loans
2013	\$ 31,561,590	\$ 870,000	\$ 715,000	\$ 18,746	\$ 59,292	\$ -
2014	30,510,047	4,975,000	-	-	148,861	-
2015	28,711,252	4,485,000	-	-	145,214	-
2016	26,199,255	3,990,000	315,000	-	690,962	-
2017	24,052,043	3,485,000	2,515,000	-	595,182	-
2018	24,207,122	3,965,000	-	-	567,072	-
2019	21,447,611	2,530,000	-	-	1,202,596	-
2020	19,534,936	1,990,000	-	-	1,016,643	-
2021	17,617,939	1,000,000	2,015,000	-	885,564	-
2022	20,321,943	1,000,000	-	-	994,553	2,132,746

Business Type Activities						
FY	Revenue Bonds	G.O. Bonds Secured by Enterprise Funds	Unamortized Premium on G.O. Bonds Secured by Enterprise Bonds	Total Primary Government	% of Personal Income	Per Capita
2013	\$ 4,535,000	\$ 5,531,410	\$ -	\$ 43,293,051	26.83%	\$ 6,908
2014	4,450,000	4,896,953	-	44,982,875	25.71%	7,155
2015	1,200,000	7,353,748	22,011	41,919,240	23.04%	6,665
2016	-	7,603,745	89,018	38,889,996	21.09%	6,159
2017	-	6,738,957	67,942	37,456,141	20.15%	5,890
2018	-	5,805,878	49,828	34,596,918	18.15%	5,392
2019	-	4,897,389	34,665	30,114,280	15.61%	4,618
2020	-	4,050,064	22,484	26,616,147	15.12%	4,403
2021	-	5,912,062	135,173	27,567,759	13.85%	4,185
2022	-	5,198,057	121,621	29,770,942	13.40%	4,089

City Of Mulvane, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Year	General Obligation Bonds	Premium on General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Property	Net Bonded Debt Per Capita
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
2019	26,345,000	1,210,110	221,115	27,333,995	5.51%	4,192
2020	23,585,000	1,039,127	131,306	24,492,821	4.71%	4,052
2021	23,530,000	1,020,737	216,355	24,334,382	4.59%	3,694
2022	25,520,000	1,116,174	427,818	26,208,356	4.93%	3,928

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

City Of Mulvane, Kansas
Direct and Estimated Overlapping Governmental Activities Debt

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>City's % Applicable</u>	<u>City's Amount of Overlapping Debt</u>
Estimated Overlapping Debt:			
Sedgwick County	\$ 38,937,000	0.71%	\$ 276,453
Sumner County	15,062,000	19.36%	2,916,003
School District #263	<u>6,180,000</u>	36.00%	<u>2,224,800</u>
Total Estimated Overlapping Debt	60,179,000	9.00%	5,417,256
City's Direct Debt	<u>25,520,000</u>	100.00%	<u>25,520,000</u>
Total Direct and Overlapping Debt	<u>\$ 85,699,000</u>	36.10%	<u>\$ 30,937,256</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: Raymond James & Associates

**City Of Mulvane, Kansas
Legal Debt Margin
Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 29,369,725	\$ 24,380,456	\$ 26,330,743	\$ 26,006,095	\$ 26,505,045	\$ 28,078,263	\$ 29,077,143	\$ 30,273,329	\$ 28,165,000	\$ 31,728,047
Total Net Debt Applicable to limit	<u>3,961,945</u>	<u>3,667,956</u>	<u>3,590,157</u>	<u>3,525,047</u>	<u>3,861,518</u>	<u>3,469,361</u>	<u>3,349,151</u>	<u>2,643,873</u>	<u>3,515,547</u>	<u>4,723,667</u>
Legal Debt margin	25,407,780	20,712,500	22,740,586	22,481,048	22,643,527	24,608,902	25,727,992	27,629,456	24,649,453	27,004,380
Total Net Debt Applicable to limit as a percentage of Debt Limit	13%	15%	14%	14%	15%	12%	12%	9%	12%	15%

Legal Debt Margin Calculation for 2022

Assessed Value	\$ 98,241,208
Motor-Vehicle K.S.A. 79-5113	<u>7,518,949</u>
Total Assessed Value	<u>\$ 105,760,157</u>
Debt Limit-Approximately 30% of Assessed Value (K.S.A.10-308)	\$ 31,728,047
Bonded Indebtedness (including temporary notes)	25,520,000
Less Exempt Debt	<u>20,796,332</u>
Total Amount Applicable to Debt Limit	<u>4,723,668</u>
Legal Debt Margin	<u>\$ 27,004,379</u>

Source: City Financials
Raymond James & Associates

City Of Mulvane, Kansas
Electric Revenue Bonds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Electric Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
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	-	-	-	-
2019	5,101,021	4,164,582	936,439	-	-	-	-
2020	4,604,294	3,768,563	835,731	-	-	-	-
2021	5,355,835	4,039,406	1,316,429	-	-	-	-
2022	6,309,055	5,178,186	1,130,869	-	-	-	-

Source: City Financials

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses
- (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
(Accrual Basis of Accounting)

Water Revenue Bonds

<u>Year</u>	<u>Gross Revenues</u>	<u>Less Operating Expenses (1)</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage (2)</u>
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	-	-	-	-
2019	1,103,930	895,491	208,439	-	-	-	-
2020	1,117,282	913,379	203,903	-	-	-	-
2021	1,063,417	984,734	78,683	-	-	-	-
2022	1,141,258	950,409	190,849	-	-	-	-

Source: City Financials

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses
- (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
(Accrual Basis of Accounting)

Wastewater Revenue Bonds

<u>Year</u>	<u>Gross Revenues</u>	<u>Less Operating Expenses (1)</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage (2)</u>
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	-	-	-	-
2019	1,799,116	963,707	835,409	-	-	-	-
2020	1,765,221	910,656	854,565	-	-	-	-
2021	1,702,266	1,056,968	645,298	-	-	-	-
2022	1,709,202	1,623,255	85,947	-	-	-	-

Source: City Financials

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses
- (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
(Accrual Basis of Accounting)

Storm Water Revenue Bonds

Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
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	-	-	-	-
2019	61,565	46,389	15,176	-	-	-	-
2020	43,288	8,435	34,853	-	-	-	-
2021	43,410	7,608	35,802	-	-	-	-
2022	44,405	2,493	41,912	-	-	-	-

Source: City Financials

- (1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses
- (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 Fiscal Years**

Year	Population	Personal Income (thousands)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate	
						Sedgwick County	Sumner County
2013	6,267	\$ 161,331	\$ 25,743	35.10	1,808	6.20%	6.00%
2014	6,287	174,973	27,831	35.10	1,821	5.40%	4.80%
2015	6,289	181,934	28,929	39.30	1,900	4.80%	4.50%
2016	6,314	184,432	29,210	38.80	1,821	4.40%	4.10%
2017	6,359	185,886	29,232	35.00	1,784	4.20%	3.80%
2018	6,416	190,658	29,716	36.50	1,874	3.80%	3.50%
2019	6,520	192,953	29,594	42.60	1,781	3.50%	3.40%
2020	6,045	176,012	29,117	38.90	1,781	8.50%	8.00%
2021	6,587	199,006	30,212	38.60	2,184	4.60%	4.20%
2022	6,672	222,144	33,295	37.60	1,817	3.10%	3.00%

Source: Kansas Division of Budget
USD #263
U.S. Department of Labor
City Data.com
U.S. Census Bureau
World Population Review
GeoStat.org

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

Employer	2022			2013		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Kansas Star Casino	637	1	9.55%	803	1	12.81%
USD #263	370	2	5.55%	323	2	5.15%
City of Mulvane	92	3	1.38%	75	4	1.20%
Villa Maria Inc	90	4	1.35%	102	3	1.63%
Cowley College	55	5	0.82%	50	5	0.80%
Dillons	45	6	0.67%	45	6	0.72%
Carson Bank	41	7	0.61%	39	7	0.62%
Bufco Engineers	35	8	0.52%	Not Available		
KMI	35	9	0.52%	Not Available		
Ledford Gage Lab	16	10	0.24%	Not Available		
	<u>1,322</u>		<u>21.22%</u>	<u>1,437</u>		<u>22.93%</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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function/Program										
Administration	10	10	8	9	9	9	9	7	10	9
Police Officers	14	14	15	14	15	15	15	15	16	14
Police Dispatchers	6	6	6	6	6	6	6	8	6	6
Emergency Services	19	19	19	20	20	20	20	20	20	20
Public Works	10	10	9	10	12	12	12	12	11	12
Electric	8	8	9	8	7	7	7	7	8	7
Water	4	4	4	4	4	3	3	3	2	2
Wastewater	4	4	4	4	4	4	4	4	4	4
Total	<u>75</u>	<u>75</u>	<u>74</u>	<u>75</u>	<u>77</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>77</u>	<u>74</u>

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

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

Function/ Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Calls for Service	3,813	3,742	4,138	4,202	4,459	4,264	4,387	3,802	3,438	3,489
Moving Citations	721	719	959	921	816	570	663	534	560	447
DUI Arrests	51	25	35	17	22	12	14	21	15	8
Arrests	348	390	424	453	386	352	423	349	442	378
Emergency Services										
Fire & Rescue Calls	408	362	384	426	412	430	462	378	377	563
Ambulance Calls	853	1,003	1,094	1,195	1,263	1,253	1,350	1,168	1,280	1,413
Electric										
New Connections	1	9	7	14	44	16	17	31	26	68
Average Daily Usage (mWh/Day)	114	116	115	114	122	124	124	93	97	105
Peak Daily Usage (KW)	13,200	13,000	12,700	12,800	13,200	12,800	12,800	10,270	10,996	11,204
Water										
New Connections	2	9	7	14	29	13	18	9	29	65
Average Daily Consumption (Gallons)	530,836	544,368	594,296	496,153	497,916	514,068	491,983	441,411	456,000	488,148
Peak Daily Consumption (Gallons)	1,110,000	1,003,000	1,211,000	888,060	1,020,000	1,104,000	876,030	866,000	866,000	1,095,000
Wastewater										
Average Daily Sewage Treatment	438,419	451,320	434,833	446,000	419,712	474,610	516,380	422,537	405,959	391,863

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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/ Program										
Police										
Police Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	11	11	11	11	11	11	11	11	11	11
Fire/EMS										
Fire Station	1	2	2	2	2	2	2	2	2	2
Fire & Rescue Trucks	12	12	12	12	12	12	12	12	12	12
Ambulances	3	3	4	4	4	4	4	4	4	4
Parks & Recreation										
Acreage	70	70	70	70	70	70	70	70	71	71
Neighborhood Parks	16	16	16	16	16	16	16	16	17	17
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
Streets										
Streets (Miles)	38	38	38	38	38	43	43	43	45	45
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Electric										
Power Plant	2	2	2	1	1	1	1	1	1	1
Miles of Line	33	33	33	34	34	34	34	35	36	36
Generating Capacity (kw)	16,600	16,600	16,600	8,200	8,200	8,200	8,200	8,200	4,100	4,100
Water										
Water Mains (Miles)	39	39	39	40	40	40	40	41	41	41
Fire Hydrants	221	221	221	256	256	286	286	294	294	294
Storage Capacity (kgal)	800	800	800	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Wastewater										
Sanitary Sewers (Miles)	34	34	34	35	35	35	35	36	36	36
Storm Sewers (Miles)	1	1	1	17	17	17	17	17	18	18
Treatment Capacity (mgd)	1	1	1	1	1	1	1	0	3	3
Lift Stations	5	5	5	4	4	4	4	4	4	4

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