

**Annual Comprehensive  
Financial Report  
City of Mulvane, Kansas**

*For the Fiscal Year Ended  
December 31, 2021*



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## **INTRODUCTORY SECTION**



December 30, 2022

To the Citizens of the City of Mulvane, Kansas

The Comprehensive Annual Financial Report of the City of Mulvane, Kansas for the year ended December 31, 2021 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 2019, \$8,510,000 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 Comprehensive Annual Financial Report has been prepared in compliance with the accounting principles established by the Governmental Accounting Standards Board and follows the guidelines of Governmental Accounting, Auditing and Financial Reporting. The annual financial report includes an unmodified opinion from its independent auditor retained by the City Council.

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

activities of the Mulvane Public Building Commission are reported as a special revenue fund of the primary government. Discretely presented component units are reported in a separate column in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Mulvane Public Library, the Mulvane Land Bank and the Mulvane Housing Authority are reported as discretely presented component units.

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

## **Awards**

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

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

## **Economic Outlook**

Mulvane is included in the Wichita Metropolitan Area.

Average annual employment in the Wichita metropolitan area contracted by 6 percent in 2020, declining by more than 18,000 workers. Employment fell by approximately 35,000 workers in the second quarter of 2020, the single largest one-quarter employment decline in the area's history. The area's employment grew sharply in the third quarter, adding back more than 13,000 workers, before flattening in the fourth quarter of 2020 and the first quarter of 2021. At a twenty-year low of 3 percent in the fourth quarter of 2019, the unemployment rate increased to 19 percent in April 2020 before declining back to 5.3 percent by March 2021.

The recovery is projected to resume in 2021, with employment expected to increase by 3.1 percent from the fourth quarter of 2020 to the fourth quarter of 2021. Growth is expected to accelerate throughout 2021 as more sectors of the economy are able to return to normal due to increased vaccinations and declining levels of the novel coronavirus in the area. The Wichita economy will remain especially vulnerable to downside risks during the recovery, such as additional disruptions to the already fragile aerospace



manufacturing industry or additional coronavirus mutations that could cause further social distancing to be required.

- The production sectors are forecast to grow their employment by 2.8 percent from the fourth quarter of 2020 to the fourth quarter of 2021 after declining by 11.8 percent in 2020. The construction sector is expected to grow 3.2 percent, exceeding its pre-pandemic employment peak by the fourth quarter of 2021 as the demand for residential construction remains high in the area. The durable goods manufacturing sector is projected to grow 2.8 percent through the fourth quarter as the demand for commercial aircraft begins to resume.
- The trade, transportation, and utilities sector is forecast to be Wichita's fastest-growing in 2021, expanding 4.2 percent from the fourth quarter of 2020 to the fourth quarter of 2021. The wholesale trade is forecast to grow 6.7 percent, while retail trade employment is expected to grow 4.5 percent as retail sales in the area regain some of their 2020 declines. Both sectors are projected to recover significantly from their 2020 job losses but remain modestly below their pre-pandemic employment peaks.
- Employment in the service sector is projected to grow 3.2 percent from the fourth quarter of 2020 to the fourth quarter of 2021, erasing much of the 4.6 percent decline in 2020. The leisure and hospitality sector is expected to see the largest jump in employment, expanding 6.8 percent, due to restaurant and travel activity reaching near-normal levels later in 2021. The financial activities sector and the professional and business services sector are projected to grow 3 and 4 percent by the fourth quarter of 2021, respectively, returning to near their prepandemic peak employment. The health care sector is expected to have the slowest growing service sector, expanding by only 0.6 percent by the fourth quarter of 2021, after experiencing one of the smallest service sector declines in 2020, contracting 1.1 percent.
- Wichita's government sector is projected to increase its employment by 1.8 percent from the fourth quarter of 2020 to the fourth quarter of 2021 after declining by almost 3 percent in 2020. Local government employment is expected to grow 2.6 percent, adding more than 700 jobs.

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

### **Construction Activity**

In 2021, 344 building permits were issued, and increase of 43 permits issued in 2020. Permit numbers include all construction activity, commercial, residential, additions, remodel, and new construction.

The total permit valuation for new construction was \$19.3 million.

## **Long-term Financial Planning**

The City continues to look forward in meeting our long-term financial and operating needs. Each year the City develops a five-year capital improvements plan to plan and budget for those needs. The City is currently planning the purchase of a police mobile license plate reader new fire bunker gear in the year of 2022. 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's utility department has placed plans to decommission the Boxelder power plant on hold and to upgrade transformers at the 111<sup>th</sup> Street substation over the next few years. The increasing costs of retirement and medical benefits are also of concern and are being monitored closely by City staff. In 2017 the City established the Mulvane Land Bank 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 2021 from \$89.3 million to \$93.3 million. The Ad Valorem tax revenue collected in 2021 was \$4,308,574 compared to 2020 which was \$4,123,809. The mill levy stayed the same from 2020 to 2021 at 46.590.

## **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, GBN, P.A. 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,

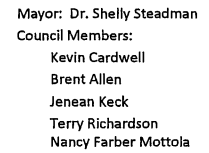


Rachael Blackwell

**CITY OF MULVANE, KANSAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**December 31, 2021**

<b>Title</b>	<b>Name</b>
Mayor	Shelly Steadman
Council Member	Kevin Cardwell
Council Member	Brent Allen
Council Member	Jenean Keck
Council Member	Nancy Mottola
Council Member	Terry Richardson
City Administrator	Kent Hixson
City Clerk	Debbie Parker
Finance Director	Rachael Blackwell
City Treasurer	Shelby Fawcett
Utilities Director	Brad Modlin
Public Safety Director	Gordon Fells
Public Works Director	Kevin Baker
City Attorney	J.T. Klaus
Municipal Judge	Larry Linn
City Prosecutor	Joy Williams

## 7





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Mulvane  
Kansas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**

# GBN, P.A.

*Certified Public Accountants  
Management Consultants  
Tax Advisors*

12001 E. 13<sup>th</sup> Street North    Wichita, Kansas 67206    Telephone (316) 262-6277    Fax (316) 265-6150

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
City Council  
Mulvane, Kansas

### **Qualified and Unmodified Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mulvane, Kansas (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Qualified Opinion on the Aggregate Discretely Presented Component Units**

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the City as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Qualified and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditors' 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 qualified and unmodified audit opinions.

### Matter Giving Rise to Qualified 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 24.87%, 11.17%, and 14.57% of the assets, net position, and revenues, respectively, of the City's aggregate discretely presented component units.

### 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 twelve 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

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

### **Other 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 statements and schedules listed under other supplementary information 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying other 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 report. The other information comprises the introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any form of assurance on them.

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.

*GBN, P.A.*

Wichita, Kansas  
December 30, 2022

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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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, 2021. 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 \$60,200,949. Of this amount, \$35,014,655 is the net investment in capital assets, and \$13,220,383 is for restricted uses, leaving \$11,965,911 unrestricted.
- The City's total net position increased by \$1,439,685 during the current fiscal year. The net position of the City's business-type activities increased by \$447,267 and the governmental activities net position increased by \$992,418.
- At the end of the current fiscal year, the fund balance for the General Fund was \$4,272,084 or 67% of the total General Fund expenditures and transfers out incurred in the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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

The government-wide financial statements can be found on pages 20 and 21 of this report.

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

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

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

The City maintains 26 individual governmental funds for financial reporting purposes. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, and Debt Service, which are considered major funds. Data for the remaining 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

The City adopts an annual appropriated budget for its General Fund, 11 of its 17 special revenue funds, and its Debt Service Fund. A budgetary comparison statement has been provided for the General Fund in the basic financial statements and for the remaining special revenue and debt service funds in the supplementary information.

The basic governmental fund financial statements can be found on pages 22 through 27 of this report.

**Proprietary Funds** – Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the electric, water and sewer operations, which are 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 28 through 32 of this report.

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**Fiduciary Funds** – Fiduciary funds, which consist only of custodial 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 2021.

**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 35 through 74 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$60,200,949 as of December 31, 2021.

A large portion of the City's net position (\$35,014,655) reflects its investment in capital assets, net of accumulated depreciation, (e.g., land, buildings and improvements, machinery and equipment, infrastructure and construction work in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

<b>CITY OF MULVANE'S NET POSITION</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Current/Other Assets</b>	\$23,256,391	\$23,926,506	\$11,870,349	\$8,477,402	\$35,126,740	\$32,403,908
<b>Capital Assets</b>	27,637,697	26,972,461	34,855,469	36,046,789	62,493,166	63,019,250
<b>Total Assets</b>	50,894,088	50,898,967	46,725,818	44,524,191	97,619,906	95,423,158
<b>Deferred Outflows of Resources</b>	882,504	993,190	256,580	319,771	1,079,084	1,312,961
<b>Long-Term Liabilities</b>	22,124,198	26,066,639	6,908,779	5,411,951	29,032,977	31,478,590
<b>Current/Other Liabilities</b>	2,977,049	766,947	526,948	703,846	3,503,997	1,470,793
<b>Total Liabilities</b>	25,101,247	26,833,586	7,435,727	6,115,797	32,536,974	32,949,383
<b>Deferred Inflows of Resources</b>	5,440,919	4,876,563	520,148	148,909	5,961,067	5,025,472
<b>Net Position</b>						
<b>Net Investment in Capital Assets</b>	6,211,435	4,576,371	28,803,220	31,982,415	35,014,655	36,558,786
<b>Restricted</b>	13,220,383	14,697,281	—	—	13,220,383	14,697,281
<b>Unrestricted</b>	1,742,608	908,356	10,223,303	6,596,841	11,965,911	7,505,197
<b>Total Net Position</b>	\$21,174,426	\$20,182,008	\$39,026,523	\$38,579,256	\$60,200,949	\$58,761,264

An additional portion of the City's net position (22%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$11,965,911.

**Analysis of the City's operations** – The following table provides a summary of the City's operations for the years ended December 31, 2021 and 2020. The City's net position increased by \$1,439,685, or approximately 86%.

**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$1,816,718	\$1,335,566	\$8,083,775	\$7,386,567	\$9,900,493	\$8,722,133
Operating Grants & Contributions	2,159,421	1,822,052	—	—	2,159,421	1,822,052
Capital Grants & Contributions	476,352	711,048	—	—	476,352	711,048
General Revenues						
Property Taxes	4,651,983	4,465,485	—	—	4,651,983	4,465,485
Gaming Facility	1,729,074	1,414,783	—	—	1,729,074	1,414,783
Sales Tax	988,232	865,772	—	—	988,232	865,772
Franchise Taxes	235,145	219,852	—	—	235,145	219,852
Investment Earnings	10,147	63,237	37,743	100,230	47,890	163,467
Total Revenues	12,067,072	10,897,795	8,121,518	7,486,797	20,188,590	18,384,592
Expenses:						
General Government	1,582,696	1,138,868	—	—	1,582,696	1,138,868
Public Safety	4,768,021	4,501,353	—	—	4,768,021	4,501,353
Highways & Streets	2,242,816	2,287,801	—	—	2,242,816	2,287,801
Culture & Recreation	1,874,437	1,432,248	—	—	1,874,437	1,432,248
Health & Sanitation	1,768	123,426	—	—	1,768	123,426
Economic Development	168,600	372,574	—	—	168,600	372,574
Environmental Protection	311	849	—	—	311	849
Electric System	—	—	4,508,880	4,271,131	—	4,271,131
Water System	—	—	1,328,770	1,261,213	—	1,261,213
Sewer System	—	—	1,836,601	1,670,964	—	1,670,964
Interest on Long-term Indebtedness	436,005	548,577	—	—	436,005	548,577
Total Expenses	11,074,654	10,405,696	7,674,251	7,203,308	18,748,905	17,609,004
Increase (Decrease) in Net Position before Transfers						
In (Out):	992,418	492,099	447,267	283,489	1,439,685	775,588
Transfers In (Out)	—	(51,451)	—	51,451	—	—
Increase in Net Position	992,418	440,648	447,267	334,940	1,439,685	775,588
Net Position, Beginning of Year	20,182,008	19,741,360	38,579,256	38,244,316	58,761,264	57,985,676
Net Position, End of Year	\$21,174,426	\$20,182,008	\$39,026,523	\$38,579,256	\$60,200,949	\$58,761,264

**Governmental Activities** – Governmental activities increased the City's net position by \$992,418 for the current fiscal year. Total governmental activity revenues increased by \$1,169,277, or approximately 10.7%. A significant portion of the increase in net position was due to increases in gaming facility revenue sharing (\$314,291) and in sales tax revenue (\$122,460) as result of the waning of the COVID-19 pandemic and the return to a more normal business environment.

Total governmental activity expenses increased by \$668,958 for 2021, or approximately 6.4%, which was also impacted by a return to a more normal business environment. 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 increased the City's net position by \$447,267 for the current fiscal year. Total business-type charges for electric, water, and sewer services increased in 2021 by approximately \$700,000. Again the significant increases in services as businesses and individuals return to normal levels of activities.

## **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 \$5,189,738. This combined ending fund balance is a \$1,323,204 decrease from 2020 primarily due to significant capital improvement projects expenditures that are or will be funded 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 \$4,272,084, which was \$568,855 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 41% of total General Fund expenditures and transfers out for the current year. The total fund balance of the General Fund represents 67% of total General Fund expenditures and transfers out for the current year.

The City Council has committed \$2,075,223 to carryover to fund the 2022 General Fund budget.

### **Debt Service Fund**

The Debt Service Fund of the City services most all the City's general obligation bonded debt. The fund balance of the Debt Service Fund at the end of the current year was \$216,355, which is an increase of \$85,049 from 2020. Resources for this fund are generated from property taxes, special assessment taxes and interest earnings and decreased by \$28,038 for 2021.

### **Proprietary Funds**

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

The total net position of the proprietary funds increased by \$447,267 for 2021. The change in net position by fund includes an increase in the Electric System Fund of \$846,955, a decrease in the Water System Fund of \$265,353, and a decrease in the Sewer System Fund of \$134,335.

### **Electric System Fund**

Total net position of the Electric System Fund increased by \$846,955. Revenues increased by \$792,822, and operating expenses increased by \$251,579.

### **Water System Fund**

Total net position of the Water System Fund decreased by \$265,353. Operating revenues decreased by \$45,962 during 2021. Operating expenses increased by \$68,327 for 2021.

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

The total net position of the Sewer System Fund decreased by \$134,335. Operating revenues decreased by \$49,652 while operating expenses increased \$153,150.

**General Fund Budgetary Highlights** – The General Fund total actual revenues were 109.9% of the total amount anticipated in the 2021 budget.

General Fund budgetary revenues were \$6,903,912 for 2021. General Fund budgetary expenditures totaled \$6,371,068, which represented only 92.3% of the budgeted expenditures for 2021. Accordingly, the General Fund had an increase in fund balance of \$532,844.

**CAPITAL ASSETS**

The City's investment in capital assets as of December 31, 2021 amounts to \$62,493,166 (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 .8%. Major capital asset events during the current fiscal year included the following:

- Repair of WWTP - \$114,660
- New 2021 Street Sweeper - \$164,500
- Sewer Improvement Project - \$110,015
- Housing Addition Utility and Infrastructure Improvements - \$1,926,664

<b>Capital Assets at Year-End Net of Accumulated Depreciation</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</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	35,298,034	35,412,694	35,298,034
Improvements other than Buildings	3,966,233	3,924,887	17,976,090	17,866,075	21,942,323	21,790,962
Infrastructure	37,109,420	36,936,950	–	–	37,109,420	36,936,950
Machinery and Equipment	7,998,718	7,770,091	4,940,944	4,862,775	12,939,662	12,632,866
Construction Work in Progress	1,926,663	–	18,292	18,292	1,944,955	18,292
<b>Total</b>	<b>60,582,795</b>	<b>58,213,689</b>	<b>\$59,024,883</b>	<b>\$58,722,036</b>	<b>\$119,607,678</b>	<b>\$116,935,728</b>

Additional information on the City's capital assets can be found in Note 3 on pages 48 through 50 of this report.

## **DEBT ADMINISTRATION**

At the end of the current fiscal year, the City's total long-term debt obligations outstanding are \$31,478,590. This amount was comprised of \$23,530,000 of general obligation bonds secured by future tax revenues from governmental activities with \$5,912,062 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 \$1,039,119 at year-end. The remaining long-term debt obligations totaling \$3,614,637 of the City pertains to accrued compensated absences in the amount of \$611,367, net OPEB liability of \$145,598 and net pension liability in the amount of \$2,857,672.

The City's total net long-term debt decreased by \$2,313,215, or about 7.35% during the current year. New general obligation bonds were issued in 2021 totaling \$6,510,000, including \$964,656 and \$3,823,932 for the electric utility and sewer utility, respectively.

Additional information on the City's long-term debt can be found in Note 4 on pages 50 through 55 of this report.

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

The annual budget is developed to provide efficient, effective, and economical uses of the City's resources. The budget is the most important annual policy statement the elected officials can make. Through the budget, the City Council sets the direction of the City, allocates its resources, and establishes its priorities. The elected officials and appointed staff considered many factors when setting the fiscal year 2022 budget which impacts the property tax rate and fees that will be charged for business-type activities. Those factors include the following:

- Maintaining competitive employee salaries and benefits but facing increasing costs for employer paid health insurance and retirement contributions.
- Increases in debt service requirements for both general obligation bonds and revenue bonds.
- Property tax revenues are budgeted to increase in 2022 by \$50,706. Assessed valuations increased resulting in an increase in the mill levy of 0.009.

The gaming facility revenue for 2022 has been estimated at \$1,625,000 and comprises approximately 29% of the General Fund's 2022 total resources. The other significant resources for the General Fund are the carryover balance from 2021, the 1% county-wide sales tax for Sedgwick County, and property taxes, which comprise 36%, 14% and 20% respectively, of the total General Fund resources for the 2022 budget.

The City's total property tax rate for the 2022 budget is 46.599 mills (the same as in 2021) with the General Fund's levy at 12.291 mills. The Debt Service Fund and Employee Benefits Fund levies 5.393 mills and 22.862 mills, respectively, of the total City levy rate. The City's total assessed valuation for the 2022 budget is \$94,403,593, which reflects an increase from the 2021 budget of \$1,091,636.

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 built in the use of \$500,000 to offset the potential loss of revenue in the event the Kansas Star wins its tax appeals within the 2022 year. The City continues to build up the reserves for these uncertainties.



**CITY OF MULVANE, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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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 2021 budget.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## CITY OF MULVANE, KANSAS

## STATEMENT OF NET POSITION

December 31, 2021

	Primary Government			
	Governmental	Business-		Component
	Activities	Type	Total	Units
		Activities		
<b>ASSETS</b>				
Cash and investments	\$ 7,386,904	\$ 10,544,883	\$ 17,931,787	\$ 241,832
Receivables:				-
Property taxes	4,351,592	-	4,351,592	-
Special assessment taxes	10,878,171	-	10,878,171	-
Sales taxes	88,403	-	88,403	-
Franchise fees	33,323	-	33,323	-
Gaming facility revenue receivable	148,541	-	148,541	-
Trade accounts, net	319,396	1,044,461	1,363,857	293
Prepaid items	48,270	46,272	94,542	547
Restricted assets	1,791	234,733	236,524	53,168
Total current assets	23,256,391	11,870,349	35,126,740	295,840
Capital assets:				-
Land	482,514	676,863	1,159,377	16,000
Buildings	9,099,247	35,412,694	44,511,941	868,636
Improvements other than buildings	3,966,233	17,976,090	21,942,323	-
Infrastructure	37,109,420	-	37,109,420	-
Machinery and equipment	7,998,718	4,940,944	12,939,662	290,796
Less accumulated depreciation	(32,945,098)	(24,169,414)	(57,114,512)	(773,438)
Construction work in progress	1,926,663	18,292	1,944,955	-
Total noncurrent assets	27,637,697	34,855,469	62,493,166	401,994
Total assets	50,894,088	46,725,818	97,619,906	697,834
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized deferred costs on bond refunding	92,241	-	92,241	-
Deferred outflows related to pensions	689,290	242,184	931,474	53,942
Deferred outflows of resources related to OPEB	40,973	14,396	55,369	-
Total deferred outflows of resources	822,504	256,580	1,079,084	53,942
<b>LIABILITIES</b>				
Accounts payable	546,002	486,321	1,032,323	4,054
Accrued payroll payable	-	-	-	-
Accrued interest payable	188,429	40,627	229,056	-
Temporary notes payable	2,015,000	-	2,015,000	-
Unearned revenue	227,618	-	227,618	-
Noncurrent liabilities:				-
Due within one year	2,477,784	902,103	3,379,887	10,182
Due in more than one year	19,646,414	6,006,676	25,653,090	225,482
Total liabilities	25,101,247	7,435,727	32,536,974	239,718
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	4,351,592	-	4,351,592	-
Unamortized deferred costs on refunding	-	137,411	137,411	-
Deferred inflows related to pensions	816,526	286,887	1,103,413	46,438
Deferred inflows related to OPEB	272,801	95,850	368,651	-
	5,440,919	520,148	5,961,067	46,438
<b>NET POSITION</b>				
Net investment in capital assets	6,211,435	28,803,220	35,014,655	524,244
Restricted for:				-
Debt service	11,094,526	-	11,094,526	-
Capital improvements	514,215	-	514,215	-
General government	269,234	-	269,234	-
Employee Benefits	205,134	-	205,134	-
Parks and recreation	418,893	-	418,893	-
Economic development	482,232	-	482,232	-
Street maintenance and improvement	179,832	-	179,832	-
Health and welfare	56,317	-	56,317	-
Unrestricted	1,742,608	10,223,303	11,965,911	(58,624)
Total net position	\$ 21,174,426	\$ 39,026,523	\$ 60,200,949	\$ 465,620

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

## CITY OF MULVANE, KANSAS

## STATEMENT OF ACTIVITIES

Year ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business- Type Activities	Total	
<b>Governmental Activities:</b>								
General government	\$ 1,582,696	\$ 196,951	\$ 627,919	\$ —	\$ (757,826)	\$ —	\$ (757,826)	\$ —
Public safety	4,768,021	1,470,171	329,891	—	(2,967,959)	—	(2,967,959)	—
Highways and streets	2,242,816	43,410	304,439	—	(1,894,967)	—	(1,894,967)	—
Health and sanitation	1,768	44,412	—	—	42,644	—	42,644	—
Culture and recreation	1,874,437	61,774	132,081	476,352	(1,204,230)	—	(1,204,230)	—
Economic development	168,600	—	300,992	—	132,392	—	132,392	—
Environmental protection	311	—	—	—	(311)	—	(311)	—
Interest on long-term debt	436,005	—	464,099	—	28,094	—	28,094	—
Total Governmental Activities	<u>\$ 11,074,654</u>	<u>\$ 1,816,718</u>	<u>\$ 2,159,421</u>	<u>\$ 476,352</u>	<u>\$ (6,622,163)</u>	<u>\$ —</u>	<u>\$ (6,622,163)</u>	<u>\$ —</u>
<b>Business-Type Activities:</b>								
Electric Utility	\$ 4,508,880	\$ 5,346,807	\$ —	\$ —	\$ —	\$ 837,927	\$ 837,927	\$ —
Water Utility	1,328,770	1,059,237	—	—	—	(269,533)	(269,533)	—
Sewer Utility	1,836,601	1,677,731	—	—	—	(158,870)	(158,870)	—
Total Business-Type Activities	<u>\$ 7,674,251</u>	<u>\$ 8,083,775</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 409,524</u>	<u>\$ 409,524</u>	<u>\$ —</u>
<b>Component Units:</b>								
Mulvane Public Library	\$ 525,296	\$ 21,999	\$ 35,150	\$ —	\$ —	\$ —	\$ —	\$ (468,147)
Mulvane Housing Authority	109,924	75,166	18,475	—	—	—	—	(16,283)
Mulvane Land Bank	55,843	—	—	—	—	—	—	(55,843)
Total Component Units	<u>\$ 691,063</u>	<u>\$ 97,165</u>	<u>\$ 53,625</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (540,273)</u>
<b>General Revenues and Transfers:</b>								
General Revenues:								
Property taxes levied for:								
General purposes					4,026,556	—	4,026,556	—
Debt service					625,427	—	625,427	—
Gaming facility revenue sharing					1,729,074	—	1,729,074	—
Sales taxes					988,232	—	988,232	—
Franchise taxes					235,145	—	235,145	—
Payment from City of Mulvane					—	—	—	492,010
Investment earnings					10,147	37,743	47,890	119
Transfers in (out)					—	—	—	—
Total general revenues and transfers					<u>7,614,581</u>	<u>37,743</u>	<u>7,652,324</u>	<u>492,129</u>
Change in net position					<u>992,418</u>	<u>447,267</u>	<u>1,439,685</u>	<u>(48,144)</u>
Net position at beginning of year					<u>20,182,008</u>	<u>38,579,256</u>	<u>58,761,264</u>	<u>513,764</u>
Net position at end of year					<u>\$ 21,174,426</u>	<u>\$ 39,026,523</u>	<u>\$ 60,200,949</u>	<u>\$ 465,620</u>

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

## **FUND FINANCIAL STATEMENTS**

**CITY OF MULVANE, KANSAS**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**December 31, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ 4,100,224	\$ 216,355	\$ 3,070,325	\$ 7,386,904
Cash held for appearance bonds	1,791	–	–	1,791
Property taxes receivable	1,156,969	503,602	2,691,021	4,351,592
Special assessment taxes receivable	–	10,878,171	–	10,878,171
Due from other funds	–	–	254,903	254,903
Accounts receivable, net	227,618	–	91,778	319,396
Gaming facility revenue receivable	148,541	–	–	148,541
Franchise fees receivable	33,323	–	–	33,323
Sales tax receivable	84,172	–	4,231	88,403
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total assets	<u>\$ 5,752,638</u>	<u>\$ 11,598,128</u>	<u>\$ 6,112,258</u>	<u>\$ 23,463,024</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 94,176	\$ –	\$ 450,035	\$ 544,211
Accrued payroll payable	–	–	–	–
Due to other funds	–	–	254,903	254,903
Municipal Court appearance bonds payable	1,791	–	–	1,791
Temporary notes payable	–	–	2,015,000	2,015,000
Unearned revenue	227,618	–	–	227,618
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>323,585</u>	<u>–</u>	<u>2,719,938</u>	<u>3,043,523</u>
Deferred inflows of resources:				
Property taxes receivable	1,156,969	503,602	2,691,021	4,351,592
Special assessment taxes receivable	–	10,878,171	–	10,878,171
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total deferred inflows of resources	<u>1,156,969</u>	<u>11,381,773</u>	<u>2,691,021</u>	<u>15,229,763</u>
Fund balances:				
Restricted:				
Insurance claims	\$ 269,234	\$ –	\$ –	\$ 269,234
Debt service	–	216,355	–	216,355
General government	–	–	205,134	205,134
Recreation	–	–	418,893	418,893
Health and welfare	–	–	56,317	56,317
Economic development	–	–	482,232	482,232
Street improvements	–	–	179,832	179,832
Capital improvements	–	–	514,215	514,215
Committed:				
Street improvements	–	–	390,662	390,662
Parks and recreation	–	–	3,111	3,111
Assigned:				
General government	2,075,223	–	–	2,075,223
Culture and recreation	–	–	564	564
Capital outlay	–	–	528,313	528,313
Unassigned	1,927,627	–	(2,077,974)	(150,347)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total fund balances	<u>4,272,084</u>	<u>216,355</u>	<u>701,299</u>	<u>5,189,738</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,752,638</u>	<u>\$ 11,598,128</u>	<u>\$ 6,112,258</u>	<u>\$ 23,463,024</u>

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

CITY OF MULVANE, KANSAS

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

**December 31, 2021**

Total Governmental Fund Balances		\$ 5,189,738
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (capital assets net of accumulated depreciation):		
Cost	\$ 60,582,795	
Accumulated depreciation	<u>(32,945,098)</u>	
		27,637,697
Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:		
Special assessments receivable		10,878,171
Prepaid expenses		48,270
Deferred refunding bond costs resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements		
		92,241
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable on general obligation and Mulvane Public Building Commission revenue bonds	188,429	
Compensated absences payable	398,276	
General obligation bonds payable	17,617,939	
Unamortized premium on sale of general obligation bonds and Mulvane Public Building Commission revenue bonds	885,564	
Mulvane Public Building Commission revenue bonds payable	1,000,000	
Net pension liability for Kansas Public Employee's Retirement System Plan including deferred outflows of resources and deferred inflows of resources related to pensions	2,241,913	
Net OPEB liability for Kansas Public Employee's Disability Plan including deferred outflows of resources and deferred inflows of resources related to pensions	<u>339,570</u>	
		<u>(22,671,691)</u>
Net Position of Governmental Activities		<u><u>\$ 21,174,426</u></u>

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



## CITY OF MULVANE, KANSAS

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

Year ended December 31, 2021

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,851,348	\$ 625,427	\$ 2,050,303	\$ 6,527,078
Special assessment taxes	–	1,932,333	–	1,932,333
Intergovernmental	2,213,833	–	281,652	2,495,485
Licenses and permits	296,433	–	–	296,433
Charges for services	283,088	–	95,924	379,012
Fines and forfeitures	163,443	–	–	163,443
Grants and contributions	–	–	521,140	521,140
Use of money and property	43,298	315	1,033,634	1,077,247
Miscellaneous	79,773	–	63,362	143,135
Total revenues	6,931,216	2,558,075	4,046,015	13,535,306
Expenditures:				
Current:				
General government	695,940	–	832,913	1,528,853
Public safety	4,487,783	–	–	4,487,783
Highways and streets	887,822	–	556,166	1,443,988
Culture and recreation	–	–	1,622,148	1,622,148
Health and welfare	–	–	1,768	1,768
Environmental protection	311	–	–	311
Economic development	–	–	135,519	135,519
Capital improvements	–	–	2,132,214	2,132,214
Debt Service	–	2,502,048	1,032,900	3,534,948
Total expenditures	6,071,856	2,502,048	6,313,628	14,887,532
Revenues over (under) expenditures	859,360	56,027	(2,267,613)	(1,352,226)
Other financing sources (uses):				
General obligation refunding bonds issued	–	1,721,412	–	1,721,412
Premium on general obligation refunding bonds issued	–	104,163	–	104,163
Payment to escrow agent	–	(1,796,553)	–	(1,796,553)
Transfers in	–	–	290,505	290,505
Transfers out	(290,505)	–	–	(290,505)
Total other financing sources (uses)	(290,505)	29,022	290,505	29,022
Net change in fund balance	568,855	85,049	(1,977,108)	(1,323,204)
Fund balances, beginning of year	3,703,229	131,306	2,678,407	6,512,942
Fund balances, end of year	\$ 4,272,084	\$ 216,355	\$ 701,299	\$ 5,189,738

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

## CITY OF MULVANE, KANSAS

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

**Year Ended December 31, 2021**

Net Change in Fund Balances – Total Governmental Funds		(1,323,204)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlays	2,369,106	
Depreciation	<u>(1,703,870)</u>	
Excess depreciation over capital outlays		665,236
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		55,382
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	(1,721,412)	
Mulvane Public Building Commission revenue bonds	<u>—</u>	
Total issuance of long-term debt		(1,721,412)
The premium on the issuance of bonded indebtedness provides current financial resources in the governmental funds but represents an increase to the long-term liabilities in the statement of activities for:		
General obligation bonds	(104,163)	
Mulvane Public Building Commission revenue bonds	<u>—</u>	
Total premium on the issuance of bonded indebtedness		(104,163)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
General obligation bond payment	3,638,409	
Mulvane Public Building Commission revenue bond payment	<u>990,000</u>	
Total payments on long-term liabilities		4,628,409
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		(1,468,234)
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.		88,762
OPEB contributions is an expenditure in the governmental funds but reduces the net 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.		(3,616)
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	858	
Compensated absences payable	(7,594)	
Amortization of premium on issuance of general obligation bonds	224,923	
Amortization of premium on issuance of Mulvane Public Building Commission revenue bonds	<u>10,319</u>	
Total		<u>228,506</u>
Change in Net Position of Governmental Activities		<u>992,418</u>

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

**CITY OF MULVANE, KANSAS**

**GENERAL FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,460,634	\$ 3,460,634	\$ 3,832,489	\$ 371,855
Intergovernmental	2,070,000	2,070,000	2,203,171	133,171
Licenses, fees and permits	272,700	272,700	297,651	24,951
Charges for services	290,000	290,000	283,088	(6,912)
Fines and forfeitures	161,000	161,000	163,443	2,443
Use of money and property	13,500	13,500	42,657	29,157
Miscellaneous	15,000	15,000	81,413	66,413
Total revenues and other sources	6,282,834	6,282,834	6,903,912	621,078
Expenditures, encumbrances and other uses:				
General government:				
Administration department	1,942,150	1,942,150	578,562	1,363,588
Inspection Department	–	–	108,844	(108,844)
Total general government	1,942,150	1,942,150	687,406	1,254,744
Public safety:				
Police department	2,452,900	2,452,900	2,230,708	222,192
Fire department	449,900	449,900	454,375	(4,475)
EMS department	1,755,600	1,755,600	1,695,342	60,258
Municipal Court	–	–	–	–
Total public safety	4,658,400	4,658,400	4,380,425	277,975
Highways and streets:				
Street department	1,031,000	1,031,000	887,621	143,379

**CITY OF MULVANE, KANSAS**

**GENERAL FUND**

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

(continued from previous page)

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Economic development:				
Planning & Zoning	\$ 119,465	\$ 119,465	\$ –	\$ 119,465
Environmental protection:				
Bindweed department	<u>1,000</u>	<u>1,000</u>	<u>311</u>	<u>689</u>
Other:				
Debt service	–	–	124,800	(124,800)
Transfers out	<u>186,400</u>	<u>186,400</u>	<u>290,505</u>	<u>(104,105)</u>
Total other	<u>186,400</u>	<u>186,400</u>	<u>415,305</u>	<u>(228,905)</u>
Total expenditures, encumbrances and other uses	<u>7,938,415</u>	<u>7,938,415</u>	<u>6,371,068</u>	<u>1,567,347</u>
Revenues and other sources over (under) expenditures, encumbrances and other uses	(1,655,581)	(1,655,581)	532,844	2,188,425
Fund balance, beginning of year	<u>1,655,581</u>	<u>1,655,581</u>	<u>3,197,461</u>	<u>1,541,880</u>
Fund balance, end of year	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 3,730,305</u></u>	<u><u>\$ 3,730,305</u></u>

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

## CITY OF MULVANE, KANSAS

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

December 31, 2021

	Business-Type Activities – Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments	\$ 4,714,661	\$ 1,316,650	\$ 4,513,572	\$ 10,544,883
Trade accounts receivable	666,096	138,025	240,340	1,044,461
Prepaid expenses	23,908	9,185	13,179	46,272
Restricted assets:				
Cash and investments restricted for:				
Customer deposits	170,849	63,884	–	234,733
Total current assets	5,575,514	1,527,744	4,767,091	11,870,349
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	5,341,349	6,015,167	6,619,574	17,976,090
Machinery and equipment	2,317,506	828,982	1,794,456	4,940,944
Construction work in process	–	18,292	–	18,292
	13,309,735	16,019,400	29,695,748	59,024,883
Less accumulated depreciation	(10,729,666)	(4,565,971)	(8,873,777)	(24,169,414)
Property, plant and equipment, net	2,580,069	11,453,429	20,821,971	34,855,469
Total assets	8,155,583	12,981,173	25,589,062	46,725,818
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred outflows of resources:				
Unamortized deferred cost on refunding	–	–	–	–
Deferred outflows of resources related to pensions	121,092	46,574	74,518	242,184
Deferred outflows of resources related to OPEB	7,198	2,768	4,430	14,396
Total deferred outflows of resources	128,290	49,342	78,948	256,580
Total assets and deferred outflows of resources	8,283,873	13,030,515	25,668,010	46,982,398

	Business-Type Activities – Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Salaries and wages payable	\$ –	\$ –	\$ –	\$ –
Accounts payable	247,401	2,340	1,847	251,588
Compensated absences payable	63,731	23,715	40,302	127,748
Current portion of general obligation bonds payable	293,709	4,305	476,341	774,355
Accrued interest payable	9,156	712	30,759	40,627
Customer deposits payable	170,849	63,884	–	234,733
Total current liabilities	784,846	94,956	549,249	1,429,051
Noncurrent liabilities:				
Net pension liability	371,497	142,884	228,614	742,995
Net OPEB liability	18,928	7,280	11,648	37,856
Long-term portion of compensated absences payable	42,575	15,843	26,924	85,342
Long-term portion of general obligation bonds payable	1,048,252	51,205	4,041,026	5,140,483
Total noncurrent liabilities	1,481,252	217,212	4,308,212	6,006,676
Total liabilities	2,266,098	312,168	4,857,461	7,435,727
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unamortized deferred costs on refunding	1,789	–	135,622	137,411
Deferred inflows of resources related to pensions	143,443	55,171	88,273	286,887
Deferred inflows of resources related to OPEB	47,925	18,433	29,492	95,850
Total deferred inflows of resources	193,157	73,604	253,387	520,148
<b><u>NET POSITION</u></b>				
Net position:				
Net investment in capital assets	1,236,319	11,397,919	16,168,982	28,803,220
Unrestricted	4,588,299	1,246,824	4,388,180	10,223,303
Total net position	\$ 5,824,618	\$ 12,644,743	\$ 20,557,162	\$ 39,026,523

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

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2021**

	Business-Type Activities – Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
Operating revenues:				
Charges for services	\$ 5,236,746	\$ 1,039,241	\$ 1,607,592	\$ 7,883,579
Miscellaneous	101,930	13,774	70,139	185,843
Rents and royalties	8,131	6,222	–	14,353
Total operating revenues	<u>5,346,807</u>	<u>1,059,237</u>	<u>1,677,731</u>	<u>8,083,775</u>
Operating expenses:				
Production	3,151,827	–	–	3,151,827
Treatment	–	984,734	738,846	1,723,580
Distribution and maintenance	887,579	–	–	887,579
Collection	–	–	318,122	318,122
Depreciation	436,540	341,765	715,862	1,494,167
Total operating expenses	<u>4,475,946</u>	<u>1,326,499</u>	<u>1,772,830</u>	<u>7,575,275</u>
Operating income (loss)	<u>870,861</u>	<u>(267,262)</u>	<u>(95,099)</u>	<u>508,500</u>
Nonoperating revenues (expense):				
Interest income	3,255	4,180	6,751	14,186
Interest expense	(32,934)	(2,271)	(63,771)	(98,976)
Accretion of premium on general obligation bonds	5,773	–	17,784	23,557
Total nonoperating revenue (expense)	<u>(23,906)</u>	<u>1,909</u>	<u>(39,236)</u>	<u>(61,233)</u>
Income (loss) before contributions and transfers	<u>846,955</u>	<u>(265,353)</u>	<u>(134,335)</u>	<u>447,267</u>
Contributed capital	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Change in net position	<u>846,955</u>	<u>(265,353)</u>	<u>(134,335)</u>	<u>447,267</u>
Net position, beginning of year	<u>4,977,663</u>	<u>12,910,096</u>	<u>20,691,497</u>	<u>38,579,256</u>
Net position, end of year	<u>\$ 5,824,618</u>	<u>\$ 12,644,743</u>	<u>\$ 20,557,162</u>	<u>\$ 39,026,523</u>

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

## CITY OF MULVANE, KANSAS

## STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

(continued on next page)

Year ended December 31, 2021

	Business-Type Activities – Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Cash flows from operating activities:				
Cash received from customers	\$ 5,174,500	\$ 1,039,905	\$ 1,653,814	\$ 7,868,219
Cash payments for materials and services	(3,320,335)	(631,968)	(462,476)	(4,414,779)
Cash payments to employees for services	(923,337)	(407,352)	(587,262)	(1,917,951)
Other cash receipts	110,061	19,996	70,139	200,196
Net cash provided by operating activities	1,040,889	20,581	674,215	1,735,685
Cash flows from capital and related financing activities:				
Principal paid on general obligation bonds	(1,303,463)	(4,060)	(1,619,066)	(2,926,589)
Proceeds from issuances of GO bonds	964,656	–	3,960,178	4,924,834
Interest paid on debt	(30,849)	(2,339)	(41,262)	(74,450)
Acquisition and construction of capital assets	–	(7,725)	(295,122)	(302,847)
Net cash provided (used) by capital and related financing activities	(369,656)	(14,124)	2,004,728	1,620,948
Cash flows from investing activities:				
Interest received	3,255	4,180	6,751	14,186
Net increase in cash and cash equivalents	674,488	10,637	2,685,694	3,370,819
Cash and cash equivalents, beginning of year	4,211,022	1,369,897	1,827,878	7,408,797
Cash and cash equivalents, end of year	4,885,510	1,380,534	4,513,572	10,779,616
Cash and cash equivalents	4,714,661	1,316,650	4,513,572	10,544,883
Restricted cash and cash equivalents included in restricted cash and investments	170,849	63,884	–	234,733
Cash and cash equivalents, end of year	\$ 4,885,510	\$ 1,380,534	\$ 4,513,572	\$ 10,779,616



## CITY OF MULVANE, KANSAS

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

Year ended December 31, 2021

	Business-Type Activities – Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 870,861	\$ (267,260)	\$ (95,099)	\$ 508,502
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	436,540	341,765	715,862	1,494,167
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(62,246)	664	46,222	(15,360)
Decrease (increase) in prepaid expenses	(4,051)	(1,455)	(1,262)	(6,768)
Increase (decrease) in salaries and wages payable	(33,655)	(14,929)	(20,445)	(69,029)
Increase (decrease) in accounts payable	(104,679)	(26,975)	1,050	(130,604)
Increase (decrease) in compensated absences payable	(24,249)	(8,181)	2,156	(30,274)
Increase (decrease) in customer deposits payable	8,692	2,702	–	–
Increase (decrease) in net pension liability	(46,324)	(5,750)	25,731	(26,343)
Net cash provided by operating activities	<u>\$ 1,040,889</u>	<u>\$ 20,581</u>	<u>\$ 674,215</u>	<u>\$ 1,735,685</u>

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

## CITY OF MULVANE, KANSAS

**STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**December 31, 2021**

	Mulvane Public Library	Mulvane Housing Authority	Mulvane Land Bank
<b><u>ASSETS</u></b>			
Cash and investments	\$ 213,803	\$ 5,409	\$ 22,620
Receivables:			
Trade accounts, net	-	293	-
Prepaid items	-	547	-
Restricted assets	-	53,168	-
Total current assets	<u>213,803</u>	<u>59,417</u>	<u>22,620</u>
Capital assets:			
Land	-	16,000	-
Buildings	34,574	597,492	236,570
Machinery and equipment	127,181	163,615	-
Less accumulated depreciation	(110,454)	(662,984)	-
Construction work in progress	-	-	-
Total noncurrent assets	<u>51,301</u>	<u>114,123</u>	<u>236,570</u>
Total assets	<u>265,104</u>	<u>173,540</u>	<u>259,190</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows related to pensions	<u>53,942</u>	-	-
Total deferred outflows of resources	<u>53,942</u>	-	-
<b><u>LIABILITIES</u></b>			
Accounts payable	-	4,054	-
Due within one year	-	10,182	-
Due in more than one year	118,196	107,286	-
Total liabilities	<u>118,196</u>	<u>121,522</u>	-
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows related to pensions	<u>46,438</u>	-	-
	<u>46,438</u>	-	-
<b><u>NET POSITION</u></b>			
Net investment in capital assets	291,019	(3,345)	236,570
Unrestricted	<u>(136,607)</u>	<u>55,363</u>	<u>22,620</u>
Total net position	<u>\$ 154,412</u>	<u>\$ 52,018</u>	<u>\$ 259,190</u>

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

**CITY OF MULVANE, KANSAS**

**STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year ended December 31, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Mulvane Public Library	Mulvane Housing Authority	Mulvane Land Bank
<b>Component Units:</b>							
Mulvane Public Library	\$ 525,296	\$ 21,999	\$ 35,150	\$ —	\$ (468,147)	\$ —	\$ —
Mulvane Housing Authority	109,924	75,166	18,475	—		(16,283)	—
Mulvane Land Bank	55,843	—	—	—		—	(55,843)
<b>Total Component Units</b>	<b>\$ 691,063</b>	<b>\$ 97,165</b>	<b>\$ 53,625</b>	<b>\$ —</b>	<b>\$ (468,147)</b>	<b>\$ (16,283)</b>	<b>\$ (55,843)</b>
<b>General Revenues:</b>							
					492,010	—	—
					70	49	—
					492,080	49	—
					23,933	(16,234)	(55,843)
					130,479	68,252	315,033
					\$ 154,412	\$ 52,018	\$ 259,190

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

## **CITY OF MULVANE, KANSAS**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

##### **Reporting entity**

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

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

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

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

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

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

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

services for common areas of the facility and the City serves as a guarantor for the Rural Development loan on the facility. Additional financial statement information can be obtained from the Quad County Manor management agent at Quad County Manor, 605 E. Main, Mulvane, Kansas 67110.

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

### **Blended component unit**

The Mulvane Public Building Commission is governed by a six-member board who shall be the same persons as are then serving as the Mayor and Council Members on the Governing Body of the City of Mulvane. Although it is legally separate from the City, the Mulvane Public Building Commission is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings. The financial activities of the Mulvane Public Building Commission are reflected in the Mulvane Public Building Commission Special Revenue Fund.

### **Basis of presentation**

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

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

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

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

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

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

### **Fund financial statements**

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City also reports the following fund types:

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

### **Special assessments receivable**

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City and are retired from the City's debt service fund. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Special assessments paid prior to the

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

issuance of bonds are recorded as revenue in the appropriate construction project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. Special assessment taxes are levied over a ten or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of net position. Since they are not considered available spendable resources for the funds statement, the special assessment receivable are reported as unearned revenue in the funds statement.

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

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

### **Inventories and prepaid expenditures**

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

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

### **Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of \$5,000. Capital assets are valued at historical cost, or estimated historical cost (if actual historical cost is not available). The historical cost, or estimates of historical cost, for the City's infrastructure assets include only those assets acquired subsequent to January 1, 1980. Donated capital assets are reported at acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)

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

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

### **Compensated absences**

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

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

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

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

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

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

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

### **Pension plan**

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

### **Concentration of credit risk**

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

### **Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. In accordance with Governmental Accounting Board Statement No. 10, the City currently reports all its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include payments to cover deductibles and other liabilities related to the City's risk of loss and include an estimate of claims that have been incurred but not reported. At December 31, 2021, there was \$320 of accrued liabilities. Changes in the reported liability for the years ended December 31, 2021 and 2020 is as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	End of Year <u>Liability</u>
2020	\$ 1,850	18,560	18,129	2,281
2021	2,281	11,096	13,057	320

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

At December 31, 2021, General Fund cash and short-term investments of \$258,621 were held for purposes of funding the City's future claims liabilities, including \$-0- at year-end. As a result, \$258,621 of the General Fund balance is restricted for payment of future claims liabilities.

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

A deferred outflow of resources 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.

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

- Committed – The committed portion of fund balance can only be used for specific purposes and imposed by formal action of the government's highest level of decision making authority. In the case of the City it is the City Council and the formal action would be an ordinance to modify or rescind the commitment.
- Assigned – The assigned portion of fund balance is comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (2) a body or official to whom the City Council has delegated the authority to. The City Council has delegated authority to the City Administrator or Department Heads to assign amounts to be used for specific purposes. The portion of fund balance that is appropriated by the City Council for next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by designated senior staff, are included in the assigned fund balance.
- Unassigned – All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

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

### **Estimates**

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

### **Budgetary principles**

The City is required by state statute to legally adopt annual operating budgets for the general fund, special revenue funds (unless exempted by specific statute), debt service fund and enterprise funds. The Capital Improvement Reserve, Municipal Equipment Reserve, Water Treatment Plant Improvements, 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:

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budgets amended during 2020.

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.

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.

## 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, 2021, is as follows:

Carson Bank	100%
-------------	------

### **Custodial credit risk – deposits**

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

At year-end, the carrying amount of the City's deposits was \$18,649,512, with the bank balances of such accounts being \$18,697,348. Of the bank balances, \$298,015 was covered by federal depository insurance and the remaining balance of \$18,399,333 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks and letters of credit pledged to secure City deposits. The fair value of those pledged securities held by the City's custodial investment agencies and letters of credit were \$12,550,889 and \$7,000,000, respectively at December 31, 2021.

The remaining carrying amount of the City's cash and investments at December 31, 2021 consisted of cash on hand of \$800.

The Mulvane Public Library's cash and investments at December 31, 2021 consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$213,803 with the bank balances of such accounts being \$220,211. The bank balances were entirely secured by FDIC insurance at December 31, 2021.

The Mulvane Housing Authority's cash and investments at December 31, 2021 consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$58,577 with the bank balances of such accounts being \$58,577. The bank balances were entirely secured by FDIC insurance at December 31, 2021.



## 2. DEPOSITS AND INVESTMENTS (continued)

The Mulvane Land Bank cash and investments at December 31, 2021 consisted of a checking account and the carrying amount of the Mulvane Land Bank deposit was \$22,620 with the bank balance of such accounts being \$22,620. The bank balance was entirely secured by FDIC insurance at December 31, 2021.

## 3. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 482,514	\$ —	\$ —	\$ 482,514
Construction work in progress	<u>—</u>	<u>1,926,663</u>	<u>—</u>	<u>1,926,663</u>
	<u>482,514</u>	<u>1,926,663</u>	<u>—</u>	<u>2,409,177</u>
Capital assets being depreciated:				
Buildings	9,099,247	—	—	9,099,247
Improvements other than buildings	3,924,887	41,346	—	3,966,233
Infrastructure	36,936,950	172,470	—	37,109,420
Machinery and equipment	<u>7,770,091</u>	<u>228,627</u>	<u>—</u>	<u>7,998,718</u>
Total capital assets being depreciated	<u>57,731,175</u>	<u>442,443</u>	<u>—</u>	<u>58,173,618</u>
Less accumulated depreciation for:				
Buildings	2,264,160	235,928	—	2,500,088
Improvements other than buildings	1,357,085	102,216	—	1,459,301
Infrastructure	22,346,606	887,653	—	23,234,259
Machinery and equipment	<u>5,273,377</u>	<u>478,074</u>	<u>—</u>	<u>5,751,451</u>

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

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Total accumu- lated depreciation	<u>31,241,228</u>	<u>1,703,871</u>	<u>—</u>	<u>32,945,099</u>
Total capital assets being deprec- iated, net	<u>26,489,947</u>	<u>(1,261,428)</u>	<u>—</u>	<u>25,228,519</u>
Governmental activities capital assets, net	<u>\$ 26,972,461</u>	<u>\$ 665,235</u>	<u>\$ —</u>	<u>\$ 27,637,696</u>
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 676,863	\$ —	\$ —	\$ 676,863
Construction Work in Progress	<u>18,292</u>	<u>—</u>	<u>—</u>	<u>18,292</u>
Total capital assets not being depreciated	<u>695,155</u>	<u>—</u>	<u>—</u>	<u>695,155</u>
Capital assets being depreciated:				
Utility plant	\$ 35,298,034	\$ 114,660	\$ —	\$ 35,412,694
Improvements other than buildings	17,866,075	110,015	—	17,976,090
Machinery and equipment	<u>4,862,772</u>	<u>78,171</u>	<u>—</u>	<u>4,940,943</u>
Total capital assets being depreciated	<u>58,026,881</u>	<u>302,846</u>	<u>—</u>	<u>58,329,727</u>
Less accumulated depreciation for:				
Utility plant	11,491,107	794,227	—	12,285,334
Improvements other than buildings	8,353,076	396,081	—	8,749,157

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

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Machinery and equipment	<u>2,831,064</u>	<u>303,859</u>	<u>—</u>	<u>3,134,923</u>
Total accumu- lated depreciation	<u>22,675,247</u>	<u>1,494,167</u>	<u>—</u>	<u>24,169,414</u>
Total capital assets being depreciated, net	<u>35,351,634</u>	<u>(1,191,321)</u>	<u>—</u>	<u>34,160,313</u>
Business-type activities capital assets, net	<u>\$ 36,046,789</u>	<u>\$(1,191,321)</u>	<u>\$ —</u>	<u>\$ 34,855,468</u>

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

Governmental activities:	
General government	\$ 38,243
Public safety	395,155
Highways and streets (including depreciation of infrastructure assets)	992,930
Culture and recreation	<u>277,542</u>
Total depreciation expense – governmental activities	<u>\$ 1,703,870</u>
Business-type activities:	
Electric System	\$ 436,540
Water System	341,765
Sewer System	<u>715,862</u>
Total depreciation expense – business-type activities	<u>\$ 1,494,167</u>

### 4. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the City for the year ended December 31, 2021:

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

	Outstanding January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>Governmental activities</u>					
General obligation bonds	\$19,534,936	\$ 1,721,412	\$ 3,638,409	\$ 17,617,939	\$ 1,885,646
Mulvane Public Building Commission Revenue bonds	1,990,000	—	990,000	1,000,000	—
Net pension liability	3,027,602	—	912,925	2,114,677	—
Net OPEB liability	106,776	966	—	107,742	—
Premium on issuance of general obligation bonds	997,334	104,163	224,923	876,574	166,171
Premium on issuance of Mulvane Public Building Commission revenue bonds	19,309	—	10,319	8,990	1,992
Compensated absences	<u>390,682</u>	<u>232,852</u>	<u>225,258</u>	<u>398,276</u>	<u>238,769</u>
Total long-term liabilities – Governmental activities	<u>\$26,066,639</u>	<u>\$ 2,059,393</u>	<u>\$ 6,001,834</u>	<u>\$ 22,124,198</u>	<u>\$ 2,477,784</u>
	Outstanding January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>Business-type activities</u>					
General obligation bonds	\$ 4,050,064	\$ 4,788,589	\$ 2,926,591	\$ 5,912,062	\$ 774,354
Premium on issuance of general obligation bonds	22,484	136,246	23,557	135,173	13,552
Net pension liability	1,063,753	—	320,758	742,995	—
Net OPEB liability	32,285	5,571	—	37,856	—
Compensated absences	<u>243,365</u>	<u>124,583</u>	<u>154,857</u>	<u>213,091</u>	<u>127,749</u>
Total long-term liabilities – Business-Type activities	<u>\$ 5,411,951</u>	<u>\$ 5,054,989</u>	<u>\$ 3,425,763</u>	<u>\$ 7,041,177</u>	<u>\$ 975,653</u>

#### General obligation bonds

General obligation bonds payable are serial bonds to be retired through calendar year 2036. At December 31, 2021 the bonds consist of the following:

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

	<u>Interest rates</u>	<u>Bonds outstanding</u>
General Obligation Refunding Bonds Series A, 2016	2.00 – 3.00	\$ 6,065,000
General Obligation Refunding Bonds, Series B, 2016	1.50 – 2.15	1,055,000
General Obligation Bonds, Series 2018	2.00 – 3.50	1,970,000
General Obligation Refunding Bonds, Series A, 2019	3.00 – 5.00	7,930,000
General Obligation Refunding Bonds, Series A, 2021	2.00	3,780,000
General Obligation Series B, 2021	1.15 – 3.00	<u>2,730,000</u>
Total general obligation bonds outstanding		23,530,000
Less debt service from enterprise funds		<u>(5,912,062)</u>
Total general obligation bonds payable from debt service fund		<u>\$ 17,617,938</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,885,646	\$ 560,787	\$ 2,446,433
2023	2,150,315	492,953	2,643,268
2024	2,214,700	418,987	2,633,687
2025	2,309,921	345,552	2,655,473
2026	2,221,041	262,668	2,483,709
2027	1,973,908	194,895	2,168,803
2028	938,498	146,227	1,084,725
2029	634,955	118,072	753,027
2030	654,647	99,024	753,671
2031	625,365	79,384	704,749
2032	645,058	60,623	705,681
2033	669,647	41,673	711,320
2034	<u>694,237</u>	<u>21,007</u>	<u>715,244</u>
	<u>\$ 17,617,938</u>	<u>\$ 2,841,852</u>	<u>\$ 20,459,790</u>

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

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

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

Year	Electric Utility			Water Utility		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 293,709	\$ 27,467	\$ 321,176	\$ 4,305	\$ 2,136	\$ 6,441
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
	<u>\$ 1,339,184</u>	<u>\$ 82,357</u>	<u>\$ 1,421,541</u>	<u>\$ 55,510</u>	<u>\$ 12,267</u>	<u>\$ 67,777</u>

Year	Sewer Utility			Total Utilities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 476,341	\$ 92,277	\$ 568,618	\$ 774,354	\$ 121,880	\$ 896,234
2023	327,974	82,575	410,549	599,685	106,014	705,699
2024	339,906	75,834	415,740	620,300	93,630	713,930
2025	356,191	68,847	425,038	650,079	80,815	730,894
2026	243,540	61,422	304,962	443,959	67,225	511,184
2027	252,457	56,264	308,721	261,093	57,772	318,865
2028	257,648	48,691	306,339	266,502	49,940	316,442
2029	264,655	40,961	305,616	270,045	41,945	311,990
2030	274,798	33,022	307,820	280,351	33,844	314,195
2031	279,465	24,778	304,243	284,635	25,433	310,068
2032	284,608	21,482	306,090	289,943	21,982	311,925
2033	284,797	17,517	302,314	290,353	17,641	307,994
2034	289,988	13,640	303,628	295,763	13,813	309,576
2035	290,000	9,216	299,216	290,000	9,216	299,216
2036	295,000	4,720	299,720	295,000	4,720	299,720
	<u>\$4,517,368</u>	<u>\$ 651,246</u>	<u>\$5,168,614</u>	<u>\$ 5,912,062</u>	<u>\$ 745,870</u>	<u>\$ 6,657,932</u>

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

The Mulvane Public Building Commission revenue bonds are serial bonds to be retired through calendar year 2028. At December 31, 2021 the bonds consist of the following:

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

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

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 30<sup>th</sup> 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. During 2021, the revenues from the special sales tax were \$476,352 with the debt service payments totaling \$878,700.

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

<u>Year</u>	<u>Series 2018 Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ —	\$ 30,000	\$ 30,000
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	<u>260,000</u>	<u>7,800</u>	<u>267,800</u>
	<u>\$ 1,000,000</u>	<u>\$ 166,050</u>	<u>\$ 1,166,050</u>

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

##### 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, 2021.

##### 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. The following is a summary of conduit debt transactions for the year ended December 31, 2021:

	Outstanding January 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding December 31, <u>2021</u>
Villa Maria, Inc. Health Care Facility Refunding And Improvement Revenue Bonds, Series 2017	\$ 4,555,922	\$ —	\$ 193,618	\$ 4,362,304
Homestead Senior Residence Mulvane Phase II, LLC Taxable multi-family Housing Revenue Bonds, Series 2020	4,100,000	—	—	4,100,000



## 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 outstanding at December 31, 2021.

During 2021, the temporary note activity for the various capital improvement projects were as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
\$ —	\$ 2,015,000	\$ —	\$2,015,000

## 6. CAPITAL PROJECT FUND AUTHORIZATIONS

At December 31, 2021, individual project authorizations compared with project expenditures from inception which are reported within the Capital Projects Fund are as follows:

<u>Project</u>	<u>Project authorizations</u>	<u>Expenditures project inception to December 31, 2021</u>
Mulvane Street Drainage	\$ 247,724	\$ 247,724
Sewer Injection Plant	112,643	27,650
Homestead Senior Housing	7,179	7,179
Housing Project	2,015,000	1,952,476

## 7. PENSION PLAN

### Plan description

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

Public employees, which includes:

- State/School employees
- Local employees

Police and Firemen

Judges

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

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

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

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

### **Benefits provided**

Benefits are established by statute and may only be changed by the Legislature. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Members (except Police and Firemen) with ten or more years of credited service may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with 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.

## 7. PENSION PLAN (continued)

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

### **Contributions**

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

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

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

	<u>Actuarial Employer Rate</u>	<u>Statutory Employer Capped Rate</u>
State employees	9.22%	14.23%
School employees	15.59	14.23
State/School employees (combined rate) (1)	14.23	14.23
Local government employees	8.87	8.87
Police and Firemen	22.80	22.80
Judges	17.26	17.26

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

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

Member contribution rates as a percentage of eligible compensation in fiscal year 2021 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

## 7. PENSION PLAN (continued)

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, 2021, 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, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021 the City's proportion was .238148%, which was an increase of .002152% from its proportion measured at June 30, 2020.

### **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, 2021, the outstanding balance was \$3,408,088. These payments are due over various time periods up through December 31, 2032.

The 2016 Legislature passed Senate Bill 161 authorizing the delay of \$64.1 million in Fiscal Year 2017 contributions. Repayment is scheduled to be made in a series of twenty annual payments of \$6.4 million which began in Fiscal Year 2019. Senate Sub for HB 2002 authorized the delay of \$194 million in Fiscal Year 2019 school contributions.

Repayment is scheduled to be made in a series of twenty annual payments of \$19.4 million beginning in Fiscal Year 2020. These amounts have been set up as receivables, with the balance at June 30, 2021 was \$242,902,822. The implicit interest rate for these receivables is the assumed investment rate of return, 7.75%.

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

At December 31, 2021, the City reported a liability of \$2,857,672 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30,

## 7. PENSION PLAN (continued)

2021, 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, 2021, the City recognized pension expense of \$289,429. At December 31, 2021 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	\$ 205,083	\$ —
Differences between expected and actual experience	112,799	25,875
Net difference between projected and actual earnings on pension plan investments	—	1,014,752
Changes in assumptions	562,536	—
Changes in proportion	<u>51,055</u>	<u>62,783</u>
Total	<u>\$ 931,473</u>	<u>\$ 1,103,410</u>

The City reported \$205,083 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 June 30,</u>	<u>Amount</u>
2022	\$ (46,822)
2023	(61,933)
2024	(58,142)
2025	(231,176)
2026	21,053
Thereafter	—

### **Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

## 7. PENSION PLAN (continued)

Actuarial Cost Method	Entry age normal
Inflation	2.75 percent
Salary Increase	3.50 to 12.00 percent, including price inflation
Investment Rate of Return	7.25 percent compounded annually, net of investment expense, including price inflation

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2020 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 7.50 percent to 7.25 percent
- General wage growth assumption was increased from 3.25 percent to 3.50 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 Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S Equities	23.50%	5.20%
Non-U.S 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

## 7. PENSION PLAN (continued)

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Expected Real Rate of Return</u>
Fixed Income	11.00%	1.55%
Short Term Investments	<u>4.00</u>	0.25
Total	<u>100.00%</u>	

### **Discount rate**

The discount rate used to measure the total pension liability was 7.25 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 2021 was 1.2 percent.

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

In addition, 2017 Senate Sub For Substitute HB 2052 delayed \$64.1 million in Fiscal Year 2017 State/School contributions to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was paid in full at the beginning of fiscal year 2019, and appropriations for fiscal year 2019 were made at the State/School group statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for fiscal year 2019. Like the fiscal year 2017 reduction, it is to be paid back over a 20-year period, beginning in fiscal year 2020.

## 7. PENSION PLAN (continued)

Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Senate Bill 109, which directed on-behalf payments of \$56 million and \$82 million be made to the System. The \$56 million payment was received by the System on June 30, 2018, and recorded as Fiscal Year 2018 contributions. The \$82 million was received July 1, 2019, and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of \$115 million to KPERS, received in March 2020. House Sub for Senate Bill 25 from the 2019 legislative session authorized additional funding for the KPERS school group in fiscal year 2020 of \$51 million.

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

The statutory contribution rate for the combined State/School group first became equal to the actuarially required rate (ARC rate) in Fiscal Year 2021. Projections based on the same valuation, and an annual return on investments of 7.25 percent, indicate that the contribution rate will remain fairly stable until 2036.

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, 2021, calculated using the discount rate of 7.25%, 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>June 30, 2021</u>		
	1.00%	Current	1.00%
	Decrease	Discount	Increase
	(6.25%)	Rate	(8.25%)
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Net pension liability	\$4,700,593	\$2,857,672	\$1,312,149



## 7. PENSION PLAN (continued)

### 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.

## 8. BUDGETARY DATA

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Nonmajor Govern- mental Funds</u>
GAAP Fund Balance at December 31, 2021	\$ 4,272,084	\$ 216,354	\$ 701,299
Adjustments:			
Reserved for self-insurance	(258,301)	—	—
Accrued sales tax revenues	(84,172)	—	(4,231)
Accrued franchise fee revenues	(33,323)	—	—
Accrued gaming facility revenues	(148,541)	—	—
Other receivables	—	—	(87,189)
Reserved for encumbrances – budgeted funds	(17,443)	—	(96,090)

## 8. BUDGETARY DATA (continued)

	General Fund	Debt Service Fund	Other Nonmajor Govern- mental Funds
Fund balances of nonbudgeted special revenue funds	\$ —	\$ —	\$ 1,035,446
Budgetary Fund Balance at December 31, 2021	\$ 3,730,305	\$ 216,354	\$ 1,549,235

## 9. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2021 is as follows:

<u>Fund</u>	Transfers <u>in</u>	Transfers <u>out</u>
Major Funds:		
General	\$ —	\$ 290,505
Nonmajor Funds:		
Senior Citizens	34,005	—
Municipal Equipment Reserve	166,000	—
Swimming Pool	<u>90,500</u>	<u>—</u>
	<u>290,505</u>	<u>—</u>
	\$ 290,505	\$ 290,505

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended.

Transfers from the General Fund to the Municipal Equipment Reserve Fund in the amount of \$166,000 are related to equipment replacement reserves. Transfers from the General Fund to the Swimming Pool Fund (\$90,500) and also to the Senior Citizens Fund (\$34,005) are routinely made to support those functional operations.

## **10. 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 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires,

## **10. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

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, 2020, the following employees were covered by the benefit terms:

Active employees	74
Disabled members	<u>1</u>
Total	<u>75</u>

### **Total OPEB liability**

The City's total OPEB liability of \$145,598 was measured as of June 30, 2021, and was determined by an actuarial valuation as of December 31, 2020.

### **Actuarial assumptions and other inputs**

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

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

Price inflation	– 2.75 percent
Payroll growth	– 3.00 percent
Discount rate	– 2.16 percent
Salary increases	– 3.50 percent (composed of 2.75 percent inflation and .75 percent productivity)
Actuarial cost method	– Entry Age Normal
Healthcare cost trend rates	– Not applicable for the coverage in this plan
Retiree share of benefit cost	– Not applicable for the coverage in this plan

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

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the December 31, 2020 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, 2020 KPERS pension valuation.

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

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

### **Changes in the total OPEB liability**

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 19,667
Interest cost	3,611
Effect of economic/demographic gains or losses	(21,029)
Effect of assumptions changes or inputs	257
Benefit payments	<u>(1,200)</u>
Net changes	1,306
Net OPEB liability at beginning of year	<u>144,292</u>
Net OPEB liability at end of year	<u><u>\$ 145,598</u></u>

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

### Changes in assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate for each period. The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.

### 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 (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate:

	1.00% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1.00% Increase <u>(3.16%)</u>
City's total OPEB liability	\$ 150,250	\$ 145,598	\$140,117

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

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

	1.00% Decrease <u></u>	Current Trend Assumption <u></u>	1.00% Increase <u></u>
City's total OPEB liability	\$ 145,598	\$ 145,598	\$ 145,598

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

For the year ended December 31, 2021, the City recognized OPEB adjustment of \$4,886. At December 31, 2021 the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

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

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$(348,981)	\$ 36,757
Changes in assumptions	(19,670)	18,612
Contributions subsequent to the measurement date	<u>—</u>	<u>—</u>
Total	<u>\$ 368,651</u>	<u>\$ 55,369</u>

The deferred outflow of resources related to the benefit payments subsequent to the measurement date consist of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2022. Other 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 ending December 31,</u>	<u>Amount</u>
2022	\$ (39,450)
2023	(39,450)
2024	(39,450)
2025	(39,450)
2026	(38,538)
Thereafter	(116,944)

## 11. 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.

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

### **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, 2021, the City abated property taxes totaling \$11,543 under the NRP program.

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

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

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

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



## **12. COMMITMENTS AND CONTINGENCIES**

### **Casino Operations and Commitments**

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

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

The facility is being constructed in phases with the temporary casino being opened in December 2011. The second phase of the development included an expanded gaming center, a 300-room hotel, a 40-space recreational vehicle park, a 4,200-seat events center and a 24-acre Equine Center. The expanded gaming center and hotel was completed during 2012 with the remaining portions of the facility being developed thereafter. Under the terms of the Developer's Agreement, the City contracted for an architectural and engineering firm to perform a utility needs assessment to provide the City with recommendations concerning the modifications and necessary additions to the current utilities being operated by the City. The City has installed sanitary sewer, water and electrical improvements as requested by the Kansas Star Casino, LLC with the entire cost of such improvements being assessed against the Kansas Star site.

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

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

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

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 valuations for 2016 and 2017 were also appealed to the Board of Tax Appeals, which ruled the assessed valuations for both years were approximately \$25 million. These rulings have been appealed and no decision has yet been issued by the Court of Appeals. The valuations for 2018 through 2021 were also appealed to the Board of Tax Appeals.

If the Casino is successful in reducing its assessed valuations for 2014 and subsequent years, it may receive refunds from Sumner County for taxes previously paid based upon the larger assessed valuations. If Sumner County is required to refund any previously collected property taxes to the Casino for 2014 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 2015 valuation, and accompanying reduction in future tax revenue, could be approximately \$6.03 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.

The City has maintained contingency funds in anticipation of the property tax adjustments which has balance of \$500,000 at December 31, 2021. With the reduction of revenue of approximately \$1,000,000 the City will have in January 2022, it will exhaust this reserve. City staff has reviewed possible solutions to deal with the potential property tax revenue shortfall because of the valuations from Board of Tax Appeals for the Casino's Property tax appeals. Staff has researched other ideas beyond mere property tax increase, including

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

spending reductions, deferring of large purchases, revenue enhancements, use of cash, taking a short-term loan from the State of Kansas Pooled Money Investment Board and issuing debt for major purchases. City Staff will use the 2023 budget year to incrementally position the City for any future refunding of additional property tax to the Casino.

As of December 31, 2021 the City has refunded \$941,620 for 2012 and 2013. There can be no assurance that such budgeted amount will be sufficient to compensate for all reductions in tax revenues attributable to refunds to the Casino.

At December 31, 2021 the City had outstanding commitments of \$905,841 including \$446,323 for capital improvements and \$369,466 for new equipment.

## **13. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 30, 2022, the date on which the financial statements were available to be issued.

The COVID-19 coronavirus pandemic has created economic uncertainties that may negatively impact the City's financial position. The ultimate impact of the ongoing pandemic on the City's financial position is unknown at this time.

In 2022 the City approved the issuance of General Obligation Bonds, Series A, 2022 in the aggregate principal amount of \$2,525,000, for the purpose of financing the costs of multiple capital improvement in the City. The debt is to be retired from future sales tax revenue.

In 2022 the City approved the issuance of General Obligation Bonds, Series B, 2022 in the aggregate principal amount of \$2,730,000, for the purpose of financing the costs of a wastewater improvement projects.

In May 2022, the City entered into a loan agreement in the amount of \$989,990 with the Kansas Pooled Money Investment Board to defray a portion of Casino tax refunds discussed in Note 12.

In September 2022, the City entered into a loan agreement in the amount of \$1,142,756 with the Kansas Pooled Money Investment Board to defray a portion of Casino tax refunds discussed in Note 12.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MULVANE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**KPERS PENSION PLAN**

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 409,381	\$ 384,571	\$ 392,564	\$ 367,772	\$ 357,913	\$ 378,272	\$ 430,043	\$ 392,087
Contributions in relation to the contractually required contribution	<u>(409,381)</u>	<u>(384,571)</u>	<u>(392,564)</u>	<u>(367,772)</u>	<u>(357,913)</u>	<u>(378,272)</u>	<u>(430,043)</u>	<u>(392,087)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll	4,582,657	4,440,546	4,415,789	4,383,459	4,230,650	4,120,610	4,536,319	4,435,373
Contributions as a percentage of covered payroll	8.87%	8.61%	8.89%	8.39%	8.46%	9.18%	9.48%	8.84%

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

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

**December 31, 2021**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 19,667	\$ 17,236	\$ 16,641	\$ 16,529
Interest	3,611	18,697	18,382	16,469
Effect of economic/demographic gains or losses	(21,029)	(413,702)	31,780	25,163
Effect of assumption changes or inputs	257	10,830	14,085	(10,789)
Benefit payments	<u>(1,200)</u>	<u>(11,355)</u>	<u>(32,982)</u>	<u>(32,065)</u>
Net change in total OPEB liability	1,306	(378,294)	47,906	15,307
Total OPEB liability – beginning of year	<u>144,292</u>	<u>522,586</u>	<u>474,680</u>	<u>459,373</u>
Total OPEB liability – end of year	<u>\$ 145,598</u>	<u>\$ 144,292</u>	<u>\$ 522,586</u>	<u>\$ 474,680</u>
Covered-employee payroll	<u>\$ 4,386,277</u>	<u>\$ 4,259,755</u>	<u>\$ 4,209,668</u>	<u>\$ 4,188,681</u>
City's total OPEB liability as a percentage of covered-employee payroll	<u>3.32%</u>	<u>3.39%</u>	<u>12.41%</u>	<u>11.33%</u>

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

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

There are no assets accumulated in a trust that meet the criteria to pay related benefits for the OPEB plan.

## **OTHER SUPPLEMENTARY INFORMATION**

**COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**



## **GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

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

**Employee Benefits** – to account for and report the City's portion of social security taxes, retirement plan contributions, workers compensation insurance premiums and unemployment insurance contributions applicable to the governmental funds' payroll (excluding public safety). Financing is principally provided by taxes.

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

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

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

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

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

**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.

**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.

**Sedgwick County Cares** - to account for the resources provided by Sedgwick County on behalf of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for expenditures to costs directly related or incurred due to the pandemic.

**Sumner County Sparks** - to account for the resources provided by Sumner County on behalf of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for expenditures to costs directly related or incurred due to the pandemic.

**CDBG Grant** - to account for distribution of the Community Development Block Grant Program to businesses in the City of Mulvane.

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

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

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

## **NONMAJOR CAPITAL PROJECT FUNDS**

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

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

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

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

**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, 2021**

	Special Revenue Funds	Capital Project Funds	Total
<b><u>ASSETS</u></b>			
Cash including short-term investments	\$ 2,090,771	\$ 979,554	\$ 3,070,325
Property tax receivable	2,602,945	88,076	2,691,021
Accounts receivable	91,778	–	91,778
Sales tax receivable	4,231	–	4,231
Due from other funds	–	254,903	254,903
	<hr/>	<hr/>	<hr/>
Total	\$ 4,789,725	\$ 1,322,533	\$ 6,112,258
	<hr/>	<hr/>	<hr/>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 450,035	\$ –	\$ 450,035
Accrued payroll and accrued liabilities	–	–	–
Due to other funds	–	254,903	254,903
Temporary notes payable	–	2,015,000	2,015,000
	<hr/>	<hr/>	<hr/>
Total liabilities	450,035	2,269,903	2,719,938
	<hr/>	<hr/>	<hr/>
Deferred inflows of resources:			
Property taxes receivable	2,602,945	88,076	2,691,021
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Restricted:			
General Government	205,134		205,134
Recreation	418,893	–	418,893
Health and welfare	56,317	–	56,317
Economic development	482,232	–	482,232
Street improvements	179,832	–	179,832
Capital improvements	–	514,215	514,215
Committed:			–
Street improvements	390,662	–	390,662
Parks and recreation	3,111	–	3,111
Assigned:			–
Culture and recreation	564	–	564
Capital outlay	–	528,313	528,313
Unassigned	–	(2,077,974)	(2,077,974)
	<hr/>	<hr/>	<hr/>
Total fund balances	1,736,745	(1,035,446)	701,299
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	\$ 4,789,725	\$ 1,322,533	\$ 6,112,258
	<hr/>	<hr/>	<hr/>

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2021**

	Special Revenue Funds	Capital Projects Fund	Total
Revenues:			
Taxes	\$ 2,028,506	\$ 21,797	\$ 2,050,303
Special assessment taxes	—	—	—
Intergovernmental	281,652	—	281,652
Charges for services	95,924	—	95,924
Miscellaneous	18,950	44,412	63,362
Grants and contributions	521,140	—	521,140
Use of money and property	1,033,634	—	1,033,634
	<hr/>	<hr/>	<hr/>
Total revenues	3,979,806	66,209	4,046,015
Expenditures:			
Current:			
General government	832,913	—	832,913
Public Safety	—	—	—
Highways and streets	556,166	—	556,166
Culture and recreation	1,622,148	—	1,622,148
Health and welfare	1,768	—	1,768
Economic development	135,519	—	135,519
Capital improvements	—	2,132,214	2,132,214
Debt service:			
Principal	990,000	—	990,000
Interest and fiscal charges	42,900	—	42,900
	<hr/>	<hr/>	<hr/>
Total expenditures	4,181,414	2,132,214	6,313,628
Revenues over expenditures	(201,608)	(2,066,005)	(2,267,613)
Other financing sources (uses):			
General obligation bonds issued	—	—	—
Premium on general obligation bonds issued	—	—	—
Transfers in	124,505	166,000	290,505
Transfers out	—	—	—
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	124,505	166,000	290,505
Net change in fund balances	(77,103)	(1,900,005)	(1,977,108)
Fund balances, beginning of year	1,813,848	864,559	2,678,407
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 1,736,745	\$ (1,035,446)	\$ 701,299
	<hr/>	<hr/>	<hr/>

## CITY OF MULVANE, KANSAS

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

December 31, 2021

	Library	Employee Benefits	Industrial Development	Senior Citizens	Special Highway	Special Park and Recreation	Storm Sewer	Swimming Pool	Special Alcohol
<b><u>ASSETS</u></b>									
Cash and short-term investments	\$ 8,586	\$ 207,943	\$ 182,032	\$ 1,969	\$ 179,832	\$ 101,280	\$ 383,835	\$ 3,111	\$ 56,317
Accounts receivable	–	1,341	–	–	–	–	6,827	–	–
Property taxes receivable	466,934	2,135,029	982	–	–	–	–	–	–
Sales tax receivable	–	–	–	–	–	–	–	–	–
Total assets	<u>\$ 475,520</u>	<u>\$ 2,344,313</u>	<u>\$ 183,014</u>	<u>\$ 1,969</u>	<u>\$ 179,832</u>	<u>\$ 101,280</u>	<u>\$ 390,662</u>	<u>\$ 3,111</u>	<u>\$ 56,317</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>									
Liabilities:									
Accounts Payable	\$ –	\$ 4,150	\$ –	\$ 1,405	\$ –	\$ 7,454	\$ –	\$ –	\$ –
Accrued payroll and taxes	–	–	–	–	–	–	–	–	–
Deferred inflows of resources:									
Property taxes receivable	<u>466,934</u>	<u>2,135,029</u>	<u>982</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Fund balances:									
Restricted:									
General government	–	205,134	–	–	–	–	–	–	–
Recreation	8,586	–	–	–	–	93,826	–	–	–
Health and welfare	–	–	–	–	–	–	–	–	56,317
Economic development	–	–	182,032	–	–	–	–	–	–
Street improvements	–	–	–	–	179,832	–	–	–	–
Committed:									
Street improvements	–	–	–	–	–	–	390,662	–	–
Parks and recreation	–	–	–	–	–	–	–	3,111	–
Assigned:									
Culture and recreation	–	–	–	564	–	–	–	–	–
Total fund balances	<u>8,586</u>	<u>205,134</u>	<u>182,032</u>	<u>564</u>	<u>179,832</u>	<u>93,826</u>	<u>390,662</u>	<u>3,111</u>	<u>56,317</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 475,520</u>	<u>\$ 2,340,163</u>	<u>\$ 183,014</u>	<u>\$ 1,969</u>	<u>\$ 179,832</u>	<u>\$ 93,826</u>	<u>\$ 390,662</u>	<u>\$ 3,111</u>	<u>\$ 56,317</u>

## CITY OF MULVANE, KANSAS

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

December 31, 2021

	Transient Guest Tax	Library Sales Tax	Sedgwick County Cares	Sumner County Sparks	CDBG Grant	Payroll Clearing	Employee Flexible Spending	Mulvane Public Building Commission	Total Nonmajor Special Revenue Funds
<b><u>ASSETS</u></b>									
Cash and short-term investments	\$ 216,590	\$ 312,250	\$ –	\$ –	\$ –	\$ 401,587	\$ 35,439	\$ –	\$ 2,090,771
Accounts receivable	83,610	–	–	–	–	–	–	–	91,778
Property taxes receivable	–	–	–	–	–	–	–	–	2,602,945
Sales tax receivable	–	4,231	–	–	–	–	–	–	4,231
Total assets	<u>\$ 300,200</u>	<u>\$ 316,481</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 401,587</u>	<u>\$ 35,439</u>	<u>\$ –</u>	<u>\$ 4,789,725</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>									
Liabilities:									
Accounts Payable	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 401,587	\$ 35,439	\$ –	\$ 450,035
Accrued payroll and taxes	–	–	–	–	–	–	–	–	–
Deferred inflows of resources:									
Property taxes receivable	–	–	–	–	–	–	–	–	2,602,945
Fund balances:									
Restricted:									
General government	–	–	–	–	–	–	–	–	205,134
Recreation	–	316,481	–	–	–	–	–	–	418,893
Health and welfare	–	–	–	–	–	–	–	–	56,317
Economic development	300,200	–	–	–	–	–	–	–	482,232
Street improvements	–	–	–	–	–	–	–	–	179,832
Committed:									–
Street improvements	–	–	–	–	–	–	–	–	390,662
Parks and recreation	–	–	–	–	–	–	–	–	3,111
Assigned:									–
Culture and recreation	–	–	–	–	–	–	–	–	564
Total fund balances	<u>300,200</u>	<u>316,481</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,736,745</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 300,200</u>	<u>\$ 316,481</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 4,284,778</u>

## CITY OF MULVANE, KANSAS

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

Year ended December 31, 2021

	Library	Employee Benefits	Industrial Development	Senior Citizens	Special Highway	Special Park and Recreation	Storm Sewer	Swimming Pool	Special Alcohol
<b>Revenues:</b>									
Taxes	\$ 498,331	\$ 642,529	\$ 783	\$ –	\$ –	\$ 109,519	\$ –	\$ –	\$ –
Intergovernmental revenues	–	–	–	22,562	259,090	–	–	–	–
Charges for services	–	–	–	4,479	–	–	43,410	48,035	–
Miscellaneous	–	18,950	–	–	–	–	–	–	–
Grants and contributions	–	–	–	–	–	–	–	–	–
Use of money and property	–	664	–	–	70	–	–	–	–
<b>Total revenues</b>	<b>498,331</b>	<b>662,143</b>	<b>783</b>	<b>27,041</b>	<b>259,160</b>	<b>109,519</b>	<b>43,410</b>	<b>48,035</b>	<b>–</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General Government	–	310,487	–	–	–	–	–	–	–
Public Safety	–	–	–	–	–	–	–	–	–
Highway and streets	–	337,680	–	–	210,878	–	7,608	–	–
Culture and recreation	492,010	–	–	60,755	–	51,470	–	138,213	–
Health and welfare	–	–	–	–	–	–	–	–	1,768
Economic development	–	–	–	–	–	–	–	–	–
<b>Debt service:</b>									
Principal	–	–	–	–	–	–	–	–	–
Interest and fiscal charges	–	–	–	–	–	–	–	–	–
<b>Total expenditures</b>	<b>492,010</b>	<b>648,167</b>	<b>–</b>	<b>60,755</b>	<b>210,878</b>	<b>51,470</b>	<b>7,608</b>	<b>138,213</b>	<b>1,768</b>
<b>Revenues over (under) expenditures</b>	<b>6,321</b>	<b>13,976</b>	<b>783</b>	<b>(33,714)</b>	<b>48,282</b>	<b>58,049</b>	<b>35,802</b>	<b>(90,178)</b>	<b>(1,768)</b>
<b>Other financing sources:</b>									
Transfers in	–	–	–	34,005	–	–	–	90,500	–
<b>Net change in fund balance</b>	<b>6,321</b>	<b>13,976</b>	<b>783</b>	<b>291</b>	<b>48,282</b>	<b>58,049</b>	<b>35,802</b>	<b>322</b>	<b>(1,768)</b>
<b>Fund balances, beginning of year</b>	<b>2,265</b>	<b>191,158</b>	<b>181,249</b>	<b>273</b>	<b>131,550</b>	<b>35,777</b>	<b>354,860</b>	<b>2,789</b>	<b>58,085</b>
<b>Fund balances, end of year</b>	<b>\$ 8,586</b>	<b>\$ 205,134</b>	<b>\$ 182,032</b>	<b>\$ 564</b>	<b>\$ 179,832</b>	<b>\$ 93,826</b>	<b>\$ 390,662</b>	<b>\$ 3,111</b>	<b>\$ 56,317</b>



CITY OF MULVANE, KANSAS

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

Year ended December 31, 2021

	Transient Guest Tax	Library Sales Tax	Sedgwick County Cares	Sumner County Sparks	CDBG Grant	Payroll Clearing	Employee Flexible Spending	Mulvane Public Building Commission	Total Nonmajor Special Revenue Funds
Revenues:									
Taxes	\$ 300,992	\$ 476,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,028,506
Intergovernmental revenues	-	-	-	-	-	-	-	-	281,652
Charges for services	-	-	-	-	-	-	-	-	95,924
Miscellaneous	-	-	-	-	-	-	-	-	18,950
Grants and contributions	-	-	-	-	521,140	-	-	-	521,140
Use of money and property	-	-	-	-	-	-	-	1,032,900	1,033,634
Total revenues	300,992	476,352	-	-	521,140	-	-	1,032,900	3,979,806
Expenditures:									
Current:									
General Government	-	-	-	1,286	521,140	-	-	-	832,913
Public Safety	-	-	-	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-	-	-	556,166
Culture and recreation	-	879,700	-	-	-	-	-	-	1,622,148
Health and welfare	-	-	-	-	-	-	-	-	1,768
Economic development	135,519	-	-	-	-	-	-	-	135,519
Debt service:									
Principal	-	-	-	-	-	-	-	990,000	990,000
Interest and fiscal charges	-	-	-	-	-	-	-	42,900	42,900
Total expenditures	135,519	879,700	-	1,286	521,140	-	-	1,032,900	4,181,414
Revenues over (under) expenditures	165,473	(403,348)	-	(1,286)	-	-	-	-	(201,608)
Other financing sources:									
Transfers in	-	-	-	-	-	-	-	-	124,505
Net change in fund balance	165,473	(403,348)	-	(1,286)	-	-	-	-	(77,103)
Fund balances, beginning of year	134,727	719,829	-	1,286	-	-	-	-	1,813,848
Fund balances, end of year	\$ 300,200	\$ 316,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,736,745

**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, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 641,165	\$ 641,165	\$ 642,529	\$ 1,364
Use of money and property	2,500	2,500	664	(1,836)
Miscellaneous	—	—	18,950	18,950
Total revenues	<u>643,665</u>	<u>643,665</u>	<u>662,143</u>	<u>18,478</u>
Expenditures:				
Administration department	320,000	320,000	264,056	55,944
Public works department	340,000	340,000	337,680	2,320
Economic development	45,600	45,600	—	45,600
Inspection Department	—	—	46,431	(46,431)
Total expenditures	<u>705,600</u>	<u>705,600</u>	<u>648,167</u>	<u>57,433</u>
Revenues over (under)				
expenditures	(61,935)	(61,935)	13,976	75,911
Fund balance,				
beginning of year	<u>61,935</u>	<u>61,935</u>	<u>191,158</u>	<u>129,223</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 205,134</u>	<u>\$ 205,134</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, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>(Negative)</u>
Revenues:				
Taxes	\$ 490,803	\$ 490,803	\$ 498,331	\$ 7,528
Expenditures:				
Appropriations to Library Board	<u>493,250</u>	<u>493,250</u>	<u>492,010</u>	<u>1,240</u>
Revenues over (under) expenditures	(2,447)	(2,447)	6,321	8,768
Fund balance, beginning of year	<u>2,447</u>	<u>2,447</u>	<u>2,265</u>	<u>(182)</u>
Fund balance, end of year	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 8,586</u></u>	<u><u>\$ 8,586</u></u>

**CITY OF MULVANE, KANSAS**

**INDUSTRIAL DEVELOPMENT FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 736	\$ 736	\$ 783	\$ 47
Use of money and property	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total revenues	736	736	783	47
Expenditures:				
Industrial development	<u>3,972</u>	<u>3,972</u>	<u>–</u>	<u>3,972</u>
Revenues over (under)				
expenditures	(3,236)	(3,236)	783	4,019
Fund balance,				
beginning of year	<u>3,236</u>	<u>3,236</u>	<u>181,249</u>	<u>178,013</u>
Fund balance, end of year	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>	<u><u>\$ 182,032</u></u>	<u><u>\$ 182,032</u></u>

**CITY OF MULVANE, KANSAS**

**SENIOR CITIZENS FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues and other sources:				
Intergovernmental	\$ 3600	\$ 3,600	\$ 22,562	\$ 18,962
Charges for services	4,000	4,000	4,479	479
Miscellaneous	500	500	–	(500)
Transfers in	<u>76,400</u>	<u>76,400</u>	<u>34,005</u>	<u>(42,395)</u>
 Total revenues and other sources	 84,500	 84,500	 61,046	 (23,454)
Expenditures:				
Operating expenditures	<u>84,500</u>	<u>84,500</u>	<u>60,755</u>	<u>23,745</u>
Expenditures over revenues and other sources	–	–	291	291
Fund balance, beginning of year	<u>–</u>	<u>–</u>	<u>274</u>	<u>274</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 565</u>	<u>\$ 565</u>

**CITY OF MULVANE, KANSAS**

**SPECIAL HIGHWAY FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 196,970	\$ 196,970	\$ 259,090	\$ 62,120
Use of money and property	<u>–</u>	<u>–</u>	<u>70</u>	<u>70</u>
Total revenues	196,970	196,970	259,160	62,190
Expenditures:				
Street operations	<u>232,568</u>	<u>232,568</u>	<u>210,002</u>	<u>22,566</u>
Revenues over (under) expenditures	(35,598)	(35,598)	49,158	84,756
Fund balance, beginning of year	<u>35,598</u>	<u>35,598</u>	<u>130,674</u>	<u>95,076</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 179,832</u>	<u>\$ 179,832</u>

**CITY OF MULVANE, KANSAS**

**SPECIAL PARK AND RECREATION FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Liquor tax	\$ 137,000	\$ 137,000	\$ 109,519	\$ (27,481)
Use of money and property	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total revenues	137,000	137,000	109,519	(27,481)
Expenditures:				
Capital outlay	<u>247,731</u>	<u>247,731</u>	<u>141,914</u>	<u>105,817</u>
Revenues over (under) expenditures	(110,731)	(110,731)	(32,395)	78,336
Fund balance, beginning of year	<u>110,731</u>	<u>110,731</u>	<u>32,461</u>	<u>(78,270)</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 66</u>	<u>\$ 66</u>

**CITY OF MULVANE, KANSAS**

**STORM SEWER FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Charges for services	\$ 40,000	\$ 40,000	\$ 43,181	\$ 3,181
Use of money and property	–	–	–	–
Miscellaneous	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total revenues	40,000	40,000	43,181	3,181
Expenditures:				
Capital Outlay	<u>256,557</u>	<u>256,557</u>	<u>9,937</u>	<u>246,620</u>
Revenues over (under) expenditures	(216,557)	(216,557)	33,244	249,801
Fund balance, beginning of year	<u>220,023</u>	<u>220,023</u>	<u>351,510</u>	<u>131,487</u>
Fund balance, end of year	<u>\$ 3,466</u>	<u>\$ 3,466</u>	<u>\$ 384,754</u>	<u>\$ 381,288</u>



**CITY OF MULVANE, KANSAS**

**SWIMMING POOL FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues and other sources:				
Charges for services	\$ 58,000	\$ 58,000	\$ 48,035	\$ (9,965)
Transfers in	<u>110,000</u>	<u>110,000</u>	<u>90,500</u>	<u>(19,500)</u>
Total revenues and other sources	168,000	168,000	138,535	(29,465)
Expenditures:				
Swimming pool operations	<u>168,360</u>	<u>168,360</u>	<u>138,213</u>	<u>30,147</u>
Expenditures over revenues and other sources	(360)	(360)	322	682
Fund balance, beginning of year	<u>5,360</u>	<u>5,360</u>	<u>2,789</u>	<u>(2,571)</u>
Fund balance, end of year	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,111</u>	<u>\$ (1,889)</u>

**CITY OF MULVANE, KANSAS**

**SPECIAL ALCOHOL FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Liquor tax	\$ –	\$ –	\$ –	\$ –
Use of money and property	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total revenues	–	–	–	–
Expenditures:				
Awareness programs	<u>–</u>	<u>2,500</u>	<u>1,768</u>	<u>732</u>
Revenues over (under) expenditures	–	(2,500)	(1,768)	732
Fund balance, beginning of year	<u>–</u>	<u>58,084</u>	<u>58,085</u>	<u>1</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ 55,584</u>	<u>\$ 56,317</u>	<u>\$ 733</u>

**CITY OF MULVANE, KANSAS**

**TRANSIENT GUEST TAX FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Transient guest tax	\$ 200,000	\$ 200,000	\$ 267,184	\$ 67,184
Expenditures:				
Contractual services	<u>287,465</u>	<u>287,465</u>	<u>135,519</u>	<u>151,946</u>
Revenues over (under) expenditures	(87,465)	(87,465)	131,665	219,130
Fund balance, beginning of year	<u>87,465</u>	<u>87,465</u>	<u>84,925</u>	<u>(2,540)</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 216,590</u></u>	<u><u>\$ 216,590</u></u>

**CITY OF MULVANE, KANSAS**

**LIBRARY SALES TAX FUND**

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

**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sales tax	\$ 390,000	\$ 528,320	\$ 537,377	\$ 9,057
Expenditures:				
Debt service –				
lease payment	768,446	880,000	879,700	300
Micellaneous	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total expenditure	<u>768,446</u>	<u>880,000</u>	<u>879,700</u>	<u>300</u>
Revenues over (under)				
expenditures	(378,446)	(351,680)	(342,323)	9,357
Fund balance,				
beginning of year	<u>378,446</u>	<u>654,572</u>	<u>654,573</u>	<u>1</u>
Fund balance, end of year	<u><u>\$ –</u></u>	<u><u>\$ 302,892</u></u>	<u><u>\$ 312,250</u></u>	<u><u>\$ 9,358</u></u>

**CITY OF MULVANE, KANSAS**

**DEBT SERVICE FUND**

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

**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 615,538	\$ 629,085	\$ 625,427	\$ (3,658)
Special assessments	1,864,525	1,790,165	1,932,333	142,168
Use of money and property	–	–	315	315
Bond Proceeds	–	145,229	1,721,412	1,576,183
Bond Premium	–	–	104,163	104,163
Transfers In	–	–	–	–
Miscellaneous	–	–	–	–
Total revenues	<u>2,480,063</u>	<u>2,564,479</u>	<u>4,383,650</u>	<u>1,819,171</u>
Expenditures and other uses:				
Bond Principal	1,837,371	1,837,371	3,638,409	(1,801,038)
Bond interest and commission	632,057	632,057	630,481	1,576
Cost of Issuance	–	145,918	29,711	116,207
Cash basis reserve	<u>15,000</u>	<u>15,000</u>	<u>–</u>	<u>15,000</u>
Total expenditures	<u>2,484,428</u>	<u>2,630,346</u>	<u>4,298,601</u>	<u>(1,668,255)</u>
Adjustments for qualifying budget credits	<u>–</u>	<u>1,680,346</u>	<u>–</u>	<u>1,680,346</u>
Total expenditures and credits	<u>2,484,428</u>	<u>4,310,692</u>	<u>4,298,601</u>	<u>12,091</u>
Revenues over (under) expenditures and credits	(4,365)	(65,867)	85,049	150,916
Fund balance, beginning of year	<u>4,365</u>	<u>109,379</u>	<u>131,306</u>	<u>21,927</u>
Fund balance, end of year	<u>\$ –</u>	<u>\$ 43,512</u>	<u>\$ 216,355</u>	<u>\$ 172,843</u>

## CITY OF MULVANE, KANSAS

## COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

	Capital Improvement Reserve	Municipal Equipment Reserve	Mulvane Street Drainage	Sewer Injection Plant	Homestead Senior Housing	Capital Projects	Totals
<b><u>ASSETS</u></b>							
Cash and short-term investments	\$ 259,312	\$ 528,313	\$ –	\$ 129,405	\$ –	\$ 62,524	\$ 979,554
Taxes receivable	88,076	–	–	–	–	–	88,076
Due from other funds	254,903	–	–	–	–	–	254,903
Total assets	<u>\$ 602,291</u>	<u>\$ 528,313</u>	<u>\$ –</u>	<u>\$ 129,405</u>	<u>\$ –</u>	<u>\$ 62,524</u>	<u>\$ 1,322,533</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>							
Liabilities:							
Accounts payable	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Due to other funds	–	–	247,724	–	7,179	–	254,903
Temporary notes payable	–	–	–	–	–	2,015,000	2,015,000
Total liabilities	–	–	247,724	–	7,179	2,015,000	2,269,903
Deferred inflows of resources:							
Property taxes receivable	88,076	–	–	–	–	–	88,076
Fund balances (deficit):							
Restricted:							
Capital improvements	514,215	–	–	–	–	–	514,215
Assigned:							
Capital outlay	–	528,313	–	–	–	–	528,313
Unassigned	–	–	(247,724)	129,405	(7,179)	(1,952,476)	(2,077,974)
Total fund balance	514,215	528,313	(247,724)	129,405	(7,179)	(1,952,476)	(1,035,446)
Total liabilities, deferred inflows and fund balances	<u>\$ 602,291</u>	<u>\$ 528,313</u>	<u>\$ –</u>	<u>\$ 129,405</u>	<u>\$ –</u>	<u>\$ 62,524</u>	<u>\$ 1,322,533</u>

**CITY OF MULVANE, KANSAS**

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

**Year ended December 31, 2021**

	Capital Improvement Reserve	Municipal Equipment Reserve	Mulvane Street Drainage	Sewer Injection Plant	Homestead Senior Housing	Capital Projects	Totals
Revenues:							
Taxes	\$ 21,797	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 21,797
Special assessment taxes	–	–	–	–	–	–	–
Use of money and property	–	–	–	–	–	–	–
Miscellaneous	–	–	–	44,412	–	–	44,412
Total revenues	21,797	–	–	44,412	–	–	66,209
Expenditures:							
Capital outlay	7,298	–	172,440	–	–	1,952,476	2,132,214
Debt service	–	–	–	–	–	–	–
Total expenditures	7,298	–	172,440	–	–	1,952,476	2,132,214
Expenditures over (under) revenues	14,499	–	(172,440)	44,412	–	(1,952,476)	(2,066,005)
Other financing sources (uses):							
General obligation bonds issued	–	–	–	–	–	–	–
Premium on general obligation bonds issued	–	–	–	–	–	–	–
Transfers in	–	166,000	–	–	–	–	166,000
Transfers out	–	–	–	–	–	–	–
Total other financing sources (uses)	–	166,000	–	–	–	–	166,000
Net change in fund balance	14,499	166,000	(172,440)	44,412	–	(1,952,476)	(1,900,005)
Fund balances (deficit), beginning of year	499,716	362,313	(75,284)	84,993	(7,179)	–	864,559
Fund balances (deficit), end of year	<u>\$ 514,215</u>	<u>\$ 528,313</u>	<u>\$ (247,724)</u>	<u>\$ 129,405</u>	<u>\$ (7,179)</u>	<u>\$ (1,952,476)</u>	<u>\$ (1,035,446)</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, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,131,518	\$ 5,131,518	\$ 5,176,096	\$ 44,578
Use of money and property	20,000	20,000	11,386	(8,614)
Bond Proceeds	–	–	964,656	964,656
Miscellaneous	20,000	20,000	101,930	81,930
Total revenues	<u>5,171,518</u>	<u>5,171,518</u>	<u>6,254,068</u>	<u>1,082,550</u>
Expenditures, encumbrances and other uses:				
Operations	5,077,971	5,077,971	3,976,894	1,101,077
Nonoperating	505,000	505,000	254,346	250,654
Debt service	333,394	333,394	1,339,183	(1,005,789)
Total expenditures, encumbrances and other uses	<u>5,916,365</u>	<u>5,916,365</u>	<u>5,570,423</u>	<u>345,942</u>
Revenues over (under) expenditures, encumbrances and other uses	(744,847)	(744,847)	683,645	1,428,492
Fund balance, beginning of year	<u>3,265,019</u>	<u>3,265,019</u>	<u>3,945,438</u>	<u>680,419</u>
Fund balance, end of year	<u>\$ 2,520,172</u>	<u>\$ 2,520,172</u>	<u>\$ 4,629,083</u>	<u>\$ 2,108,911</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, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,068,785	\$ 1,068,785	\$ 1,032,372	\$ (36,413)
Use of money and property	10,000	10,000	17,602	7,602
Miscellaneous	15,000	15,000	24,569	9,569
Bond proceeds	2,000,000	2,000,000	–	(2,000,000)
Total revenues	<u>3,093,785</u>	<u>3,093,785</u>	<u>1,074,543</u>	<u>(2,019,242)</u>
Expenditures, encumbrances and other uses:				
Operations	1,216,706	1,216,706	898,786	317,920
Nonoperating	2,080	2,080	123,855	(121,775)
Debt service	7,928	7,928	6,399	1,529
Total expenditures, encumbrances and other uses	<u>1,226,714</u>	<u>1,226,714</u>	<u>1,029,040</u>	<u>197,674</u>
Revenues over expenditures, encumbrances and other uses	1,867,071	1,867,071	45,503	(1,821,568)
Fund balance, beginning of year	<u>916,713</u>	<u>916,713</u>	<u>1,311,025</u>	<u>394,312</u>
Fund balance, end of year	<u>\$ 2,783,784</u>	<u>\$ 2,783,784</u>	<u>\$ 1,356,528</u>	<u>\$ (1,427,256)</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 2,434,800	\$ 2,434,800	\$ 1,626,681	\$ (808,119)
Use of money and property	12,400	12,400	6,751	(5,649)
Miscellaneous	10,000	10,000	70,139	60,139
Bond proceeds	<u>–</u>	<u>–</u>	<u>1,093,932</u>	<u>1,093,932</u>
Total revenues	<u>2,457,200</u>	<u>2,457,200</u>	<u>2,797,503</u>	<u>340,303</u>
Expenditures, encumbrances and other uses:				
Operations	1,278,009	1,278,009	832,493	445,516
Nonoperating	970,000	970,000	537,145	432,855
Debt service	<u>527,804</u>	<u>527,804</u>	<u>1,668,645</u>	<u>(1,140,841)</u>
Total expenditures, encumbrances and other uses	<u>2,775,813</u>	<u>2,775,813</u>	<u>3,038,283</u>	<u>(262,470)</u>
Adjustments for qualifying budget credits	<u>–</u>	<u>1,093,932</u>	<u>–</u>	<u>1,093,932</u>
Total expenditures, encumbrances, other uses and credits	<u>2,775,813</u>	<u>3,869,745</u>	<u>3,038,283</u>	<u>831,462</u>
Revenues over (under) expenditures, encumbrances and other uses	(318,613)	(318,613)	(240,780)	77,833
Fund balance, beginning of year	<u>1,362,388</u>	<u>1,362,388</u>	<u>1,886,932</u>	<u>524,544</u>
Fund balance, end of year	<u>\$ 1,043,775</u>	<u>\$ 1,043,775</u>	<u>\$ 1,646,152</u>	<u>\$ 602,377</u>

## **STATISTICAL SECTION**

# STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	100
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source.	105
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	109
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	117
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	119
<b>Sources:</b>	<i>Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.</i>

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

Governmental Activities	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Investment in Capital Assets	\$ 3,807,377	\$ 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
Restricted for:										
Debt Service	21,080,642	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
Capital Improvements	1,525,762	120,116	245,467	280,568	799,708	95,323	193,378	395,939	499,716	514,215
General Government	-	470,251	205,676	138,559	40,196	156,235	275,702	275,542	263,928	269,234
Employee Benefits	285,909	117,642	903,319	1,308,689	821,572	306,691	194,063	122,858	192,444	205,134
Parks and Recreation	139,632	394,800	287,970	528,310	832,185	945,165	1,179,447	577,767	757,871	418,893
Economic Development	85,430	125,077	437,536	488,678	499,479	475,272	518,714	461,572	315,976	482,232
Street Maintenance	159,646	373,437	15,414	37,791	82,963	92,191	52,293	55,938	131,550	179,832
Public Safety	27,925	30,732	-	-	-	-	-	-	-	-
Health and Welfare	39,636	44,587	59,373	81,665	106,878	70,969	87,977	58,421	58,085	56,317
Unrestricted	3,394,081	3,350,087	3,283,535	1,872,601	2,245,722	598,792	1,579,488	850,605	908,356	1,742,608
<b>Total Governmental Activities Net Position</b>	<b>\$ 30,546,040</b>	<b>\$ 27,136,777</b>	<b>\$ 28,102,578</b>	<b>\$ 18,647,340</b>	<b>\$ 19,344,598</b>	<b>\$ 18,331,670</b>	<b>\$ 17,271,604</b>	<b>\$ 19,741,360</b>	<b>\$ 20,182,008</b>	<b>\$ 21,174,426</b>
Business-type Activities										
Net Investment in Capital Assets	\$ 18,669,822	\$ 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
Restricted for Debt Service	2,661,129	3,009,366	2,956,153	133,838	-	-	-	-	-	-
Unrestricted	2,510,461	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
<b>Total Business-type Activities Net Position</b>	<b>\$ 23,841,412</b>	<b>\$ 28,127,062</b>	<b>\$ 28,255,418</b>	<b>\$ 35,390,441</b>	<b>\$ 35,709,809</b>	<b>\$ 36,565,022</b>	<b>\$ 37,800,576</b>	<b>\$ 38,244,316</b>	<b>\$ 38,579,256</b>	<b>\$ 39,026,523</b>
Primary Government										
Net Investment in Capital Assets	\$ 22,477,199	\$ 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
Restricted	26,005,711	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
Unrestricted	5,904,542	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
<b>Total Primary Government Net Position</b>	<b>\$ 54,387,452</b>	<b>\$ 54,793,588</b>	<b>\$ 56,357,996</b>	<b>\$ 54,037,781</b>	<b>\$ 55,054,407</b>	<b>\$ 54,896,692</b>	<b>\$ 55,072,180</b>	<b>\$ 57,985,676</b>	<b>\$ 58,761,264</b>	<b>\$ 60,200,949</b>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 898,033	\$ 1,120,120	\$ 1,297,410	\$ 1,515,897	\$ 1,782,329	\$ 2,151,881	\$ 1,179,135	\$ 1,177,761	\$ 1,138,868	\$ 1,582,696
Public Safety	2,465,933	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
Highways and Streets	1,436,490	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
Health and Sanitation	-	45,963	52,180	39,130	39,130	106,129	600	29,556	123,426	1,768
Culture and Recreation	924,244	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
Economic Development	26,008	49,927	219,093	291,281	340,265	343,545	256,058	404,942	372,574	168,600
Environmental Protection	829	739	1,099	233	120	308	615	478	849	311
Interest on Long Term Debt	547,071	875,012	814,828	1,072,292	710,073	734,791	746,287	769,278	548,577	436,005
Total Governmental Activities Expenses	<u>\$ 6,298,608</u>	<u>\$ 7,438,931</u>	<u>\$ 8,539,220</u>	<u>\$ 9,145,304</u>	<u>\$ 9,744,069</u>	<u>\$ 10,823,783</u>	<u>\$ 10,315,107</u>	<u>\$ 11,619,610</u>	<u>\$ 10,405,696</u>	<u>\$ 11,074,654</u>
Business-type Activities										
Electric Utility	\$ 4,258,246	\$ 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
Water Utility	982,341	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
Wastewater Utility	1,483,160	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
Total Business-type Activities	<u>\$ 6,723,747</u>	<u>\$ 6,881,524</u>	<u>\$ 7,683,809</u>	<u>\$ 7,623,361</u>	<u>\$ 7,644,742</u>	<u>\$ 7,575,865</u>	<u>\$ 7,946,134</u>	<u>\$ 7,560,327</u>	<u>\$ 7,203,308</u>	<u>\$ 7,674,251</u>
Total Primary Government Expenses	<u>\$ 13,022,355</u>	<u>\$ 14,320,455</u>	<u>\$ 16,223,029</u>	<u>\$ 16,768,665</u>	<u>\$ 17,388,811</u>	<u>\$ 18,399,648</u>	<u>\$ 18,261,241</u>	<u>\$ 19,179,937</u>	<u>\$ 17,609,004</u>	<u>\$ 18,748,905</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government	\$ 293,070	\$ 133,536	\$ 129,915	\$ 126,761	\$ 343,275	\$ 128,893	\$ 158,357	\$ 119,790	\$ 125,653	\$ 196,951
Public Safety	425,312	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
Highway & Streets	33,448	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
Culture and Recreation	75,617	65,372	61,770	63,402	66,051	64,186	72,271	75,301	6,413	61,774
Economic Development	-	203,839	-	-	-	-	-	-	-	-
Operating Grants and Contributions	19,532,368	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
Capital Grants and Contributions	58,364	204	716,331	723,512	700,756	677,275	673,750	774,806	711,048	476,352
Total Governmental Activities Program Revenues	<u>\$ 20,418,179</u>	<u>\$ 2,669,496</u>	<u>\$ 2,779,772</u>	<u>\$ 3,906,921</u>	<u>\$ 3,977,067</u>	<u>\$ 3,433,137</u>	<u>\$ 3,794,906</u>	<u>\$ 7,584,287</u>	<u>\$ 3,868,666</u>	<u>\$ 4,452,491</u>
Business-type Activities										
Charges for Services										
Electric Utility	\$ 4,053,466	\$ 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
Water Utility	1,138,454	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
Wastewater Utility	1,557,136	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
Capital Grants and Contributions	-	1,651	-	-	-	59,538	-	-	-	-
Total Business-type Activities Program Revenues	<u>\$ 6,749,056</u>	<u>\$ 7,091,764</u>	<u>\$ 7,580,828</u>	<u>\$ 7,276,249</u>	<u>\$ 7,917,842</u>	<u>\$ 7,811,736</u>	<u>\$ 8,198,016</u>	<u>\$ 7,893,100</u>	<u>\$ 7,386,567</u>	<u>\$ 8,083,775</u>
Total Primary Government Program Revenues	<u>\$ 27,167,235</u>	<u>\$ 9,761,260</u>	<u>\$ 10,360,600</u>	<u>\$ 11,183,170</u>	<u>\$ 11,894,909</u>	<u>\$ 11,244,873</u>	<u>\$ 11,992,922</u>	<u>\$ 15,477,387</u>	<u>\$ 11,255,233</u>	<u>\$ 12,536,266</u>

Continued on the next page



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

Continued from the previous page

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ 14,119,571	\$ (4,769,435)	\$ (5,759,448)	\$ (5,238,383)	\$ (5,767,002)	\$ (7,390,646)	\$ (6,520,201)	\$ (4,035,323)	\$ (6,537,030)	\$ (6,622,163)
Business-type Activities	25,309	210,240	(102,981)	(347,112)	273,100	235,871	251,882	332,773	183,259	409,524
Total Primary Government Net Expenses	<u>\$ 14,144,880</u>	<u>\$ (4,559,195)</u>	<u>\$ (5,862,429)</u>	<u>\$ (5,585,495)</u>	<u>\$ (5,493,902)</u>	<u>\$ (7,154,775)</u>	<u>\$ (6,268,319)</u>	<u>\$ (3,702,550)</u>	<u>\$ (6,353,771)</u>	<u>\$ (6,212,639)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property Taxes										
General Purposes	\$ 1,637,634	\$ 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
Debt Service	371,681	371,681	431,877	431,877	818,784	1,606,932	367,703	627,003	541,409	625,427
Gaming Facility Revenue Sharing	1,892,058	1,926,430	1,784,165	1,832,260	1,806,329	1,798,789	1,819,997	1,864,339	1,414,783	1,729,074
Sales Taxes	725,464	661,288	718,740	741,498	690,564	911,338	790,162	837,322	865,772	988,232
Franchise Taxes	193,496	244,783	252,328	223,642	201,404	234,263	250,630	254,163	219,852	235,145
Investment Earnings	12,171	10,573	11,660	29,556	38,520	54,518	76,599	93,597	63,237	10,147
Transfers	(670,807)	(4,072,237)	(225,178)	(8,318,410)	(10,347)	(575,000)	(1,034,154)	-	(51,451)	-
Total Governmental Activities	<u>\$ 4,161,697</u>	<u>\$ 1,360,172</u>	<u>\$ 6,725,249</u>	<u>\$ (2,208,532)</u>	<u>\$ 6,464,260</u>	<u>\$ 6,377,718</u>	<u>\$ 5,814,520</u>	<u>\$ 6,505,079</u>	<u>\$ 6,977,678</u>	<u>\$ 7,614,581</u>
Business Type Activities										
Investment Earnings	\$ 7,303	\$ 3,173	\$ 6,159	\$ 13,152	\$ 35,921	\$ 44,342	\$ 67,645	\$ 110,967	\$ 100,230	\$ 37,743
Transfers	670,807	4,072,237	225,178	8,318,410	10,347	575,000	1,034,154	-	51,451	-
Total Business-type Activities	<u>\$ 678,110</u>	<u>\$ 4,075,410</u>	<u>\$ 231,337</u>	<u>\$ 8,331,562</u>	<u>\$ 46,268</u>	<u>\$ 619,342</u>	<u>\$ 1,101,799</u>	<u>\$ 110,967</u>	<u>\$ 151,681</u>	<u>\$ 37,743</u>
Total Primary Government	<u>\$ 4,839,807</u>	<u>\$ 5,435,582</u>	<u>\$ 6,956,586</u>	<u>\$ 6,123,030</u>	<u>\$ 6,510,528</u>	<u>\$ 6,997,060</u>	<u>\$ 6,916,319</u>	<u>\$ 6,616,046</u>	<u>\$ 7,129,359</u>	<u>\$ 7,652,324</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 18,281,268	\$ (3,409,263)	\$ 965,801	\$ (7,446,915)	\$ 697,258	\$ (1,012,928)	\$ (705,681)	\$ 2,469,756	\$ 440,648	\$ 992,418
Business-type Activities	703,419	4,285,650	128,356	7,984,450	319,368	855,213	1,353,681	443,740	334,940	447,267
Total Primary Government	<u>\$ 18,984,687</u>	<u>\$ 876,387</u>	<u>\$ 1,094,157</u>	<u>\$ 537,535</u>	<u>\$ 1,016,626</u>	<u>\$ (157,715)</u>	<u>\$ 648,000</u>	<u>\$ 2,913,496</u>	<u>\$ 775,588</u>	<u>\$ 1,439,685</u>

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

	<u>2012</u>	<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>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted: Insurance Claims	139,632	117,642	205,676	138,559	40,196	156,235	275,702	275,542	263,928	269,234
Assigned: General Government	2,799,723	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
Unreserved	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	1,805,946	-	1,438,247	1,129,253	1,279,140	1,649,750	1,783,720	1,927,627
Total General Fund	<u>2,939,355</u>	<u>2,899,188</u>	<u>3,420,556</u>	<u>3,782,514</u>	<u>4,487,820</u>	<u>4,232,261</u>	<u>4,247,840</u>	<u>3,905,131</u>	<u>3,703,229</u>	<u>4,272,084</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Restricted: Debt Service	130,802	351,859	603,419	147,359	114,268	601,951	315,414	221,115	131,306	216,355
EMS Facility & Equipment	1,504,299	394,800	-	-	-	-	-	-	-	-
General Government	285,909	470,251	903,319	1,308,689	821,572	306,691	194,063	122,858	192,444	205,134
Recreation	85,430	125,077	287,970	528,310	832,185	945,165	1,179,447	577,767	757,871	418,893
Health and Welfare	39,636	44,587	59,373	81,665	106,878	70,969	87,977	58,421	58,085	56,317
Economic Development	159,646	373,437	437,536	488,678	499,479	475,272	518,714	461,572	315,976	482,232
Street Improvements	27,925	30,732	15,414	37,791	82,963	92,191	52,293	55,938	131,550	179,832
Capital Improvements	21,463	157,667	4,730,162	2,998,388	799,708	95,323	193,378	395,939	499,716	514,215
Committed: Street Improvements	461,980	463,229	355,445	306,441	334,764	331,384	311,321	320,007	354,860	390,662
Parks & Recreation	56,452	57,172	58,786	68,437	78,602	67,424	3,189	2,460	2,789	3,111
Capital Improvements	676,701	7,599,451	-	-	-	-	-	-	-	-
Assigned: General Government	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	79	2,957	2	4,202	6,951	661	1,684	694	273	564
Capital Outlay	468,071	282,651	374,062	286,659	228,787	203,670	381,868	188,642	364,843	528,313
Unassigned	(141,277)	(249,159)	(799)	(477)	(314,697)	(1,303,181)	241,413	19	-	-
Unreserved, reported in:										
Capital Project Funds	-	-	-	-	-	-	-	-	-	(2,077,974)
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total all other Governmental Funds	<u>3,777,116</u>	<u>10,104,711</u>	<u>7,824,689</u>	<u>6,256,142</u>	<u>3,591,460</u>	<u>1,887,520</u>	<u>3,480,761</u>	<u>2,405,432</u>	<u>2,809,713</u>	<u>917,654</u>

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 2,800,388	\$ 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
Special Assessment Taxes	488,220	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
Intergovernmental	2,442,513	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
Licenses and Permits	276,208	341,642	342,885	330,161	294,594	281,645	300,959	299,158	279,543	296,433
Charges for Services	503,924	304,186	339,117	343,678	383,857	446,216	449,633	424,845	335,478	379,012
Fines and Forfeitures	88,368	149,907	170,708	209,614	208,008	208,041	190,501	177,256	156,630	163,443
Grants and Contributions	-	-	-	-	-	-	-	-	-	521,140
Use of Money & Property	144,472	144,397	149,046	637,884	658,099	657,735	695,680	1,654,182	671,397	1,077,247
Other Revenues	78,506	31,802	27,672	37,254	247,971	72,949	87,240	84,952	175,607	143,135
<b>Total Revenues</b>	<b>\$ 6,822,599</b>	<b>\$ 9,216,707</b>	<b>\$ 11,163,907</b>	<b>\$ 11,529,541</b>	<b>\$ 11,940,662</b>	<b>\$ 11,830,425</b>	<b>\$ 12,049,202</b>	<b>\$ 12,758,226</b>	<b>\$ 12,431,938</b>	<b>\$ 13,535,306</b>
<b>Expenditures</b>										
General Government	\$ 420,584	\$ 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
Public Safety	2,199,104	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
Highways and Streets	529,036	719,963	781,258	725,994	764,464	1,372,749	1,577,701	1,474,670	1,343,007	1,443,988
Culture and Recreation	795,930	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
Environmental Protection	829	46,702	53,279	39,363	39,250	106,437	1,215	478	849	311
Economic Development	26,008	49,927	219,093	291,281	340,265	343,545	283,558	404,978	353,625	135,519
Capital Outlay	5,314,426	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
Debt Service										
Principal	1,317,945	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
Interest	325,419	905,067	690,356	1,228,457	745,175	792,549	779,511	776,026	792,976	673,381
<b>Total Expenditures</b>	<b>\$ 10,929,281</b>	<b>\$ 11,248,208</b>	<b>\$ 18,401,230</b>	<b>\$ 12,831,948</b>	<b>\$ 13,875,244</b>	<b>\$ 13,789,924</b>	<b>\$ 13,712,382</b>	<b>\$ 14,292,143</b>	<b>\$ 12,229,559</b>	<b>\$ 14,887,532</b>
Revenues over (under) Expenditures	\$ (4,106,682)	\$ (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)
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds	\$ 19,275,000	\$ 8,225,000	\$ 5,393,047	\$ 2,543,576	\$ 8,330,000	-	3,205,000	8,335,545	-	1,721,412
Premium on GO Bonds Issued	-	63,929	37,172	21,183	643,885	-	67,000	827,486	-	104,163
Premium on PBC Revenue Bonds Issued	-	-	74,450	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	(2,468,941)	(8,998,679)	-	-	(9,047,152)	-	(1,796,553)
Transfers In	507,048	743,950	489,148	182,887	458,311	125,000	422,647	162,238	226,500	-
Transfers Out	(519,621)	(713,950)	(515,148)	(182,887)	(458,311)	(125,000)	(422,647)	(162,238)	(226,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 19,262,427</b>	<b>\$ 8,318,929</b>	<b>\$ 5,478,669</b>	<b>\$ 95,818</b>	<b>\$ (24,794)</b>	<b>\$ -</b>	<b>\$ 3,272,000</b>	<b>\$ 115,879</b>	<b>\$ -</b>	<b>\$ 29,022</b>
<b>Net Change in Fund Balance</b>	<b>\$ 15,155,745</b>	<b>\$ 6,287,428</b>	<b>\$ (1,758,654)</b>	<b>\$ (1,206,589)</b>	<b>\$ (1,959,376)</b>	<b>\$ (1,959,499)</b>	<b>\$ 1,608,820</b>	<b>\$ (1,418,038)</b>	<b>\$ 202,379</b>	<b>\$ (1,323,204)</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>29.27%</b>	<b>30.67%</b>	<b>31.42%</b>	<b>34.97%</b>	<b>30.80%</b>	<b>28.85%</b>	<b>28.14%</b>	<b>31.77%</b>	<b>28.61%</b>	<b>28.24%</b>

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

Fiscal Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>		Total Direct Tax Rate	Assessed Value as a % of Estimated Actual Value
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>		
2012	\$53,799,211	\$448,326,758	\$610,836	\$2,036,120	\$54,410,047	\$450,362,878	46.531	12.08%
2013	\$90,689,753	\$488,497,844	\$542,529	\$2,018,951	\$91,232,282	\$490,516,795	41.923	18.60%
2014	\$73,772,161	\$421,192,368	\$604,247	\$2,237,952	\$74,376,408	\$423,430,320	42.406	17.57%
2015	\$80,317,379	\$446,207,661	\$594,490	\$2,201,815	\$80,911,869	\$448,409,476	42.406	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%
Source:	State - Division of Budget Sedgwick County Clerk Sumner County Clerk							

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

**Sedgwick County**

<u>Fiscal Year</u>	<u>City Rates</u>								<u>Overlapping Government Rates</u>					<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Employee Benefits</u>	<u>Library</u>	<u>Industrial Development</u>	<u>Capital Improvements</u>	<u>Special Liability</u>	<u>Total City</u>	<u>State</u>	<u>County</u>	<u>School</u>	<u>Cemetery</u>	<u>Township</u>	
2012	9.703	11.863	20.403	4.029	0.163	0.207	0.163	46.531	1.500	29.447	52.862	1.459	0.000	131.799
2013	9.630	3.734	18.571	3.056	0.163	5.048	1.721	41.923	1.500	29.377	55.382	0.998	0.000	129.180
2014	8.507	7.635	20.495	4.061	0.131	1.401	0.176	42.406	1.500	29.478	60.905	1.466	0.000	135.755
2015	14.625	9.417	9.276	3.498	0.086	5.276	0.084	42.262	1.500	29.383	64.306	1.466	0.000	138.917
2016	9.503	15.316	10.972	5.000	0.053	1.283	2.120	44.247	1.500	29.393	62.956	1.492	0.000	139.588
2017	26.734	3.256	5.454	5.007	0.065	2.347	1.441	44.304	1.500	29.393	62.397	1.482	0.000	139.076
2018	26.191	7.063	6.096	4.972	0.051	2.191	0.039	46.603	1.500	29.383	59.244	1.454	0.000	138.184
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

**Sumner County**

2012	9.703	11.863	20.403	4.029	0.163	0.207	0.163	46.531	1.500	42.660	52.862	1.462	0.000	145.015
2013	9.630	3.734	18.571	3.056	0.163	5.048	1.721	41.923	1.500	39.948	55.382	0.998	0.000	139.751
2014	8.507	7.635	20.495	4.061	0.131	1.401	0.176	42.406	1.500	42.327	60.905	1.466	0.000	148.604
2015	14.625	9.417	9.276	3.498	0.086	5.276	0.084	42.262	1.500	44.235	64.306	1.466	0.000	153.769
2016	9.503	15.316	10.972	5.000	0.053	1.283	2.120	44.247	1.500	48.888	62.956	1.492	0.000	159.083
2017	26.734	3.256	5.454	5.007	0.065	2.347	1.441	44.304	1.500	48.585	62.397	1.482	0.000	158.268
2018	26.191	7.063	6.096	4.972	0.051	2.191	0.039	46.603	1.500	48.362	59.244	1.454	0.000	157.163
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

Source: Sedgwick County Clerk  
Sumner County Clerk

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

2021			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
<b>Sedgwick County:</b>			
Kansas Gas - A Division Of One Gas	\$ 398,016	1	0.43%
Country Walk DG Prattville LLC	359,651	2	0.38%
Larry J Fugate	214,418	3	0.23%
Casey's Retail Company	197,000	4	0.21%
Pamela Schaefer	190,581	5	0.20%
O'Reilly Auto Enterprises LLC	185,398	6	0.20%
BNSF	184,214	7	0.20%
Traditional Holding Company LLC	182,925	8	0.20%
Vintage Bank Kansas	155,650	9	0.17%
Westfall Mini-Storage LLC	141,350	10	0.15%
	<u>\$ 2,209,203</u>		<u>2.36%</u>

<b>Sumner County:</b>			
Kansas Star Casino	\$ 47,375,497	1	50.60%
KSC Lodging, LC	2,477,038	2	2.65%
Dabitojo Dev, LLC	159,746	3	0.17%
Mulvane Coop Union	245,729	4	0.26%
Winedoc Invest, LLC	206,279	5	0.22%
Jones, Karl K	187,643	6	0.20%
BNSF	175,297	7	0.19%
Carson Bank	153,956	8	0.16%
Central Plains	133,390	9	0.14%
Union Pacific	132,642	10	0.14%
	<u>\$ 51,247,217</u>		<u>54.74%</u>

2012			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
<b>Sedgwick County:</b>			
Kansas Gas Service	\$ 279,239	1	0.51%
Mulvane Housing Associated LP	252,701	2	0.46%
Fugate J. Larry	229,673	3	0.42%
Casey's Retail Company	163,875	4	0.30%
Prairie State Bank	162,270	5	0.30%
BNSF	126,974	6	0.23%
Carr Properties	126,400	7	0.23%
Carro Antonio L MD	117,325	8	0.22%
Westfall Ray W & Sharron	112,975	9	0.21%
Congleton LLC	106,749	10	0.20%
	<u>\$ 1,678,181</u>		<u>3.08%</u>

<b>Sumner County:</b>			
Kansas Star Casino	\$ 22,750,000	1	41.81%
Brewer, John A	241,579	2	0.44%
Ratzlaff Properties, LLC	209,806	3	0.39%
Mulvane State Bank	150,977	4	0.28%
Mulvane Coop Union	135,467	5	0.25%
BNSF	122,537	6	0.23%
Pearl St Duplex	114,496	7	0.21%
Union Pacific	112,082	8	0.21%
Pedergraft Properties	111,671	9	0.21%
Wolfe, R. E. LLC	108,198	10	0.20%
	<u>\$ 24,056,813</u>		<u>44.23%</u>

Source: Sumner County Clerk  
Sedgwick County Clerk

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years *</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2012	\$1,736,417	\$1,647,302	94.87%	\$78,429	\$1,725,731	99.38%
2013	\$2,576,349	\$2,527,700	98.11%	\$42,341	\$2,570,041	99.76%
2014	\$3,842,113	\$3,797,386	98.84%	\$81,919	\$3,879,305	100.97%
2015	\$3,143,298	\$3,112,959	99.03%	\$49,763	\$3,162,722	100.62%
2016	\$3,453,308	\$3,427,461	99.25%	\$32,392	\$3,459,853	100.19%
2017	\$3,564,953	\$3,485,752	97.78%	\$25,108	\$3,510,860	98.48%
2018	\$3,642,244	\$3,605,431	98.99%	\$25,157	\$3,630,588	99.68%
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%

Source: City Revenue Report  
Sedgwick County Clerk  
Sumner County Clerk

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

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

Fiscal Year	Governmental Activities					Business Type Activities			Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Public Building Commission Revenue Bonds	Temporary Notes	Notes Payable	Unamortized Premium on Bonds	Revenue Bonds	G.O. Bonds Secured by Enterprise Funds	Unamortized Premium on G.O. Bonds Secured by Enterprise Funds			
2012	\$24,771,522	\$965,000	-	\$37,122	-	\$4,620,000	\$5,842,478	-	\$36,236,122	22.97%	\$5,914
2013	\$31,561,590	\$870,000	\$715,000	\$18,746	\$59,292	\$4,535,000	\$5,531,410	-	\$43,291,038	26.83%	\$6,908
2014	\$30,510,047	\$4,975,000	-	-	\$148,861	\$4,450,000	\$4,896,953	-	\$44,980,861	25.71%	\$7,155
2015	\$28,711,252	\$4,485,000	-	-	\$145,214	\$1,200,000	\$7,353,748	\$22,011	\$41,917,225	23.04%	\$6,665
2016	\$26,199,255	\$3,990,000	\$315,000	-	\$690,962	-	\$7,603,745	\$89,018	\$38,887,980	21.09%	\$6,159
2017	\$24,052,043	\$3,485,000	\$2,515,000	-	\$595,182	-	\$6,738,957	\$67,942	\$37,454,124	20.15%	\$5,890
2018	\$24,207,122	\$3,965,000	-	-	\$567,072	-	\$5,805,878	\$49,828	\$34,594,900	18.15%	\$5,392
2019	\$21,447,611	\$2,530,000	-	-	\$1,202,596	-	\$4,897,389	\$34,665	\$30,112,261	15.61%	\$4,618
2020	\$19,534,936	\$1,990,000	-	-	\$1,016,643	-	\$4,050,064	\$22,484	\$26,614,127	15.12%	\$4,403
2021	\$17,617,939	\$1,000,000	\$2,015,000	-	\$885,564	-	\$5,912,062	\$135,173	\$27,565,738	13.85%	\$4,185



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

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Premium on General Obligation Bonds</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2012	\$30,614,000	-	\$130,802	\$30,483,198	6.77%	\$4,975
2013	\$37,093,000	\$59,292	\$351,859	\$36,800,433	7.50%	\$5,872
2014	\$35,407,000	\$85,599	\$603,419	\$34,889,180	8.24%	\$5,549
2015	\$36,065,000	\$93,139	\$147,359	\$36,010,780	8.03%	\$5,726
2016	\$33,803,000	\$649,036	\$114,268	\$34,337,768	7.78%	\$5,438
2017	\$30,791,000	\$630,294	\$601,951	\$30,819,343	6.64%	\$4,847
2018	\$30,013,000	\$577,165	\$315,414	\$30,274,751	6.30%	\$4,719
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

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

**City of Mulvane, Kansas**  
**Direct and Estimated Overlapping Governmental Activities Debt**  
**As of December 31, 2021**

<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	\$ 43,505,000	0.66%	\$ 287,133
Sumner County	15,676,000	26.10%	4,091,436
School District #263	<u>8,210,000</u>	<u>35.38%</u>	<u>2,904,698</u>
Total Estimated Overlapping Debt	67,391,000	10.81%	7,283,267
City's Direct Debt	<u>21,524,936</u>	<u>100.00%</u>	<u>21,524,936</u>
Total Direct and Overlapping Debt	<u>\$ 88,915,936</u>	<u>32.40%</u>	<u>\$ 28,808,203</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 18,406,794	\$ 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
Total Net Debt Applicable to Limit	4,002,291	3,961,945	3,667,956	3,590,157	3,525,047	3,861,518	3,469,361	3,349,151	2,643,873	3,515,547
Legal Debt Margin	14,404,503	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
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	22%	13%	15%	14%	14%	15%	12%	12%	9%	12%

**Legal Debt Margin Calculation for 2020**

Assessed Value	\$ 93,311,957
Motor-Vehicle K.S.A. 79-5113	<u>7,599,141</u>
Total Assessed Value	<u>\$ 100,911,098</u>
Debt Limit-Approximately 30% of Assessed Value (K.S.A. 10-308)	\$ 30,273,329
Bonded Indebtedness (including temporary notes)	23,585,000
Less Exempt Debt	<u>24,649,453</u>
Total Amount Applicable to Debt Limit	<u>-1,064,453</u>
Legal Debt Margin	<u>\$ 31,337,782</u>

Source: City Financials  
Raymond James & Associates

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

Electric Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2012	\$4,058,302	\$3,647,053	\$411,249	---	\$68,223	\$68,223	6.03
2013	\$4,361,774	\$3,687,100	\$674,674	---	\$68,223	\$68,223	9.89
2014	\$4,861,914	\$4,387,777	\$474,137	---	\$68,223	\$68,223	6.95
2015	\$4,447,561	\$4,165,396	\$282,165	---	\$68,223	\$68,223	4.14
2016	\$4,870,084	\$4,189,546	\$680,538	---	---	---	---
2017	\$4,890,700	\$4,272,950	\$617,750	---	---	---	---
2018	\$5,327,706	\$4,522,210	\$805,496	---	---	---	---
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	---	---	---	---

Source: City's Financial Statements

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

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

Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2012	\$1,139,153	\$837,650	\$301,503	---	---	---	---
2013	\$1,092,686	\$773,748	\$318,938	---	---	---	---
2014	\$1,099,838	\$868,626	\$231,212	---	---	---	---
2015	\$1,098,471	\$990,699	\$107,772	---	---	---	---
2016	\$1,109,000	\$911,817	\$197,183	---	---	---	---
2017	\$1,086,432	\$915,373	\$171,059	---	---	---	---
2018	\$1,122,746	\$956,248	\$166,498	---	---	---	---
2019	\$1,103,930	\$895,491	\$208,439	---	---	---	---
2020	\$1,117,282	\$913,379	\$203,903	---	---	---	---
2021	\$1,063,417	\$984,734	\$78,683	---	---	---	---

Source: City's Financial Statements

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

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

Wastewater Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal (3)	Interest	Total	Coverage (2)
2012	\$1,558,904	\$802,911	\$755,993	\$70,000	\$126,954	\$196,954	3.84
2013	\$1,640,477	\$945,787	\$694,690	\$85,000	\$125,904	\$210,904	3.29
2014	\$1,625,235	\$869,304	\$755,931	\$85,000	\$124,417	\$209,417	3.61
2015	\$1,743,369	\$865,676	\$877,693	\$85,000	\$122,717	\$207,717	4.23
2016	\$1,974,679	\$881,875	\$1,092,804	---	---	---	---
2017	\$1,878,946	\$858,739	\$1,020,207	---	---	---	---
2018	\$1,815,209	\$928,471	\$886,738	---	---	---	---
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	---	---	---	---

Source: City's Financial Statements

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

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

Storm Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2012	\$31,531	\$1,990	\$29,541	---	---	---	---
2013	\$31,880	\$8,510	\$23,370	---	---	---	---
2014	\$31,813	\$25,473	\$6,340	---	---	---	---
2015	\$31,961	\$92,865	(\$60,904)	---	---	---	---
2016	\$34,974	\$46,094	(\$11,120)	---	---	---	---
2017	\$42,001	\$45,825	(\$3,824)	---	---	---	---
2018	\$42,694	\$19,300	\$23,394	---	---	---	---
2019	\$61,565	\$46,389	\$15,176	---	---	---	---
2020	\$43,288	\$8,435	\$34,853	---	---	---	---
2021	\$43,410	\$7,608	\$35,802	---	---	---	---

Source: City's Financial Statements

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

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

<b>Year</b>	<b>Population</b>	<b>Personal Income (thousands)</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>	
						<b>Sedgwick County</b>	<b>Sumner County</b>
2012	6,127	\$ 157,727	\$ 25,743	35.1	1,920	6.10%	5.60%
2013	6,267	\$ 161,331	\$ 25,743	35.1	1,808	5.30%	4.70%
2014	6,287	\$ 174,973	\$ 27,831	35.1	1,821	4.50%	4.10%
2015	6,289	\$ 181,934	\$ 28,929	39.3	1,900	4.40%	3.90%
2016	6,314	\$ 184,432	\$ 29,210	38.8	1,821	4.40%	4.10%
2017	6,359	\$ 185,886	\$ 29,232	35	1,784	3.60%	3.20%
2018	6,416	\$ 190,658	\$ 29,716	36.5	1,874	3.50%	3.20%
2019	6,520	\$ 192,953	\$ 29,594	42.6	1,781	3.20%	3.00%
2020	6,045	\$ 176,012	\$ 29,117	38.9	1,781	4.40%	4.10%
2021	6,587	\$ 199,006	\$ 30,212	38.6	2,184	3.20%	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

<https://data.census.gov/profile?q=1600000US2049100>



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

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Population</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Population</u>
Kansas Star Casino	580	1	9.59%	969	1	15.82%
USD #263	370	2	6.12%	323	2	5.27%
Villa Maria Inc	90	3	1.49%	102	3	1.66%
City of Mulvane	77	4	1.27%	55	4	0.90%
Dillons	45	5	0.74%	45	6	0.73%
Carson Bank	40	6	0.66%	39	7	0.64%
Hampton Inn	35	7	0.58%	Not Available		
Bufco	32	8	0.53%	Not Available		
KMI	30	9	0.50%	Not Available		
Maria Court	23	10	0.38%	25	8	0.41%
	<u>1322</u>		<u>21.87%</u>	<u>1558</u>		<u>25.43%</u>

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

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

Function/Program	<u>2012</u>	<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>
Administration	9	10	10	8	9	9	9	9	7	10
Police Officers	12	14	14	15	14	15	15	15	15	16
Police Dispatchers	6	6	6	6	6	6	6	6	8	6
Emergency Services	3	19	19	19	20	20	20	20	20	20
Public Works	10	10	10	9	10	12	12	12	12	11
Electric	8	8	8	9	8	7	7	7	7	8
Water	4	4	4	4	4	4	3	3	3	2
Wastewater	4	4	4	4	4	4	4	4	4	4
Total	<u>56</u>	<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>

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

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

Function/Program	<u>2012</u>	<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>
Police										
Calls for Service	3,701	3,813	3,742	4,138	4,202	4,459	4,264	4,387	3,802	3,438
Moving Citations	658	721	719	959	921	816	570	663	534	560
DUI Arrests	68	51	25	35	17	22	12	14	21	15
Arrests	316	348	390	424	453	386	352	423	349	442
Emergency Services										
Fire & Rescue Calls	436	408	362	384	426	412	430	462	378	377
Ambulance Calls	793	853	1,003	1,094	1,195	1,263	1,253	1,350	1,168	1,280
Electric										
New Connections	39	1	9	7	14	44	16	17	31	26
Average Daily Usage (mWh/Day)	117	114	116	115	114	122	124	124	93	97
Peak Daily Usage (kW)	13,100	13,200	13,000	12,700	12,800	13,200	12,800	12,800	10,270	10,996
Water										
New Connections	32	2	9	7	14	29	13	18	9	29
Average Daily Consumption (Gallons)	561,377	530,836	544,368	594,296	496,153	497,916	514,068	491,983	441,411	456,000
Peak Daily Consumption (Gallons)	1,110,000	1,003,000	1,235,000	1,211,000	888,060	1,020,000	1,104,000	876,030	866,000	866,000
Wastewater										
Average Daily Sewage Treatment	401,639	438,419	451,320	434,833	446,000	419,712	474,610	516,380	422,537	405,959

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

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

<b>Function/Program</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<b>Police</b>										
Police Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	11	11	11	11	11	11	11	11	11	11
<b>Fire/EMS</b>										
Fire Station	1	1	2	2	2	2	2	2	2	2
Fire & Rescue Trucks	11	12	12	12	12	12	12	12	12	12
Ambulances	3	3	3	4	4	4	4	4	4	4
<b>Parks &amp; Recreation</b>										
Acreage	70.3	70.3	70.3	70.3	70.3	70.3	70.3	70.3	70.3	71.3
Neighborhood Parks	16	16	16	16	16	16	16	16	16	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
<b>Streets</b>										
Streets (Miles)	38	38	38	38	38	38	43	43	43	45
Traffic Signals	3	3	3	3	3	3	3	3	3	3
<b>Electric</b>										
Power Plant	2	2	2	2	1	1	1	1	1	1
Miles of Line	33	33	33	33	34	34	34	34	35	35.5
Generating Capacity (kw)	16600	16600	16600	16600	8200	8200	8200	8200	8200	4100
<b>Water</b>										
Water Mains (Miles)	39	39	39	39	40	40	40	40	41	41.2
Fire Hydrants	221	221	221	221	256	256	286	286	294	294
Storage Capacity (kgal)	800	800	800	800	1300	1300	1300	1300	1300	1300
<b>Wastewater</b>										
Sanitary Sewers (Miles)	34	34	34	34	35	35	35	35	36	36
Storm Sewers (Miles)	1	1	1	1	17	17	17	17	17.3	18
Treatment Capacity (mgd)	1	1	1	1	0.5	0.5	0.5	0.5	0.05	3
Lift Stations	5	5	5	5	4	4	4	4	4	4

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