

OFFICIAL STATEMENT

**BANK-QUALIFIED
BOOK-ENTRY ONLY**

**UNDERLYING RATING: S&P: "AA-"
INSURED RATING: S&P: "AA"**

In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series A, 2026 Bonds is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax, and is excluded from computation of Kansas adjusted gross income. The City has designated the Bonds "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS – Opinion of Bond Counsel" herein.

**\$5,120,000
CITY OF MULVANE, KANSAS
GENERAL OBLIGATION BONDS
SERIES A, 2026**

Dated: Date of Delivery

**Due: September 1, as shown on the
inside cover page hereof**

The City of Mulvane, Kansas (the "City" or the "Issuer") General Obligation Bonds, Series A, 2026 (the "Bonds"), when issued, will be registered in the name of Cede & Co., as registered owner for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form only and purchasers will not receive certificates representing their interest in the Bonds purchased. As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to Bond owners or registered owners shall mean Cede & Co., and shall not mean the Beneficial Owners (herein defined) of the Bonds. See "THE BONDS – Book-Entry Bonds" herein.

The Bonds will be issued by the City, as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Principal of the Series A, 2026 Bonds will be payable annually on September 1, and semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2027. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as bond registrar and paying agent (the "Paying Agent" and "Bond Registrar").

The Bonds maturing on September 1, 2036 and thereafter will be subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, on September 1, 2035 and any date thereafter as described herein. (See "THE BONDS – Redemption Provisions" herein).

The Bonds shall be general obligations of the Issuer, payable as to both principal and interest from special assessments levied upon property benefited by the improvements, and, if not so paid, from ad valorem property taxes which may be levied without limitation as to rate of amount upon all of the taxable tangible property within the territorial limits of the City. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due. See "THE BONDS – Security for the Bonds" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY INC.**

**ASSURED
GUARANTY**

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Spencer Fane, LLP, Wichita, Kansas, Bond Counsel. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about April 8, 2026.

STIFEL

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CERTAIN TERMS USED HEREIN ARE DEFINED IN THE CITY'S BOND ORDINANCE.

The date of this Official Statement is March 16, 2026.

\$5,120,000
CITY OF MULVANE, KANSAS
GENERAL OBLIGATION BONDS
SERIES A, 2026

Maturity Schedule

Dated: Date of Delivery

Due: September 1,
as shown below

SERIAL BONDS

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2027	\$80,000	5.00%	2.50%	625778 YY5
2028	170,000	5.00%	2.50%	625778 YZ2
2029	180,000	5.00%	2.50%	625778 ZA6
2030	185,000	5.00%	2.55%	625778 ZB4
2031	200,000	5.00%	2.60%	625778 ZC2
2032	210,000	5.00%	2.65%	625778 ZD0
2033	215,000	5.00%	2.75%	625778 ZE8
2034	225,000	5.00%	2.85%	625778 ZF5
2035	240,000	5.00%	2.95%	625778 ZG3
2036	255,000	4.00%	3.05%	625778 ZH1
2037	265,000	4.00%	3.15%	625778 ZJ7
2038	275,000	4.00%	3.30%	625778 ZK4
2039	285,000	4.00%	3.40%	625778 ZL2
2040	295,000	4.00%	3.50%	625778 ZM0
2041	310,000	4.00%	3.60%	625778 ZN8
2042	325,000	4.00%	3.70%	625778 ZP3
2043	330,000	4.00%	3.80%	625778 ZQ1
2044	345,000	4.00%	3.90%	625778 ZR9
2045	360,000	4.00%	3.95%	625778 ZS7
2046	370,000	4.00%	4.00%	625778 ZT5

(All plus accrued interest, if any)

⁽¹⁾ CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a subsidiary of The McGraw-Hill Companies, Inc. and is included solely for the convenience of the Owners of the Bonds. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

CITY OF MULVANE, KANSAS

Mayor

Brent Allen

City Council

Trish Gerber, Council Member
Tim Huntley, Council Member
Grant Leach, Council Member
Kurtis Westfall, Council Member
Terry Lane, Council Member

City Staff

Austin St. John, City Administrator
Sydney Thomas, City Treasurer
Debra M. Parker, City Clerk
Rachael Blackwell, Finance Director
Joel Pile, Community Development Director
Jacob Coy, Utility Director

City Attorney

J.T. Klaus
of
Spencer Fane LLP
Wichita, Kansas

Bond Counsel

Spencer Fane LLP
Wichita, Kansas

Paying Agent/Bond Registrar

Office of State Treasurer
Topeka, Kansas

Municipal Advisor

Raymond James & Associates, Inc.
Leawood, Kansas

Underwriter

Stifel, Nicolaus & Co., Inc.,
Birmingham, Alabama

REGARDING THIS OFFICIAL STATEMENT

This Official Statement is submitted in connection with the sale of securities referred to herein and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person has been authorized by the City or Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor will there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Bonds may be placed by certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the offering prices shown on the cover page of this Official Statement and the initial offering prices or yields may be changed from time to time by the Underwriter.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “INTEND,” “EXPECT” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

ASSURED GUARANTY INC. (“AG”) MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTING IN THE BONDS. IN ADDITION, AG HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AG SUPPLIED BY AG AND PRESENTED UNDER THE HEADING “BOND INSURANCE” AND “APPENDIX D- SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

No dealer, broker, salesman or other person has been authorized by the Issuer, Underwriter or the Municipal Advisor to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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OFFICIAL STATEMENT

\$5,120,000 CITY OF MULVANE, KANSAS GENERAL OBLIGATION BONDS SERIES A, 2026

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Mulvane, Kansas (the "Issuer" or the "City") and the Issuer's General Obligation Bonds, Series A, 2026, dated April 8, 2026, to be issued in the principal amount of \$5,120,000 (the "Bonds").

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future.

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure for certain issues. The City has established an undertaking to provide ongoing disclosure concerning the City for the benefit of owners of the Bonds, as required under Section (b)(5)(I) of Securities and Exchange Commission Rule 15c2-12. A copy of such undertaking is included as *APPENDIX B* to this Official Statement.

In the past, the City entered into undertakings (the "Prior Undertakings") for the benefit of the holders of its Notes and Bonds to provide annual financial information and operating data to the Municipal Securities Rulemaking Board ("MSRB"), and to provide notice to the MSRB of certain events, pursuant to the requirements of the Rule. In certain prior years, the Issuer has failed to file its Annual Report within the time period prescribed by the Prior Undertakings or with all of the required information, and did not timely file notices on EMMA that the Annual Report was missing or late. The City has engaged a third-party firm to assist with future continuing disclosure filings. The City's annual filings for the prior years are set forth in the table below:

Fiscal Year		Financial Information	Operating Data
<u>Ending December 31</u>	<u>Report Date</u>	<u>Filing Date⁽¹⁾</u>	<u>Filing Date^{(1)†}</u>
2020	12/31/2021	01/06/2022 ⁽²⁾	05/19/2021
2021	12/31/2022	12/21/2022 & 01/12/2023 ⁽³⁾	02/15/2022
2022	12/31/2023	12/26/2023 & 05/22/2024 ⁽⁴⁾	12/26/2023
2023	12/31/2024	12/23/2024	07/03/2024
2024	12/31/2025	12/11/2025	12/11/2025

⁽¹⁾ The City of Mulvane, Kansas Public Building Commission Revenue Bonds, Series 2009 are subject to a Report Date of September 15th of each year.

⁽²⁾ Annual Financial Information for fiscal year ended December 31, 2020 was due December 31, 2021 but filed January 6, 2022. The City does not consider this late filing to be a material failure to comply with the Rule, but has filed a failure to file notice on June 7, 2022.

⁽³⁾ The City filed the audited financial statements for the year ended December 31, 2021 on January 12, 2023. The auditor for the City was delayed in completing the audited financial statements. The City filed unaudited financial information on December 21, 2022, which resulted in the filing being completed by the due date, and subsequently filed the audited financial statements once they were made available to the City on January 12, 2023.

⁽⁴⁾ The City filed the audited financial statements for the year ended December 31, 2022 on May 22, 2024. The auditor for the City was delayed in completing the audited financial statements. The City filed unaudited financial information on December 26, 2023, which resulted in the filing being completed by the due date, and subsequently filed the audited financial statements once they were made available to the City on May 22, 2024.

[†]Beginning in 2016 (for operating data relating to Fiscal Year 2015), the City began filing Operating Data filings under "Annual Financial Information and Operating Data" in form substantially similar to the Appendix A attached to its Official Statements, in addition to the CAFR

filed under "Audited Financial Statements or CAFR". Notwithstanding such filings, in December 2018, the City implemented a continuing disclosure undertaking which makes clear that it intends to only be obligated to file with EMMA the financial information and operating data included in its CAFR.

The Issuer failed to file a material event notice under the Rule within 10 days of the incurrence of indebtedness in the form of a PMIB Loan in the amount of \$1,142,756 on September 2, 2022 and \$1,460,205.31 on January 25, 2024. The City has since filed an Event Notice and a Failure to File Notice.

The Issuer filed a material event notice on January 23, 2026 reporting the incurrence of indebtedness in the form of a PMIB Loan in the amount of \$1,141,675.50. The event notice states the Loan Agreement was dated January 7, 2026, but it was, in fact, last executed on January 21, 2026 and funded on January 22, 2026 and the event notice was timely filed.

Additional Information

All of the summaries of statutes, opinions, financial and statistical data, and other related reports and documents described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the City Hall, 211 North 2nd, Mulvane, Kansas 67110. Additional information regarding the City, the Bonds may be obtained from Austin St. John, City Administrator, (316) 777-1143, or from the Municipal Advisor, Raymond James & Associates, Inc., 11551 Ash Street, Suite 250, Leawood, Kansas 66211, (816) 391-4120.

THE BONDS

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas (the "State"), including K.S.A. 10-101 to 125, inclusive, K.S.A. 12-6a01 *et seq.*, and K.S.A. 12-617 *et seq.*, all as amended and supplemented, and an ordinance and resolution to be adopted by the City (collectively, the "Bond Ordinance").

Security for the Bonds

The Bonds and the interest thereon will constitute general obligations of the City payable as to both principal and interest thereon, in part, from the collection of special assessments which have been levied against certain properties in the City, and the remainder of said principal and interest, and any portion of the specially assessed part not so paid, shall be paid from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Description of the Bonds

The Bonds shall consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds shall be dated as of the Date of Delivery. Interest on the Bonds will be payable on March 1 and September 1 in each year beginning March 1, 2027 (the "Interest Payment Dates"). The principal of the Bonds shall become due in the amounts as set forth on the inside cover page of this Official Statement on the Stated Maturities, and subject to redemption and payment prior to their Stated Maturities. The Bonds shall bear interest (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid.

Designation of Paying Agent and Bond Registrar

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

Subject to the Book-Entry-Only System, the principal of, or redemption price, and interest on the Bonds shall be payable in lawful money of the United States of America. The principal or redemption price of each Bond shall be paid at

maturity to the person in whose name such Bond is registered on the Bond Register at the maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date (the "Record Date") for such interest by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner.

SO LONG AS CEDE AND CO. REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. SEE "BOOK-ENTRY ONLY SYSTEM" HEREIN.

Registration, Transfer and Exchange of Bonds

The provisions governing the registration, transfer and exchange of Bonds are set out in the Issuer/Agent Agreement (the "Bond Issuer/Agent Agreement") between the Issuer and the Bond Registrar and are generally described as follows.

As long as any of the Bonds remain Outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Bonds may be transferred and exchanged only on the Bond Register as provided in the Bond Issuer/Agent Agreement. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same stated maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Ordinance and the Bond Issuer/Agent Agreement. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption.

Mutilated, Lost, Stolen or Destroyed Bonds

The provisions governing the replacement of mutilated, lost, stolen or destroyed Bonds are set out in the Bond Issuer/Agent Agreement between the Issuer and the Bond Registrar, are governed by applicable provisions of the Uniform Commercial Code and are generally described as follows.

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond under this section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Redemption Provisions

Optional Redemption. At the option of the Issuer, the Bonds or portions thereof maturing on September 1, 2036 and thereafter may be called for redemption and payment prior to their Stated Maturity on September 1, 2035 and thereafter as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) on any date, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the redemption date.

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Bonds are to be redeemed and paid prior to their stated maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine, Bonds of less than a full stated maturity shall be selected by the Bond Registrar in \$5,000 units of principal amount in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the redemption price and interest to the redemption date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the stated maturity thereof, the Issuer shall cause the Paying Agent to give written notice of its intention to call and pay said Bonds to the Owners of said Bonds by first class mail not less than 30 days prior to the redemption date.

All official notices of redemption shall be dated and shall contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the redemption date that the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the redemption date; and (e) the place where such Bonds are to be surrendered for payment of the redemption price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

On or prior to any redemption date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on such redemption date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the Issuer defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

In addition to the foregoing notice, the Issuer directs the Paying Agent to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Bonds, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides

asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by

an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant’s interest in the Bonds, on DTC’s records, to the Paying Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Bonds to the Paying Agent’s DTC account.

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE PROJECT

Proceeds of the Bonds will be used to pay the cost of certain wastewater system improvements to the City’s Wastewater System and to redeem certain outstanding General Obligation Temporary Notes, Series A2024, the proceeds of which paid for certain water, sewer, street, storm sewer, grading and detention pond improvements in the Harvest Point and Emerald Valley benefit districts within the City (the “Project”) and pay the costs of issuing the Bonds.

SOURCES AND USES OF FUNDS

The following table itemizes the sources and uses of funds available for paying the cost of the Project, including the proceeds from the sale of the Bonds:

Sources of Funds:	
Principal Amount of the Bonds	\$5,120,000.00
Available Funds of the City	570,000.00
Premium	<u>312,260.10</u>
Total	<u>\$6,002,260.10</u>
Uses of Funds:	
Project Costs	\$733,395.52
Redeem Outstanding Temporary Notes	5,068,893.68
Cost of Issuance (including Bond Insurance Premium)	126,709.16
Underwriter’s Discount	<u>73,261.74</u>
Total	<u>\$6,002,260.10</u>

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS THAT MUST BE RECOGNIZED.

THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE MUNICIPAL ADVISOR.

Taxation of Interest on Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excluded from gross income for federal income tax purposes under current provisions of the Code, and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provision of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Ordinance and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

Market for the Bonds

Rating. The Bonds have been assigned the financial rating set forth in the section hereof entitled "RATINGS." There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Bonds.

Secondary Market. There is no established secondary market for the bonds and there is no assurance that a secondary market will develop for the purchase and sale of the Bonds. The absence of continuing disclosure of financial or other information pertaining to the Issuer may impair the development of a secondary market for the Bonds and could impair the ability of an Owner to sell the Bonds in the secondary market. Prices of Bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Premium on Bonds

The initial offering prices of certain maturities of the bonds that are subject to optional redemption are in excess of the respective principal amounts thereof. Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to prepayment at par under the various circumstances described under "THE BONDS – Redemption Provisions."

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the taxing authority of the City. Legislation adopted by the 2021 Kansas Legislature provides that, effective January 1, 2022 no Kansas municipality may approve an appropriation or budget or levy a tax rate exceeding the municipality's revenue neutral rate without first conducting a public hearing pursuant to certain notice procedures. See discussion in "**APPENDIX A - FINANCIAL INFORMATION – Accounting, Budgeting and Auditing Procedures**". Changes in laws affecting the taxing and fee authority of the City could limit the ability of the City to collect revenue sufficient to pay principal and interest on the Bonds.

The City has approved a county Neighborhood Revitalization Plan that covers certain areas of the City and from time to time utilizes economic development tools which rebate or abate property taxes for new private improvements in the City. Such programs could affect the City's collection of tax revenues in the future, including revenues to pay principal and interest on the Bonds.

The City Attorney, J.T. Klaus, is a partner and practicing attorney with Spencer Fane LLP, also acting as Bond Counsel with respect to the Bonds.

Book-Entry System

Purchasers of the Bonds through broker-dealers become creditors of the broker-dealer with respect to the Bonds. Records of the owners' holdings are maintained only by the broker-dealer and the owner. In the event of the insolvency of the broker-dealer, the owner would be required to look to the broker-dealer's estate, and to any insurance maintained by the broker-dealer, to make good the owner's loss. The Issuer is not responsible for failures to act by, or insolvencies of, the Securities Depository or any broker-dealer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the Owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Bond Ordinance does not provide for the payment of additional interest or penalty on the Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Bond Ordinance does not provide for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

An investment in the Bonds involves a certain degree of risk. The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available and may be obtained from the Underwriter.

Kansas Public Employees Retirement System

As described in "*APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans*," the Issuer participates in the Kansas Public Employees Retirement System ("KPERs"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Police and Firemen's Retirement System ("KP&F") and the Public Employees Retirement System – Local Group (the "Plan"). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates

may be adjusted by legislative action over time to address any UAAL. According to KPERS' Valuation Reports, the Local Group had an UAAL of approximately \$2.17 billion in calendar year 2024 and KP&F had an UAAL of approximately \$1.52 billion.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the Issuer may incur significant costs to remediate possible injury to the affected persons, and the Issuer may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Issuer's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters, Terrorist or Cyber Attacks

The occurrence of a terrorist attack or cyber security breach in the City, or natural disasters, such as fires, tornadoes, winter storms, extreme cold, earthquakes, floods or droughts, could damage the City and its systems and infrastructure, and interrupt services or otherwise impair operations of the City.

Potential Impacts Resulting from Epidemics or Pandemics

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment and debt service on the Bonds.

Bond Insurance and Ratings of the Bond Insurer

If the Issuer fails to make payment of the principal of and interest on the Bonds when the same become due, any Owner of Bonds will have recourse against the Bond Insurer for such payments. The Bond Insurance Policy does not, however, insure payment of the principal of or interest on the Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium payable upon the redemption of the Bonds. Under no circumstances, including the situation in which interest on the Bonds becomes subject to federal taxation for any reason, can the maturities of the Bonds be accelerated except with the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer performs its obligations under the Bond Insurance Policy, the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken under the Lease Purchase Agreement. If the Bond Insurer is unable to make payments of principal and interest on the Bonds as those payments become due, the Bonds are payable solely from sources pledged by the Issuer pursuant to the Lease Purchase Agreement. See "BOND INSURANCE" for further information concerning the Bond Insurer, the Bond Insurance Policy and any financial ratings assigned to Bonds insured by the Bond Insurer.

A rating downgrade of the Bond Insurer by any rating agency may result in a rating downgrade of the Bonds. A rating downgrade of the Bonds could lower the price of the Bonds in the secondary market, and could affect the liquidity for the Bonds in the secondary market. Prospective purchasers of the Bonds are urged to check the websites of the rating agencies and the public announcements by the Bond Insurer for any future developments relating to the ratings of the Bond Insurer and the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A1” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (“AGM”), merged with and into AG, with AG as the surviving company (such transaction, the “Merger”). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG’s insurance financial strength rating of “AA+” (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG’s financial strength rating of “AA” (stable outlook).

On July 10, 2024, Moody’s, following Assured Guaranty’s announcement of the Merger, announced that it had affirmed AG’s insurance financial strength rating of “A1” (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody’s and/or KBRA may take. For more information regarding AG’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At December 31, 2025:

- The policyholders’ surplus of AG was approximately \$3,249 million.
- The contingency reserve of AG was approximately \$1,511 million.

- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission (the "SEC") on February 27, 2026 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

ABSENCE OF LITIGATION

There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

All legal matters relating to the authorization and issuance of the Bonds are subject to the approving opinion of Spencer Fane, LLP, Wichita, Kansas, as Bond Counsel, whose approving opinion will be delivered to the Underwriter at closing. Bond Counsel has reviewed the portions of this Official Statement entitled THE BONDS, TAX MATTERS – Opinion of Bond Counsel and **APPENDIX B: AN ORDINANCE ESTABLISHING AN UNDERTAKING TO PROVIDE ONGOING DISCLOSURE**, but has not assisted in the preparation of nor reviewed the remainder of this Official Statement, and accordingly

expresses no opinion as to the accuracy nor sufficiency of any other statements, material or financial information contained herein.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Securities:

Federal Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order for the interest thereon to be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Documents to comply with all such requirements. Failure to comply with certain requirements may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds.

The Bonds have been designated by the City as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Kansas Tax Exemption. The interest on the Bonds is exempt from income taxation by the State of Kansas.

No Other Opinions. Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

Other Tax Consequences

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Bond. Under Code §171, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel notes that the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws

Changes in Federal Tax Law

From time to time, there are legislative proposals in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Bonds issued before the enactment. Purchaser of Bonds should consult their tax advisors regarding any pending or proposed tax legislation. The opinions express by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent to the date the Bonds are issued or with respect to any pending legislation.

RATINGS

S&P Global Ratings has assigned its municipal insured rating of "AA" (stable outlook) to the Bonds with the understanding that, upon issuance and delivery of the Bonds, the Policy insuring the payment when due of the principal of and interest on the Bonds will be issued by AG. S&P Global Ratings, a division of the S&P Global, Inc. has assigned an independent rating of "AA-" to the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any bonds, including the Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Raymond James & Associates, Inc., Leawood, Kansas has acted as a Municipal Advisor to the Issuer in connection with the sale of the Bonds. The Municipal Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Municipal Advisor has assisted the Issuer in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The fees of the Municipal Advisor are contingent upon the issuance of the Bonds. The Municipal Advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23.

APPENDIX A

OVERVIEW AND GENERAL INFORMATION FOR THE CITY OF MULVANE, KANSAS

GENERAL

Size and Location

The City of Mulvane, Kansas (the "City" or the "Issuer") is located in Sedgwick County, Kansas and Sumner County, Kansas. The City is located approximately 15 miles southeast of the City of Wichita, Kansas. The City has a current estimated population of 7,374 persons.

Government and Organization of the Issuer

The City was incorporated in 1883 and is a city of the second class.

The City operates under the Mayor-Council form of government. The Council positions consist of five members elected at-large from every other year elections on staggered four-year terms. The Mayor, elected at large for a four-year term, has veto power over certain Council actions, presides over Council meetings and appoints certain City officials, subject to Council approval. The City Administrator is appointed by the Mayor, subject to Council approval, and is charged with the efficient and effective administration of the City.

Municipal Services and Utilities

The City owns and operates municipal electric, water, sanitary sewer and storm water utilities. Natural gas is provided by Kansas Gas Service Company. A portion of the City's electrical needs are provided by franchise agreement with Eversource. The City is a member of KPP Energy. Telephone service is provided by several private telephone companies. Private and commercial trash collection is performed by various local private firms. The City primarily purchases its water from the City of Augusta, Kansas, but also has the capability to source water from its own wells. The City was informed of a water line break in the supply line from the City of Augusta, Kansas and does not have an expected timeframe for repairs.

Transportation and Communication Facilities

The City is located on Kansas Highway 15 and Kansas Highway 53, and is served by a network of all-weather roadbeds providing many access roads to Wichita and many surrounding communities, to U.S. Highway 54 and U.S. Highway 81, and to the Kansas Turnpike (Interstate Highway 35), which runs through the western portion of the City. The BNSF Railway also passes through the City. The Mulvane interchange of the Kansas Turnpike, located at the junction of Kansas Highway 53 and the Turnpike, gives even easier access to a major north-south interstate thoroughfare.

Educational Institutions and Facilities

Unified School District No. 263 serves the City and surrounding rural area, and has complete school facilities, from kindergarten through high school, located within the City. Cowley College also has an extension facility located within the City.

ECONOMIC INFORMATION

Major Employers

The City is located south of the Wichita Metropolitan Area, approximately 17 miles from downtown City of Wichita, Kansas, and, as such, residents of the City have employment opportunities throughout the City, the City of Wichita, Kansas, Sedgwick County, Kansas and Sumner County, Kansas.

Listed below are the major employers located in the City and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full-Time and Part-time Employees</u>
Kansas Star Casino	Entertainment	549
Unified School District No. 263	Education	331
Villa Maria, Inc. & Maria Court	Health Care / Senior Care	107
City of Mulvane	Local Government	101
Hampton Inn	Hotel	50
Dillons Food Store	Retail / Grocery	45
Buffco Engineering, Inc.	Aerospace Assembly	41
Carson Bank & Carson Ins Grp.	Financial & Insurance (Mulvane)	29
Mulvane Coop	Farm Supply	25
Mid Kansas Machine	Machinery Manufacturers	23
Cowley College (Mulvane Location)	Education	16
Ledford Gage Lab	Precision Tools / Equipment	13

Source: City Clerk

The close proximity of the City of Wichita, Kansas provides many of the residents of the City with economic opportunities provided by a large industrial city and other recreational and cultural activities. Wichita is a manufacturing city with a diverse economic base and a growing service sector. More than 500 manufacturing establishments are located in the Wichita area, producing a variety of products from computers to aircraft and these businesses comprise 6 percent of all Wichita area businesses. In addition, City residents have employment opportunities nearby in the City of Wichita, Kansas. Listed below are the largest employers within the City of Wichita, Kansas and Sedgwick County, Kansas:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Employees</u>
Spirit AeroSystems, Inc.	Aircraft Manufacturing	13,000
Textron Aviation	Aviation	9,350
McConnell Air Force Base	Military	5,679
Unified School District No. 259 (Wichita)	Education	5,614
Ascension Via Christi Health	Health Services	4,413
Steven Enterprises	Sales and Service	3,352
Koch Industries	Chemical Refinery	3,100
City of Wichita	Municipal Government	2,886
U.S. Government	Government	2,830
Sedgwick County	County Government	2,521
Wichita State University	Education	2,230
State of Kansas	Government	1,980
Wesley Healthcare	Health Care	1,934
Unified School District No. 266 (Maize)	Education	1,319
Johnson Controls	Manufacturing / Engineering	1,193
Cox Communications, Inc.	Communications and Entertainment	1,125

Source: Wichita Business Journal and City of Wichita, Kansas

Labor Force

The following table sets forth labor force figures for Sedgwick County, Sumner County and the State of Kansas:

SEDGWICK COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2015	247,439	235,654	11,785	4.8%
2016	248,395	236,886	11,509	4.6%
2017	246,480	236,093	10,387	4.2%
2018	249,381	239,959	9,422	3.8%
2019	255,012	246,179	8,833	3.5%
2020	259,084	236,433	22,651	8.7%
2021	255,502	243,576	11,926	4.7%
2022	255,008	247,091	7,917	3.1%
2023	258,378	250,765	7,613	2.9%
2024	273,618	262,880	10,738	3.9%

SUMNER COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2015	11,109	10,615	494	4.4%
2016	10,981	10,517	464	4.2%
2017	10,755	10,347	408	3.8%
2018	10,832	10,450	382	3.5%
2019	10,948	10,576	372	3.4%
2020	10,907	10,015	892	8.2%
2021	10,754	10,301	453	4.2%
2022	10,742	10,425	317	3.0%
2023	10,861	10,566	295	2.7%
2024	10,792	10,372	420	3.9%

STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2015	1,493,782	1,431,533	62,249	4.2%
2016	1,491,961	1,431,920	60,041	4.0%
2017	1,488,346	1,434,516	53,830	3.6%
2018	1,493,360	1,443,204	50,156	3.4%
2019	1,504,415	1,456,662	47,753	3.2%
2020	1,501,827	1,414,596	87,231	5.8%
2021	1,498,226	1,448,294	49,932	3.3%
2022	1,502,603	1,463,010	39,593	2.6%
2023	1,510,988	1,470,936	40,052	2.7%
2024	1,545,790	1,490,553	55,237	3.6%

Source: Labor Market Information Services, Kansas Dept. of Labor in cooperation with BLS, U.S. Dept. of Labor

Retail Sales Tax Collections

The following table lists the sales tax collections for the State of Kansas portion of the total sales tax for the years indicated for sales occurring in Sedgwick County, Kansas and Sumner County, Kansas:

<u>Year</u>	<u>Sedgwick County Sales Tax Collections</u>	<u>Sedgwick County Per Capita Sales Tax</u>	<u>Sumner County Sales Tax Collections</u>	<u>Sumner County Per Capita Sales Tax</u>
2015	\$528,776,274	\$987.44	\$12,809,422	\$541.25
2016	549,882,967	1,070.76	12,542,248	550.83
2017	542,322,930	1,068.97	12,576,594	538.66
2018	628,713,626	1,069.50	16,132,990	559.95
2019	656,724,476	1,234.11	17,094,185	686.39
2020	666,114,395	1,271.20	16,138,199	760.64
2021	762,214,079	1,360.99	17,824,432	742.18
2022	846,942,027	1,531.27	19,410,991	829.58
2023	833,909,688	1,607.64	19,804,325	905.84
2024	820,206,303	1,534.22	19,453,357	845.64

Source: Kansas Statistical Abstract

Local Option Sales Tax

Sales tax collections are the responsibility of the Kansas Department of Revenue. The Department of Revenue distributes the local option countywide and citywide sales taxes on a monthly basis. Countywide sales taxes are distributed between the levying county and the cities within the county based on population and relative tax levies. Citywide local option sales taxes are distributed solely to the levying city.

As of July 1, 2022, the total sales tax rate for goods and services in the for the portion of the City in Sedgwick County is 8.50%, which consists of 6.50% imposed by the State of Kansas, 1.00% imposed by Sedgwick County, and a 1.00% city-wide local option sales tax.

As of July 1, 2022 total sales tax rate for goods and services in the for the portion of the City in Sumner County is 8.50%, which consists of 6.50% imposed by the State of Kansas, 1.00% imposed by Sumner County, and a 1.00% city-wide local option sales tax.

On January 18, 2022, the voters in the City approved the implementation of a one percent (1.00%) retailers' sales tax (the "Sales Tax") for the purpose of paying the costs of acquiring, constructing, furnishing, and equipping of a new downtown fountain park with water feature; footbridges and other City park improvements; Rock Road resurfacing, and stormwater drainage improvements in the City, with collection of such Sales Tax to commence on July 1, 2022, and to terminate five years after its commencement. The previous 1.00% local option sales tax took effect in October 2014 and was used to repay the Series A, 2014 Public Building Commission Revenue Bonds that financed the construction of a new Library. The City redeemed the Series A, 2014 Public Building Commission Revenue Bonds on June 1, 2021 and sunset the sales tax for the Library Project. The following table provides the amount of local option sales tax collected and received by the City during the years indicated:

<u>Year</u>	<u>Local Option Sales Tax Rates</u>	<u>Collections</u>
2016	1.00%	\$699,853.00
2017	1.00%	665,972.60
2018	1.00%	670,031.99
2019	1.00%	759,871.35
2020	1.00%	709,151.80
2021	1.00%	537,377.12
2022*	1.00%	326,814.46
2023	1.00%	978,298.54
2024	1.00%	992,328.90
2025	1.00%	1,025,713.84

* The Sales Tax collections in 2022 represent a partial year of collections for a new sales tax that began on July 1, 2022.

Source: City Clerk

Oil Production

The oil production (in number of barrels) for Sedgwick County and Sumner County for the years listed is indicated in the following table:

<u>Year</u>	<u>Sedgwick County Oil Production</u>	<u>Sumner County Oil Production</u>
2016	127,680	459,629
2017	121,195	424,974
2018	122,441	388,308
2019	111,958	359,389
2020	98,374	311,160
2021	94,739	317,613
2022	91,176	358,510
2023	84,322	338,800
2024	79,237	318,623
2025*	37,455	138,030

* Updated through June, 2025

Source: Kansas Geological Survey

Financial and Banking Institutions

There are currently 152 banking offices located in Sedgwick County and there are currently 14 banking offices located in Sumner County. For the years listed, bank deposits of the County's banks are as follows:

<u>Year</u>	<u>Sedgwick County Total Bank Deposits</u>	<u>Sumner County Total Bank Deposits</u>
2016	\$12,580,941,000	\$501,551,000
2017	12,851,121,000	499,314,000
2018	13,401,267,000	493,903,000
2019	13,633,610,000	482,915,000
2020	16,661,846,000	525,752,000
2021	18,605,019,000	588,956,000
2022	17,990,588,000	608,685,000
2023	19,077,135,000	588,927,000
2024	18,679,979,000	635,649,000
2025	19,104,096,000	639,955,000

Source: FDIC

Population

The City has experienced a steady growth over the years. Below is a summary of population statistics for the City, Sedgwick County and Sumner County for the years listed:

<u>Year</u>	<u>City of Mulvane Population</u>	<u>Sedgwick County Population</u>	<u>Sumner County Population</u>
1960	2,945	343,231	25,316
1970	3,185	350,694	23,553
1980	4,242	367,088	24,928
1990	4,674	403,662	25,841
2000	5,134	452,869	25,946
2010	6,111	494,241	24,132
2020	6,611	518,600	22,653
2025	7,374	547,735	22,222

Source: U.S. Department of Commerce, Bureau of Census, Kansas Statistical Abstract, World Population Review

Building Permits

The following table sets forth the historical number of building permits and valuation of new construction and renovation within the City for the years listed:

<u>Year</u>	<u>Number of Permits</u>	<u>Total Valuation</u>
2016	49	\$5,298,000
2017	58	6,258,000
2018	35	8,750,000
2019	40	9,840,000
2020	52	17,263,000
2021	57	16,245,000
2022	88	24,995,000
2023	28	6,088,000
2024	13	3,046,000
2025	17	5,880,000

Source: City of Mulvane, Kansas

Personal Income

Sedgwick County and Sumner County personal and per capita personal income and the State of Kansas per capita personal income are listed for the years indicated in the following table:

<u>Year</u>	<u>Sedgwick County Total Personal Income</u>	<u>Sedgwick County Per Capita Personal Income</u>	<u>Sumner County Total Personal Income</u>	<u>Sumner County Per Capita Personal Income</u>	<u>State of Kansas Per Capita Personal Income</u>
2014	\$25,447,088,000	\$49,799	\$828,163,000	\$35,574	\$46,289
2015	24,572,823,000	47,845	828,388,000	35,484	46,597
2016	24,118,992,000	46,729	826,388,000	36,265	46,717
2017	25,339,739,000	49,045	834,675,000	36,440	48,271
2018	26,177,518,000	50,575	835,578,000	38,735	50,282
2019	27,242,780,000	52,315	882,574,000	41,310	52,156
2020	27,908,354,000	53,177	933,757,000	44,507	55,101
2021	30,321,088,000	57,818	1,072,466,000	48,034	59,021
2022	30,623,133,000	58,289	1,079,744,000	48,291	62,326
2023	32,480,499,000	61,462	1,145,164,000	51,274	66,115

Source: U.S. Bureau of Economic Analysis, CAINC1 County and MSA personal income summary: personal income, population, per capita personal income.

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The City follows a modified accrual basis of accounting for funds of the City, including the general fund, special revenue funds, capital project fund and debt service fund. Enterprise funds are reported on the accrual basis of accounting.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The budget timeline is as follows: June 15th assessed property valuation estimates are distributed by the County Clerks and will include the Revenue Neutral Rate. July 20th is the last day to notify the County Clerk of intent to levy above the RNR. By this date the City must provide the County Clerk with the proposed tax rate and hearing information, the County Clerk will notify taxpayers via mail/email of all taxing subdivisions exceeding RNR 10 days prior to the first hearing in the county. By September 20th the City must hold the budget hearing and publication of the hearing must be done 10 days prior to the budget hearing. By October 1st the governing body certifies the budget to the County Clerk by 5:00 p.m. or the County Clerk shall use the previous year’s budget information and amount of ad valorem tax to be levied for such taxing subdivision. Budgets may be amended upon action of the governing

body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 10 and September 10, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by a majority vote of its governing body, and the amount of tax to be levied must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by FORVIS Mazars, LLP, Wichita, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2024, is attached hereto as **APPENDIX C**.

The financial information contained in the Appendices to this Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the City.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail

cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

The 2006 Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

SEDGWICK COUNTY, KANSAS PORTION OF THE CITY

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2016	\$27,631,707	\$122,877	\$587,134	\$6,389,678	\$34,731,396
2017	29,042,851	127,636	582,995	6,373,795	36,127,277
2018	30,809,308	130,991	1,170,666	6,387,144	38,498,109
2019	33,050,082	148,459	702,258	6,681,425	40,582,224
2020	35,104,256	133,235	735,870	6,775,843	42,749,204
2021	37,596,426	148,072	716,348	6,891,134	45,351,980
2022	40,917,158	202,630	735,597	6,622,748	48,478,133
2023	47,244,004	185,384	793,849	6,774,436	54,997,673
2024	48,547,916	169,411	841,942	7,252,960	56,812,229
2025*	52,989,070	164,186	842,277	7,252,960	61,248,493

* 2025 motor vehicle valuation not yet available; 2024 data used for estimation purposes only.

Source: Sedgwick County Clerk

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SUMNER COUNTY, KANSAS PORTION OF THE CITY⁽¹⁾

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2016	\$50,577,050	\$205,843	\$513,584	\$884,304	\$52,180,781
2017	51,796,298	158,014	502,298	851,557	53,308,167
2018	53,479,510	187,842	564,449	864,301	55,096,102
2019	54,730,584	153,167	609,121	817,302	56,310,174
2020	56,582,662	148,592	607,342	823,298	58,161,894
2021	55,201,025	143,427	587,916	883,827	56,816,195
2022	55,625,794	165,817	594,212	896,201	57,282,024
2023	30,320,847	156,114	611,771	821,369	31,910,101
2024	33,016,207	156,728	650,519	880,532	34,703,986
2025*	33,709,702	137,932	715,963	880,532	35,444,129

⁽¹⁾ The Kansas Star Casino previously filed an appeal regarding its assessed valuation and the amount of property taxes paid in recent years. The outcome of the appeal has been determined and the reduction in assessed valuation is directly attributable to this outcome.

* 2025 motor vehicle valuation not yet available; 2024 data used for estimation purposes only.

Source: Sumner County Clerk

TOTAL ASSESSED VALUATION

<u>Year</u>	<u>Total Valuation</u>
2016	\$86,912,177
2017	89,435,444
2018	93,594,211
2019	96,892,398
2020	100,911,098
2021	102,168,175
2022	105,760,157
2023	86,907,774
2024	91,516,215
2025	96,692,622

Estimated Actual Valuation

The following table shows the estimated actual valuation for the taxable property within the City assuming an average assessment ratio of 16%:

<u>Year</u>	<u>Estimated Actual Valuation</u>
2016	\$543,201,106
2017	558,971,525
2018	584,963,818
2019	605,577,488
2020	630,694,363
2021	638,551,094
2022	661,000,981
2023	543,173,588
2024	571,976,344
2025	604,328,888

Management’s Discussion and Analysis of Financial Information

The City’s General Fund is the primary operating fund for the City. The General Fund’s total fund balance increased from \$2,487,732 at the end of the fiscal year 2012 to \$5,066,772 at the end of the fiscal year 2023. The increase in the General Fund’s balance during this period is primarily due to additional yearly revenue stream in gaming revenues from the Kansas Star Casino, which was established in December of 2011. Additionally, the Kansas Star Casino has been the primary contributor to increases in the City’s assessed valuation between 2013 and 2023.

The casino exercised its administrative rights to protest its property valuation within Sumner County from 2012 through 2023.

On November 7, 2023, the Sumner County Board of County Commissioners approved an agreement to resolve the outstanding appeals regarding the valuation of The Kansas Star Casino for property tax purposes (the “Tax Agreement”). The Tax Agreement resolves the appeals for tax years 2014, 2016, 2017, 2019, 2020, 2021, 2022, and 2023.

Based upon the various rulings and results of the Tax Agreement, the estimated City shares of the tax refunds due to Kansas Star Casino are set forth below:

<u>Tax Year</u>	<u>Original Tax Value</u>	<u>Agreed Value</u>	<u>Refund Amount</u>
2014	\$151,600,000	\$87,861,000	\$715,802.68
2015	176,000,000	82,900,000	989,978.35
2016	167,000,000	102,659,000	711,724.06
2017	172,000,000	102,609,000	768,574.72
2018	155,000,000	78,913,590	1,142,756.32
2019	183,600,000	92,100,000	1,065,746.25
2020	190,800,000	92,800,000	1,141,675.50
2021	189,500,000	75,200,000	1,331,709.30
2022	189,600,000	81,900,000	1,547,157.77
2023	190,000,000	85,500,000	1,496,962.50

Refunds are made by the County to the Kansas Star Casino, and the City’s share are withheld by the County from future tax distributions. Refunds withheld from the City are as follows:

<u>Distribution Year</u>	<u>Amount Withheld</u>	<u>Refund Year(s)</u>
2022	\$ 2,132,734.67	2015 & 2018
2023	1,496,962.50	2023
2024	1,427,526.74	2014 & 2016
2025	1,834,320.97	2017 & 2019
2026	1,141,675.50	2020

The refund for 2021 (\$1,331,709.30) is expected to be withheld from the City’s second tax distribution in 2026. The refund for 2022 (\$1,547,157.77) is expected to be withheld from the City’s tax distributions in 2027.

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

The City has received Property Tax Loans from the Pooled Money Investment Board (“PMIB”) of the State of Kansas, as follows:

- in May of 2022 for the City’s portion of the refund for the 2015 tax year (\$989,990.00);
- in September of 2022 for the City’s portion of the refund for the 2018 tax year (\$1,142,756);
- in January of 2024 for the City’s portion of the refund for the 2016 tax year and as a replacement for half of the 2023 taxes that will not be paid to the City due to the property tax refunds being paid (\$1,460,205);
- in June of 2024 for the City’s portion of the refund for the 2014 and half 2023 tax years (\$1,464,284);
- in January, 2025 for the City’s portion of the refund for the 2017 tax year (\$768,575);
- in June, 2025 for the City’s portion of the refund for the 2019 tax year (\$1,065,746.25); and

- in January, 2026 for the City's portion of the refund for the 2020 tax year (\$1,141,675.50).

All PMIB loans are to be repaid in four equal annual installments, after the funds are borrowed.

The City intends to apply for additional PMIB loans to finance future tax withholdings for refunds attributable to 2021 and 2022.

The Tax Agreement also sets forth a formula, which complies with USPAP, by which the Kansas Star Casino will be valued through 2028. Kansas Star Casino has agreed that it will not appeal from a valuation that is derived from the agreed formula. This formula, which employs the income approach to valuation, will fluctuate annually based on actual casino performance (annual revenues).

Property Tax Levies and Collections

Tax Collections:

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Tax Rates:

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The following table shows the City's mill levies by fund (per \$1,000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Library Fund</u>	<u>G.O. Bonds</u>	<u>Misc. Funds</u>	<u>Total Levy</u>
2016/17	9.503	5.000	15.316	14.428	44.247
2017/18	26.734	5.007	3.256	9.307	44.304
2018/19	26.191	4.972	7.063	8.377	46.603
2019/20	26.896	4.999	5.533	9.162	46.590
2020/21	28.761	5.001	6.324	6.513	46.599
2021/22	12.292	5.001	5.393	23.918	46.604
2022/23	29.905	4.998	6.010	16.657	57.570
2023/24	25.534	5.000	6.863	19.903	57.300
2024/25	17.428	6.747	8.843	24.256	57.274
2025/26	22.959	6.746	6.178	21.383	57.266

Source: County Clerk

Aggregate Tax Levies:

The aggregate tax levies (per \$1,000 assessed valuation) of the City and overlapping jurisdictions for the years indicated are included in the following table:

<u>Year</u>	<u>City</u>	<u>Sedgwick County</u>	<u>Sumner County</u>	<u>School District</u>	<u>Cemetery District</u>	<u>State</u>	<u>Total Levy</u>
2016/17	44.247	29.393	48.888	62.956	1.492	1.500	188.476
2017/18	44.304	29.393	48.585	62.397	1.482	1.500	187.661
2018/19	46.603	29.383	48.362	59.244	1.454	1.500	186.546
2019/20	46.590	29.384	46.590	64.511	1.429	1.500	190.004
2020/21	46.599	29.376	46.599	59.633	1.430	1.500	185.137
2021/22	46.604	29.370	52.180	60.944	1.411	1.500	192.009
2022/23	57.570	29.368	52.216	61.724	1.411	1.500	203.789
2023/24	57.300	28.988	57.300	60.490	1.895	1.500	207.473
2024/25	57.274	28.701	52.090	65.172	2.214	1.500	206.951
2025/26	57.266	27.567	50.037	61.728	2.090	1.500	200.188

Source: Sedgwick and Sumner County Clerks

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the City for taxes levied in 2025:

SEDGWICK COUNTY, KANSAS PORTION OF CITY

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes to be Paid</u>
McLean SFR Investment LLC / Homesource Acquisitions	\$985,924	\$56,459.98
Country Walk DG Prattville LLC	525,091	30,069.86
Kansas Gas Service-A division of One Gas, Inc.	510,622	29,241.27
Westfall Mini-Storage LLC	289,238	16,563.50
Individual	261,210	14,958.46
Individual	254,081	14,550.17
Traditional Holding Company LLC	249,950	14,313.63
O'Reilly Auto Enterprises	207,200	11,865.52
Casey's Retail Company	202,625	11,603.53
Vintage Bank Kansas	163,425	9,358.70

Source: County Clerk

SUMNER COUNTY, KANSAS PORTION OF CITY

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes to be Paid</u>
Kansas Star Casino, LLC ⁽¹⁾⁽²⁾	\$23,141,941	\$4,335,769
KSC Lodging, LC	3,049,338	526,380
Dabitojo Dev, LLC	177,411	47,758
Individual	230,910	39,860
Winedoc Investment, LLC	226,646	39,124
Mulvane COOP Union	215,640	37,224
BNSF Railroad	194,309	33,542
Kansas Gas Service	191,251	33,014
Carson Bank	179,196	30,933
Union Pacific	177,474	30,636

⁽¹⁾ The Kansas Star Casino has filed an appeal regarding its assessed valuation and the amount of property taxes paid in recent years.

⁽²⁾ See "Management's Discussion and Analysis of Financial Information" herein.

Source: Sumner County Clerk

Risk Management

The City carries commercial insurance for all risks of loss.

Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System (“KPERs”) established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERs is governed by a board of trustees consisting of nine members each of whom serve four-year terms. The board of trustees appoints an executive director to serve as the managing officer of KPERs and manage a staff to carry out daily operations of the system.

As of December 31, 2024, KPERs serves approximately 350,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERs administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen’s Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERs is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan’s qualified status dated October 14, 1999 and March 5, 2001. KPERs is also a “contributory” defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer’s employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERs Tier 1 members (covered employment prior to July 1, 2009), KPERs Tier 2 members (covered employment on or after July 1, 2009), or KPERs Tier 3 members (covered employment on or after January 1, 2015).

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERs to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling \$1.125 billion in four payments to be deposited into the KPERs trust fund for the School Group. For more information about the Legislature’s actions related to KPERs, please see the 2022 Valuation Report referenced below.

The Issuer’s contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERs, subject to legislative caps on percentage increases. The Issuer’s contribution is 9.26% of the employee’s gross salary for calendar year 2024, and is projected to change to 9.71% of the employee’s gross salary for calendar year 2025. In addition, the Issuer contributes 1% of the employee’s gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2024 (the “2024 Valuation Report”) the KPERs Local Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability (“UAAL”) of approximately \$2.17 billion at the end of 2024. The amount of the UAAL in 2024 changed from the previous year’s amount due to the factors discussed in the 2024 Valuation Report; such report also includes additional information relating to the funded status of the KPERs Local Group, including recent trends in the funded status of the KPERs Local Group. A copy of the 2024 Valuation Report is available on the KPERs website at kpers.org/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERs website or in the 2024 Valuation Report, which is the most recent

financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2023 Valuation Report sets the employer contribution rate for the period beginning January 1, 2026, for the KPERS Local Group, and KPERS’ actuaries identified that an employer contribution rate of 9.6% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2024 Valuation Report. The statutory contribution rate of employers currently equals the 2024 Valuation Report’s actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

DEBT STRUCTURE

Debt Summary

The following table summarizes certain key statistics with respect to the City’s tax and assessment supported general obligation debt:

Assessed Valuation ⁽¹⁾	\$96,692,622
Estimated Actual Valuation	\$604,328,888
Outstanding General Obligation Debt ⁽²⁾	\$29,910,351
Net Overlapping Debt	\$3,666,049
Population	7,374
Direct debt per capita	\$4,056.19
Direct and overlapping debt per capita	\$4,553.35
Direct debt as a percentage of Assessed Valuation	30.93%
Direct debt as a percentage of Estimated Actual Valuation	4.95%
Direct and overlapping debt as a percentage of Assessed Valuation	34.72%
Direct and overlapping debt as a percentage of Estimated Actual Valuation	5.56%

⁽¹⁾ Preliminary 2025 assessed valuation figures used for budgeting purposes. See “Management’s Discussion and Analysis of Financial Information” herein for a discussion of the effect of certain appeals of the valuation of Kansas Star Casino property.

⁽²⁾ Includes General Obligation Bonds, Temporary Notes and PMIB Loans.

Current Indebtedness of the Issuer

The following tables set forth as of the date of issuance of the Bonds all of the outstanding obligations of the City:

GENERAL OBLIGATION BONDS

<u>Category of Indebtedness</u>	<u>Series</u>	<u>Dated</u> <u>Date</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Amount</u> <u>Outstanding</u>
General Obligation Refunding Bonds	A, 2016	08/18/2016	09/01/2027	\$7,930,000	\$2,100,000
General Obligation Refunding Bonds	B, 2016	11/15/2016	09/01/2026	4,485,000	85,000
General Obligation Bonds	2018	12/28/2018	09/01/2034	2,205,000	1,450,000
General Obligation Refunding Bonds	A, 2019	07/09/2019	09/01/2034	8,510,000	5,315,000
General Obligation Refunding Bonds	A, 2021	02/11/2021	09/01/2026	3,780,000	645,000
General Obligation Bonds	B, 2021	06/24/2021	09/01/2036	2,730,000	2,730,000
General Obligation Bonds	A, 2022	07/14/2022	09/01/2027	2,525,000	1,005,000
General Obligation Bonds	B, 2022	07/14/2022	09/01/2042	2,125,000	1,910,000
General Obligation Bonds	2024-A	10/30/2024	09/01/2044	4,550,000	4,405,000
General Obligation Bonds ⁽¹⁾	A, 2026	04/08/2026	09/01/2046	5,345,000	<u>5,120,000</u>
				Total	<u>\$24,765,000</u>

⁽¹⁾ This issue.

TEMPORARY NOTES

<u>Category of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Temporary Notes ⁽¹⁾	A, 2024	10/30/2024	09/01/2026	\$5,045,000	<u>\$-0-</u>
				Total	<u>\$-0-</u>

⁽¹⁾ Being redeemed with this issue.

PUBLIC BUILDING COMMISSION REVENUE BONDS

<u>Category of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
PBC Revenue Bonds	A, 2018	5/01/2018	12/01/2028	\$1,000,000	<u>\$760,000</u>
				Total	<u>\$760,000</u>

POOLED MONEY INVESTMENT BOARD (“PMIB”) LOANS

<u>Category of Indebtedness</u>	<u>Series</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
PMIB Loan	2022	5/25/2022 ⁽¹⁾	5/25/2026	0.289%	\$989,990	\$247,498
PMIB Loan	2022	9/02/2022 ⁽²⁾	9/02/2026	1.430%	1,142,756	285,689
PMIB Loan	2024	1/17/2024 ⁽³⁾	1/25/2028	4.829%	1,460,205	730,102
PMIB Loan	2024	6/05/2024 ⁽⁴⁾	6/05/2028	4.687%	1,464,283	1,098,210
PMIB Loan	2025	1/27/2025 ⁽⁵⁾	1/27/2029	4.118%	768,574	576,431
PMIB Loan	2025	6/9/2025 ⁽⁶⁾	6/09/2029	3.770%	1,065,746	1,065,746
PMIB Loan	2026	1/22/2026 ⁽⁷⁾	1/22/2030	3.483%	1,141,675	<u>1,141,675</u>
					Total	<u>\$5,145,351</u>

⁽¹⁾ The purpose for this loan is due to the refund for the 2015 tax year.

⁽²⁾ The purpose for this loan is due to the refund for the 2018 tax year.

⁽³⁾ The purpose for this loan is due to the refund for the 2016 tax year, as well as a replacement for the 2023 taxes that will not be paid to the City due to the property tax refunds being paid to the Kansas Star Casino

⁽⁴⁾ The purpose for this loan is due to the refund for the 2014, 2016 and 2023 tax years.

⁽⁵⁾ The purpose for this loan is due to the refund for the 2017 tax year.

⁽⁶⁾ The purpose for this loan is due to the refund for the 2019 tax year.

⁽⁷⁾ The purpose for this loan is due to the refund for the 2020 tax year.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 31, 2025 and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Gross Amount Applicable to Issuer</u>	<u>Net Amount Applicable to Issuer</u>
Sedgwick County	\$6,536,722,468	\$62,404,000	0.71%	\$443,068	\$443,068
Sumner County	316,121,828	13,011,000	19.36%	2,518,929	2,518,929
U.S.D. No. 263 ⁽¹⁾	148,424,319	3,690,000	36.00%	<u>1,328,400</u>	<u>704,052</u>
			Total	<u>\$4,290,397</u>	<u>\$3,666,049</u>

⁽¹⁾ For bond elections approved by voters prior to July 1, 2015, the State of Kansas will pay approximately (for fiscal year 7/1/2025 through 6/30/2026) 47% of debt service for the School District’s general obligation bonds; for bond elections approved by voters after July 1, 2015 but before July 1, 2022, the State of Kansas will pay (for fiscal year 7/1/2025 through 6/30/2026) 0% of debt service for the School District’s general obligation bonds and for elections approved after July 1, 2022, the State of Kansas will pay approximately (for fiscal year 7/1/2025 through 6/30/2026) 1% of debt service for the School District’s general obligation bonds

Source: County Clerk

Future Indebtedness

The City does not have any immediate plans to issue additional bonds in the near future. However, residential and commercial growth that the City has experienced is expected to continue. As a result, the City anticipates financing the public infrastructure needs of the community with ongoing temporary note financing and eventually bonded indebtedness. The City may issue additional debt in the next 12 months for developments occurring in the City. If the City incurs additional property tax refunds or withholdings, the City may enter into additional PMIB Loans to finance such property tax refunds or withholdings.

Litigation

No litigation, proceedings or investigations are pending or, to the knowledge of the Institution, threatened against the City, except litigation and certain administrative proceedings involving claims which, if adversely determined, will not, in the opinion of the counsel to the City, materially and adversely affect the financial condition of, the operations of, or revenues generated by, the City. The Kansas Tort Claims Act, K.S.A. 75-6101 et seq., limits the liability of the City for tort-related damages caused by the negligent or wrongful act or omission of any of their employees while acting within the scope of their employment. Subject to certain exceptions contained within the Kansas Tort Claims Act, liability for claims within the scope of the Kansas Tort Claims Act cannot exceed \$500,000 for any number of claims arising out of a single occurrence or event. The City's exposure is further limited by insurance coverage.

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APPENDIX B

AN ORDINANCE ESTABLISHING AN UNDERTAKING TO PROVIDE ONGOING DISCLOSURE

(Published in *The Mulvane News* on December 6, 2018)

ORDINANCE NO. 1509

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 1369 OF
THE CITY OF MULVANE, KANSAS.

WHEREAS, the governing body of the City of Mulvane, Kansas (the “City”) has heretofore by Ordinance No. 1182 adopted on August 18, 2003 and published in the City’s official newspaper as required by law on August 21, 2003, as amended and restated by (i) Ordinance No. 1343 adopted March 15, 2010 and published in the City’s official newspaper as required by law on March 18, 2010, and (ii) Ordinance No. 1369 adopted on May 16, 2011 and published in the City’s official newspaper as required by law on May 19, 2011, established a written undertaking to function as a master undertaking for the benefit of the holders as well as the beneficial owners of all general obligation bonds and temporary notes issued by the City of Mulvane, purchased for public distribution by one or more underwriters, on or after August 18, 2003, as required to establish legal preconditions for sale of the Bonds and Notes through an underwriter or underwriters, under Section (b)(5)(i) of Securities and Exchange Commission (“SEC”) Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended; and

WHEREAS, the governing body of the City finds and determines it advisable to amend and restate Ordinance No. 1369 of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MULVANE, KANSAS AS FOLLOWS:

Section 1. Amendment and Restatement of Ordinance No. 1369. The entirety of Ordinance No. 1369 is hereby amended and restated by replacing them with the following:

SECTION 1. This Ordinance establishes and constitutes a written undertaking which shall function as a master undertaking for the benefit of the holders as well as the beneficial owners of all general obligation bonds (the “Bonds”) and temporary notes (the “Notes”) issued by the City of Mulvane (the “City” or the “Issuer”), purchased for public distribution by one or more underwriters, on or after the effective date hereof, as required to establish legal preconditions for sale of the Bonds and Notes through an underwriter or underwriters, under Section (b)(5)(i) of Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “Rule”) promulgated under the Securities Exchange Act of 1934, as amended. Capitalized terms used in this Ordinance, and not otherwise defined herein, shall have the meanings assigned to such terms in Section 4 hereof.

SECTION 2. The City, as issuer of the Bonds and Notes, undertakes to provide the following information, at the times and to the recipients as provided in Section 3 of this Ordinance:

- (i) Annual Financial Information
- (ii) Audited Financial Statements

(iii) Reporting Event Notices

SECTION 3. So long as the Rule continues to require an undertaking to make ongoing disclosure as established herein, or performance of prior such undertakings, then, with respect to all of the Bonds and Notes issued subject to such requirements which remain Outstanding:

(A) The Issuer shall provide the Annual Financial Information on or before December 31 of each year (the "Report Date"), beginning in December, 2010, to the Municipal Securities Rulemaking Board ("MSRB"). The Issuer may adjust the Report Date if the Issuer changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the MSRB; provided that the new Report Date shall be not more than 365 days after then end of the new fiscal year and provided further that the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Issuer provides to the MSRB the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(B) The Issuer shall provide the Audited Financial Statements as part of the Annual Financial Information described in the preceding paragraph of this Section, when and if available.

(C) If a Reporting Event occurs, the Issuer shall provide a Reporting Event Notice to the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of a Reporting Event. Each "Reporting Event Notice" shall be so captioned, and shall prominently state the date, title and CUSIP numbers of the Bonds or Notes to which the Reporting Event(s) covered by the Reporting Event Notice pertain(s).

(D) The Issuer shall provide timely notice of any failure by the Issuer to provide Annual Financial Information as required hereunder to the MSRB.

SECTION 4. The following are definitions of the capitalized terms used in this Ordinance and not otherwise defined elsewhere in this Ordinance:

"Adverse Tax Opinion" means adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

“Annual Financial Information” means the Issuer’s Audited Financial Statements and Operating Data.

“Audited Financial Statements” means the Issuer’s general purpose financial statements for the previous fiscal year, prepared according to generally accepted accounting principles and demonstrating compliance with laws of Kansas (except as otherwise stated or disclosed in the Bonds or Notes or as otherwise required by applicable law, as the same may be from time to time amended), which shall have been audited by such auditor(s) as shall be then required or permitted by applicable law.

“Bankruptcy Event” means bankruptcy, insolvency, receivership or similar event of the Issuer. For the purposes of this definition, the Bankruptcy Event is considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds or Notes (including persons holding Bonds or Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds or Notes for federal income tax purposes.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the SEC Rule.

“Merger Event” means the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

“MSRB” means that Municipal Securities Rulemaking Board, including specifically its Electronic Municipal Market Access (“EMMA”) system and any successors or assigns at <http://www.emma.msrb.org>.

“Obligated Person” means an obligated person as defined in the SEC Rule.

“Operating Data” means the operating data specifically included and set forth within the Issuer’s Comprehensive Annual Financial Report, prepared in accordance with the standards established by the Governmental Accounting Standards Board, which shall contain at a minimum the data included in the Comprehensive Annual Financial Report attached to the applicable final official statement for such Bonds or Notes.

“Outstanding” when used with reference to any of the Bonds or Notes shall mean, as of a particular date, all Bonds or Notes theretofore authenticated and delivered under one or more Ordinances of the City, except: (i) Bonds or Notes theretofore canceled by the Fiscal Agent (as defined in the Ordinance(s) authorizing the issuance of such Bonds or Notes) or delivered to such Fiscal Agent for cancellation; (ii) Bonds or Notes for which payment or redemption moneys or Government Securities (as defined in the Ordinance(s) authorizing the issuance of such Bonds or Notes) or both, in the necessary amounts have been deposited with the Fiscal Agent or other such depository as provided in the Ordinance(s) authorizing the issuance of such Bonds or Notes, in trust for the Owners thereof (whether upon or prior to maturity or the Redemption Date(s) of such Bonds or Notes); or (iii) Bonds or Notes in exchange for or in lieu of which refunding Bonds or Notes have been authenticated and delivered pursuant to the terms of (and within the meaning of) the appropriate Ordinance(s).

“Owner(s)” shall mean, when used with respect to any Bond or Note, the person in whose name the Bond or Note is registered, as shown upon the registration books maintained by the Fiscal Agent(s) designated in the Ordinance(s) authorizing the issuance of such Bonds or Notes, and shall include any Beneficial Owners.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds or Notes required to comply with the Rule in connection with the offering of the Bonds or Notes.

“Redemption Date(s)” shall mean, when used with respect to any Bond or Note(s), the date(s) established as such in the Ordinance(s) authorizing the issuance of such Bonds or Notes.

“Reporting Event” means any of the following events with respect to any of the Outstanding Bonds or Notes: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit

enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) Adverse Tax Opinions; (vii) modifications to rights of security holders, if material; (viii) note or bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the securities, if material; (xi) rating changes; (xii) Bankruptcy Events; (xiii) Merger Events, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xi) Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

“Reporting Event Notice” means written or electronic notice of a Material Event.

“SEC Rule” means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR §240. 15c2-12).

SECTION 5. Unless otherwise required by law, the City shall transmit all information required hereunder, including notices and filings, in such electronic format and accompanied by such identifying information at <http://www.emma.msrb.org> or such other internet site, all as required by the MSRB.

SECTION 6. This Ordinance, or any provision hereof, shall be subject to nullification and repeal in the event that the Issuer first delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require this Undertaking as a condition for particular underwriter conduct, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds or Notes. This Ordinance may be amended without the Consent of the Owner(s) of any Bonds or Notes, following the delivery by the Issuer to the MSRB of the proposed amendment and the opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will be in compliance with the Rule, as amended and officially interpreted.

SECTION 7. Any failure by the Issuer to perform its obligations under this Ordinance shall not constitute an “Event of Default” or “Default” within the meaning of any Ordinance(s) authorizing the issuance of any Bonds or Notes, and the rights and remedies provided to Owners of the Bonds or Notes under such Ordinance(s) upon the Occurrence of such a “Default” Or such an “Event of Default” shall not apply to any such failure. The sole remedy under this Ordinance in the event of any failure of the Issuer to comply with this Ordinance shall be an action to compel performance.

SECTION 8. If any of the foregoing provisions or terms of this Ordinance, or any application thereof, is held invalid, the invalidity shall not affect other applications of the

provisions or terms of this Ordinance which reasonably can be given effect without the invalid provision or term or the application thereof, and to this end, the provisions of this Ordinance are declared to be severable.

SECTION 9. None of the provisions of this Ordinance are in any way intended to impose upon, or result in an assumption by, the Issuer or any of its officers, agents or employees, of any special duty or any civil law duty of care as to which any breach or alleged breach thereof could give rise to any claim for damages in tort, and the Issuer expressly disclaims any such duty or responsibility for damages, including (but not limited to) any direct, indirect, special or consequential damages. The provisions of this Ordinance shall not, in any way, create liability or a basis for liability on the part of the Issuer or any officer, agent or employee thereof for any damages that result from failure of the Issuer to timely perform any portion, provision, term or condition of the written undertaking on its part established herein, or for any damages that result from reliance upon any provision of this Ordinance, or any administrative decision lawfully made thereunder. However, nothing in this subsection shall operate or be construed to limit the rights of any Owner of any Bond or Note to seek enforcement of the undertakings herein expressed through proceedings for a decree of specific performance in equity.

SECTION 10. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Ordinance and may discharge any such Agent, with or without appointing a Successor Dissemination Agent.

SECTION 11. This Ordinance shall inure solely to the benefit of the Issuer, the Participating Underwriters and the Owners from time to time of the Bonds and Notes, and shall create no rights in any other person or entity.

Section 2. Amending Ordinance. Except to the extent specifically amended hereby, Ordinance No. 1369 shall remain in full force and effect.

Section 3. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of City of Mulvane, Kansas and its publication in the official newspaper of the City.

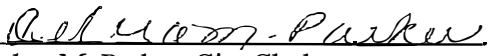
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PASSED, APPROVED AND ADOPTED by the governing body of the City of Mulvane, Kansas this 3rd day of December, 2018.

CITY OF MULVANE, KANSAS



By 
Shelly Steadman, Mayor

By 
Debra M. Parker, City Clerk

APPENDIX C


**CITY OF MULVANE, KANSAS COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED DECEMBER 31, 2024**



City of Mulvane

Independent Auditor's Report and Financial Statements

December 31, 2024



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December 8, 2025

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, 2024, 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 2024 A GO Bond and 2024 A GO temporary notes.

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 pond. The City also has a community center as well as a newer 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 from 1995-2020.

Economic Outlook

Mulvane is included in the Wichita Metropolitan Area.

According to Wichita State University's Center for Economic Development and Business Research (CEDBR), Wichita's economy is expected to see slowed but continued growth in 2025. The region is operating at nearly full employment, which will make it difficult to sustain the rapid growth rates seen in previous years.

Key economic indicators for 2025

- **Employment:** Wichita is forecast to see stagnated or slightly falling employment, with an unemployment rate of about 3.7% in 2025. While this is a tick up from 2023, it is an indication of a tight labor market where businesses are competing for workers.
- **Wages and income:** The economy has a "wage problem," as wage increases are not keeping up with inflation, causing many households to feel strained.
- **Aerospace:** As a major sector for Wichita, the aerospace industry is expected to grow more slowly, continuing the trend of moderating growth.
- **Housing Market:**
 - **Sales:** Home sales are projected to rebound in 2025, rising by 2% to 9,550 units.
 - **Prices:** Driven by a continued lack of supply, home prices are forecast to increase by another 7.7% in 2025.
 - **Construction:** New home construction is expected to rise modestly, increasing by 4.9%.
- **Small business:** A December 2024 survey showed that nearly three-quarters of Kansas small business owners were optimistic about the 2025 economy, despite challenges with rising costs. Some businesses plan to expand, while others expect to raise prices or cut costs to manage expenses.
- **Multifamily housing:** After a surge in demand in 2024, new construction is expected to increase in 2025, potentially causing a temporary softening in occupancy rates. However, with a limited construction pipeline beyond 2025, occupancy levels are expected to rebound in 2026. Rent growth is projected to continue at a healthy pace, rising 2.5% in 2025.

Wider context and long-term trends

- **Diverse economy:** The Milken Institute named Wichita one of the top 50 best-performing cities for economic growth in 2025. The city's economic strength comes from its diversity, with major industries including manufacturing, healthcare, and trade, rather than being dominated by just one or two sectors.
- **Rural migration:** Wichita will likely find new workers through the continued migration of people from rural areas to more urban centers, a trend seen across Kansas and the nation.
- **Major employers:** The city's economic foundation is supported by major employers like Spirit AeroSystems, Koch Industries, McConnell Air Force Base, Wichita State University, and Cargill Protein.

Source of this information

The Wichita State University Center for Economic Development and Business Research (CEDBR) produces the official Kansas Economic Outlook forecasts.

Construction Activity

In 2024, 296 permits were issued, an increase of 48 permits issued in 2023. Permit numbers include all construction activity, commercial, residential, additions, remodel, and new construction.

The total permit valuation for new construction was \$3.04 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 administration department is planning building upgrades. The planning and zoning department is planning on purchasing a new vehicle. Public Works is planning upgrades to various City Parks. Public Safety is planning for a new patrol vehicle, computer upgrades, fire hose replacements and security camera upgrades. The City is also currently in a multiphase sewer project, Sewer Main A, replacing a large portion of the City's sewer main. The increasing costs of retirement and medical benefits are also of concern and are being monitored closely by City staff. The City's Sr. Center has been awarded a transportation grant and will be starting the M-CAT (Mulvane Community Area Transit). This program will be running through our Sr. Center. 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 2024 from \$98.2 million to \$104.4 million. The Ad Valorem tax revenue collected in 2024 was \$3,127,030 compared to 2023 which was \$4,465,614. The mill levy decreased from 2023 at 57.570 mills to 2024 at 57.300.

Independent Audit

State statutes require an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by an independent certified public accountant appointed by the City Council. To meet this requirement, Forvis 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,

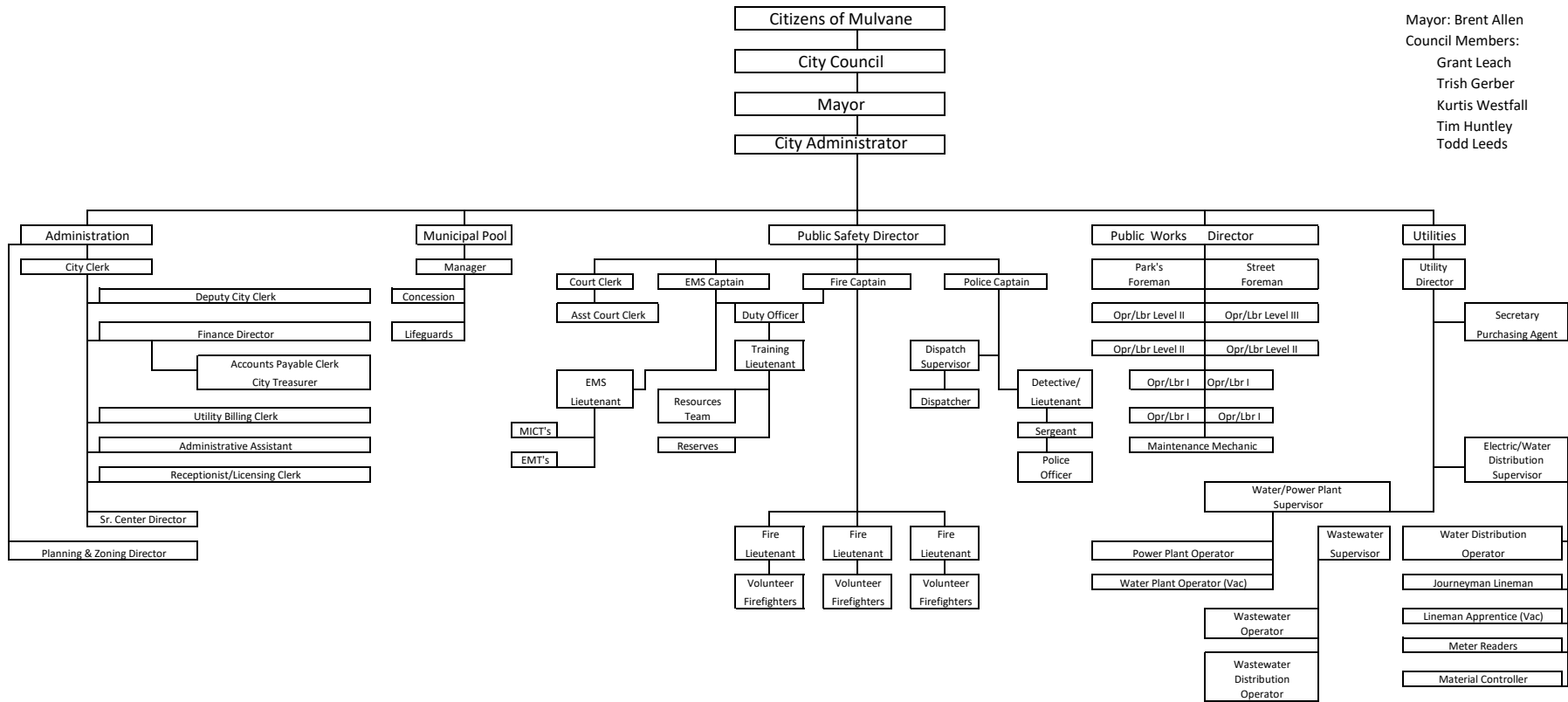
Rachael Blackwell

Rachael Blackwell

**CITY OF MULVANE, KANSAS
LIST OF PRINCIPAL OFFICIALS
December 31, 2024**

<u>Title</u>	<u>Name</u>
Mayor	Brent Allen
Council Member	Todd Leeds
Council Member	Trish Gerber
Council Member	Tim Huntley
Council Member	Grant Leach
Council Member	Kurtis Westfall
City Administrator	Austin St. John
City Clerk	Debbie Parker
Finance Director	Rachael Blackwell
City Treasurer	Sydney Thomas
Public Safety Director	Gordon Fells
Public Works Director	Jacob Coy
City Attorney	J.T. Klaus
Municipal Judge	Larry Linn
City Prosecutor	Joy Williams

ORGANIZATIONAL CHART



Mayor: Brent Allen
 Council Members:
 Grant Leach
 Trish Gerber
 Kurtis Westfall
 Tim Huntley
 Todd Leeds

Independent Auditor's Report

The Honorable Mayor and City Council
Mulvane, Kansas

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information; and were engaged to audit the aggregate discretely presented component units, of the City of Mulvane, Kansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the general fund, employee benefits fund, and 1% sales tax fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

The financial statements of the Mulvane Housing Authority have not been audited, and we were not engaged to audit the Mulvane Housing Authority's financial statements as part of our audit of the City's basic financial statements. Mulvane Housing Authority's financial activities are included in the City's basic financial statements as a part of the aggregate discretely presented component units and represent 31.9%, 43.1%, and 25.8% of the assets, net position, and revenues, respectively, of the City's aggregate discretely presented component units.

Basis for Unmodified Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Forvis Mazars, LLP

**Wichita, Kansas
December 8, 2025**

**City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024**

Introduction

As management of the City of Mulvane, Kansas, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2024. 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 \$58.7 million. Of this amount, \$31.7 million is the net investment in capital assets, and \$20.1 million is for restricted uses, leaving \$6.9 million unrestricted.
- The City's total net position decreased by \$1.9 million during the current fiscal year. The net position of the City's business-type activities decreased by \$482,000 and the governmental activities net position decreased by \$1.4 million.
- At the end of the current fiscal year, the fund balance for the General Fund was \$6.2 million or 98.1% of the total General Fund expenditures and transfers out incurred in the current fiscal year.

Overview of the Financial Statements

This annual comprehensive report consists of three sections - Introductory Section, Financial Section (which includes management's discussion and analysis, the basic financial statements, and notes to the financial statements), and Statistical Section. This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 13-15 of this report.

City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024

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 two categories: governmental funds and proprietary funds.

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

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

The City maintains 34 individual governmental funds for financial reporting purposes. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, and Employee Benefits funds which are considered major funds. Data for the remaining 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

The City adopts an annual appropriated budget for its General Fund, 13 of its 15 special revenue funds, 1 of its 13 capital project funds and its Debt Service and Employee Benefits Fund. A budgetary comparison statement has been provided for the General Fund, Employee Benefits Fund, and 1% Sales Tax Fund in the basic financial statements and for the remaining special revenue and debt service funds in the supplementary information.

The basic governmental fund financial statements can be found on pages 13 through 19 of this report.

Proprietary Funds - Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the electric, water and sewer operations, which are major funds of the City. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The proprietary funds financial statements can be found on pages 24 through 28 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 58 of this report.

**City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024**

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 \$58.7 million as of December 31, 2024.

A large portion of the City's net position (\$31.7 million) reflects its investment in capital assets, net of accumulated depreciation, (e.g., land, buildings and improvements, machinery and equipment, infrastructure and construction work in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current/Other assets	\$ 28,792,034	\$ 26,509,413	\$ 15,992,224	\$11,696,276	\$ 44,784,258	\$ 38,205,689
Capital assets	26,961,758	26,857,995	34,377,841	33,842,984	61,339,599	60,700,979
Total assets	<u>55,753,792</u>	<u>53,367,408</u>	<u>50,370,065</u>	<u>45,539,260</u>	<u>106,123,857</u>	<u>98,906,668</u>
Deferred outflows of resources	914,857	1,098,157	307,735	372,138	1,222,592	1,470,295
Current/Other liabilities	6,232,025	4,812,517	2,718,201	1,501,797	8,950,226	6,314,314
Noncurrent liabilities	24,974,129	21,514,330	9,399,088	5,431,516	34,373,217	26,945,846
Total liabilities	<u>31,206,154</u>	<u>26,326,847</u>	<u>12,117,289</u>	<u>6,933,313</u>	<u>43,323,443</u>	<u>33,260,160</u>
Deferred inflows of resources	5,063,637	6,262,853	187,296	122,201	5,250,933	6,385,054
Net position						
Net investment in capital assets	1,672,040	5,554,468	30,032,266	29,139,683	31,704,306	34,694,151
Restricted	20,128,027	17,642,197	-	-	20,128,027	17,642,197
Unrestricted	(1,401,209)	(1,320,800)	8,340,949	9,716,201	6,939,740	8,395,401
Total net position	<u>\$ 20,398,858</u>	<u>\$ 21,875,865</u>	<u>\$ 38,373,215</u>	<u>\$ 38,855,884</u>	<u>\$ 58,772,073</u>	<u>\$ 60,731,749</u>

An additional portion of the City's net position (34.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$6.9 million.

**City of Mulvane, Kansas
Management's Discussion and Analysis (Unaudited)
December 31, 2024**

Analysis of the City's Operations

The following table provides a summary of the City's operations for the years ended December 31, 2024 and 2023. The City's net position decreased by \$2.0 million.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for services	\$ 839,557	\$ 872,981	\$ 8,686,481	\$ 8,105,855	\$ 9,526,038	\$ 8,978,836
Operating grants and contributions	733,967	990,738	-	-	733,967	990,738
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	5,301,971	6,734,583	-	-	5,301,971	6,734,583
Gaming facility	1,629,055	1,595,910	-	-	1,629,055	1,595,910
Sales taxes	1,283,843	1,241,683	-	-	1,283,843	1,241,683
Franchise taxes	234,277	253,585	-	-	234,277	253,585
Investment revenue	-	-	423,673	256,799	423,673	256,799
Miscellaneous	31,204	-	-	-	31,204	-
Total revenues	10,053,874	11,689,480	9,110,154	8,362,654	19,164,028	20,052,134
Expenses						
General government	2,507,148	2,643,128	-	-	2,507,148	2,643,128
Public safety	3,982,540	3,837,136	-	-	3,982,540	3,837,136
Highways and streets	2,617,155	2,394,951	-	-	2,617,155	2,394,951
Health and sanitation	3,754	4,880	-	-	3,754	4,880
Culture and recreation	1,224,642	1,141,536	-	-	1,224,642	1,141,536
Economic development	528,925	544,856	-	-	528,925	544,856
Environmental protection	188	434	-	-	188	434
Electric system	-	-	5,553,998	5,127,960	5,553,998	5,127,960
Water system	-	-	1,737,606	1,283,525	1,737,606	1,283,525
Sewer system	-	-	2,301,219	1,983,217	2,301,219	1,983,217
Interest on long term debt	666,529	597,102	-	-	666,529	597,102
Total expenses	11,530,881	11,164,023	9,592,823	8,394,702	21,123,704	19,558,725
Increase (Decrease) in net position before transfers	(1,477,007)	525,457	(482,669)	(32,048)	(1,959,676)	493,409
Change in Net Position	(1,477,007)	525,457	(482,669)	(32,048)	(1,959,676)	493,409
Net Position, Beginning	21,875,865	21,350,408	38,855,884	38,887,932	60,731,749	60,238,340
Net Position, Ending	\$ 20,398,858	\$ 21,875,865	\$ 38,373,215	\$ 38,855,884	\$ 58,772,073	\$ 60,731,749

Governmental Activities - Governmental activities decreased the City's net position by \$1.4 million for the current fiscal year. Total governmental activity revenues decreased by \$1.6 million, or approximately 14.0%. A significant portion of the decrease in net position was due to decreases in property taxes.

Total governmental activity expenses increased by \$0.7 million for 2024, or approximately 6.7%. Salaries and benefits continue to be a significant portion of the operating expenses for many functional areas and comprise approximately 66% of total expenses.

Business-type Activities - Business-type activities decreased the City's net position by \$482,000 for the current fiscal year. Although fees for services increased, expenses increased at a higher rate.

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 \$16.6 million. This combined ending fund balance is a \$5.0 million increase from 2023. Explanations of changes to specific funds are noted below.

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 \$6.2 million, which was \$930 thousand more than the prior year's General Fund total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned fund balance represents 57.2% of total General Fund expenditures and transfers out for the current year. The total fund balance of the General Fund represents 98.1% of total General Fund expenditures and transfers out for the current year.

The City Council has committed \$3.6 million to carryover to fund the 2025 General Fund budget.

Debt Service Fund

The Debt Service Fund of the City services most of the City's general obligation bonded debt. The fund balance of the Debt Service Fund at the end of the current year was \$1 million, which is a decrease of \$8 thousand from 2023. Resources for this fund are generated from property taxes, special assessment taxes and interest earnings and decreased by \$245 thousand for 2024.

Employee Benefits Fund

The Employee Benefits Fund of the City is used to account for and report the City's portion of social security taxes, retirement plan contributions, workers compensation insurance premiums and unemployment insurance contributions applicable to the governmental funds' payrolls. The fund balance of the Employee Benefits Fund at the end of the current year was \$683 thousand, which is an increase of \$280 thousand from 2023. Resources for this fund are generated from property taxes, decreased by \$434 thousand for 2023.

1% Sales Tax

The 1% Sales Tax Fund of the City is used to account for projects funded by the 1% local sales tax – City Park Improvements, Rock Road and Styx Creek Storm Drainage. The fund balance of the 1% Sales Tax Fund at the end of the current year was \$1.5 million, which is a decrease of \$22 thousand from 2023. Resources for this fund are generated from sales taxes, which decreased by \$16 thousand for 2024.

Proprietary Funds

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

The total net position of the proprietary funds decreased by \$482 thousand for 2024. The change in net position by fund includes an increase in the Electric System Fund of \$526 thousand, a decrease in the Water System Fund of \$553 thousand, and a decrease in the Sewer System Fund of \$455 thousand.

**City of Mulvane, Kansas
Management’s Discussion and Analysis (Unaudited)
December 31, 2024**

Electric System Fund

Total net position of the Electric System Fund increased by \$526 thousand. Revenues increased by \$630 thousand, and operating expenses increased by \$357 thousand.

Water System Fund

Total net position of the Water System Fund decreased by \$554 thousand. Operating revenues were consistent with 2023. Operating expenses increased by \$454 thousand for 2024.

Sewer System Fund

The total net position of the Sewer System Fund decreased by \$455 thousand. Operating revenues decreased by \$49 thousand while operating expenses increased \$297 thousand.

General Fund Budgetary Highlights - The General Fund total actual revenues were 168.2% of the total amount anticipated in the 2024 budget.

General Fund budgetary expenditures were \$7.8 million for 2024. General Fund actual expenditures totaled \$6.4 million, which represented only 81.7% of the budgeted expenditures for 2024. Accordingly, the General Fund had an increase in fund balance of \$930 thousand.

Capital Assets

The City’s investment in capital assets as of December 31, 2024, amounts to \$61.3 million (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, utility plant in service, machinery and equipment, and construction work in progress. The total net increase in the City’s investment in capital assets for the current fiscal year was 0.0%. Major capital asset events during the current fiscal year included the following:

- Sewer Main A Project - \$2.0 million
- Harvest Point - \$3.0 million
- Emerald Valley 2nd Addition - \$2.1 million
- Generator repairs - \$729,000
- Electric substation - \$2.1 million

	<u>Governmental Activity</u>		<u>Business-type Activity</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 604,482	\$ 604,482	\$ 676,863	\$ 676,863	\$ 1,281,345	\$ 1,281,345
Buildings	9,099,247	9,099,247	-	-	9,099,247	9,099,247
Utility plant	-	-	35,412,694	35,412,694	35,412,694	35,412,694
Improvements other than buildings	4,024,433	4,024,433	20,370,939	19,049,924	24,395,372	23,074,357
Infrastructure	41,697,226	39,984,171	-	-	41,697,226	39,984,171
Machinery and equipment	8,228,665	7,762,489	6,539,925	5,638,293	14,768,590	13,400,782
Construction in progress	1,101,963	1,330,612	18,292	81,312	1,120,255	1,411,924
Total	\$ 64,756,016	\$ 62,805,434	\$ 63,018,713	\$ 60,859,086	\$ 127,774,729	\$ 123,664,520

Additional information on the City’s capital assets can be found in Note 3 on pages 41 through 42 of this report.

Debt Administration

At the end of the current fiscal year, the City's total long-term debt obligations outstanding are \$35.0 million. This amount was comprised of \$14.8 million of general obligation bonds secured by future tax revenues from governmental activities and \$8.5 million of such bonds being committed from resources generated by business-type revenues, \$4.0 million PMIB loans, and \$1 million 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 \$1.0 million at year-end. The remaining long-term debt obligations totaling \$5.7 million of the City pertains to accrued compensated absences in the amount of \$788 thousand, total OPEB liability of \$100 thousand and net pension liability in the amount of \$4.8 million.

The City's total net long-term debt increased by \$13.0 million, or about 41.8% during the current year. New general obligation bonds were issued in 2024 totaling \$4.5 million. New temporary notes were issued in 2024 totaling \$5.0 million. New PMIB loans were issued in 2024 totaling \$2.9 million.

Additional information on the City's long-term debt can be found in Note 4 on pages 43 through 47 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 2025 budget which impacts the property tax rate and fees that will be charged for business-type activities. Those factors include the following:

- Maintaining competitive employee salaries and benefits but facing increasing costs for employer paid health insurance and retirement contributions.
- Increases in debt service requirements for both general obligation bonds and revenue bonds.
- A consistent mill levy decrease of 57.3.

The gaming facility revenue for 2025 has been estimated at \$1,400,000 and comprises approximately 18% of the General Fund's 2025 total resources. The other significant resources for the General Fund are the carryover balance from 2024, the 1% county-wide sales tax for Sedgwick County, and property taxes. The budget also includes a transfer of \$550,000 from the electric fund to the general fund.

The City's total property tax rate for the 2025 budget is 57.3 mills with the General Fund's levy at 17.436 mills. The Debt Service Fund and Employee Benefits Fund levies 8.847 mills and 24.250 mills, respectively, of the total City levy rate. The City's total assessed valuation for the 2025 budget is \$83,343,196, which reflects an decrease from the 2024 budget of \$21,082,572.

Despite fluctuations in assessed valuation, the City's budgetary performance remains characteristically strong. Due to the uncertainty regarding the Kansas Star's valuations and gaming revenue and the economic effect of the pandemic, the City has worked to build up reserves for such uncertainties. The City has proactively increased the mill levy to offset the potential loss of revenue in the event the Kansas Star wins its tax appeals within the 2025 year. The City continues to build up the reserves for these uncertainties.

With unemployment on an increase due to lost jobs during the pandemic, sales tax revenues are still fluctuating due to the pandemic, the Kansas Star Casino's protesting of their assessed value annually, and without any past history to estimate the future gaming facility revenue sharing, the City Council continued to take a very cautious approach to revenue estimating and expenditure appropriations in the 2025 budget.

Contacting the City's Financial Management

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

City of Mulvane, Kansas
Statement of Net Position
December 31, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	\$ 16,363,617	\$ 14,547,335	\$ 30,910,952	\$ 603,436
Receivables, net of allowance				
Property taxes	4,860,944	-	4,860,944	-
Special assessment taxes	6,971,584	-	6,971,584	-
Sales taxes	107,247	-	107,247	-
Franchise fees	16,851	-	16,851	-
Gaming facility revenue receivable	148,541	-	148,541	-
Trade accounts	265,012	1,144,147	1,409,159	-
Prepaid expenses	58,238	46,272	104,510	-
Restricted assets	-	254,470	254,470	-
Total Current Assets	28,792,034	15,992,224	44,784,258	603,436
Noncurrent Assets				
Capital assets				
Land	604,482	676,863	1,281,345	-
Buildings	9,099,247	35,412,694	44,511,941	34,574
Improvements other than buildings	4,024,433	20,370,939	24,395,372	-
Infrastructure	41,697,226	-	41,697,226	-
Machinery and equipment	8,228,665	6,539,925	14,768,590	127,181
Less accumulated depreciation	(37,794,258)	(28,640,872)	(66,435,130)	(121,956)
Construction work in progress	1,101,963	18,292	1,120,255	-
Total Noncurrent Assets	26,961,758	34,377,841	61,339,599	39,799
Total Assets	55,753,792	50,370,065	106,123,857	643,235
Deferred Outflows of Resources				
Deferred charge on bond refunding	38,993	-	38,993	-
Deferred outflows of resources related to pensions	851,733	299,257	1,150,990	58,074
Deferred outflows of resources related to OPEB	24,131	8,478	32,609	-
Total Deferred Outflows of Resources	914,857	307,735	1,222,592	58,074

**City of Mulvane, Kansas
Statement of Net Position
December 31, 2024**

(Continued)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 858,603	\$ 1,390,750	\$ 2,249,353	\$ -
Accrued interest payable	264,071	112,403	376,474	-
Unearned revenue	360,038	-	360,038	-
Current portion of compensated absences	307,355	165,499	472,854	-
Customer deposits	-	254,470	254,470	-
Current portion of bonds payable	4,441,958	795,079	5,237,037	-
Total Current Liabilities	6,232,025	2,718,201	8,950,226	-
Noncurrent Liabilities				
Compensated absences	204,903	110,332	315,235	-
Net pension liability	3,553,300	1,248,457	4,801,757	-
Total OPEB liability	73,757	25,915	99,672	-
Bonds payable, net	21,142,169	8,014,384	29,156,553	218,456
Total Noncurrent Liabilities	24,974,129	9,399,088	34,373,217	218,456
Total Liabilities	31,206,154	12,117,289	43,323,443	218,456
Deferred Inflows of Resources				
Property taxes receivable	4,775,650	-	4,775,650	-
Deferred charge on bond refunding	-	86,112	86,112	-
Deferred inflows of resources related to pensions	66,305	23,296	89,601	6,748
Deferred inflows of resources related to OPEB	221,682	77,888	299,570	-
Total Deferred Inflows of Resources	5,063,637	187,296	5,250,933	6,748
Total Liabilities and Deferred Inflows of Resources	36,269,791	12,304,585	48,574,376	225,204
Net Position				
Net investment in capital assets	1,672,040	30,032,266	31,704,306	39,799
Restricted for:				
Debt service	7,082,747	-	7,082,747	-
Capital improvements	6,142,436	-	6,142,436	-
General government	3,881,694	-	3,881,694	-
Employee benefits	683,249	-	683,249	-
Parks and recreation	381,931	-	381,931	-
Economic development	1,005,951	-	1,005,951	-
Street maintenance and improvement	906,704	-	906,704	-
Health and welfare	43,315	-	43,315	-
Unrestricted	(1,401,209)	8,340,949	6,939,740	436,306
Total Net Position	\$ 20,398,858	\$ 38,373,215	\$ 58,772,073	\$ 476,105

City of Mulvane, Kansas
Statement of Activities
December 31, 2024

	Net (Expenses) Revenue and Changes in Net Position							Component Units
	Program Revenues			Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total	
Governmental activities								
General government	\$ 2,507,148	\$ 310,414	\$ 220,641	\$ -	\$ (1,976,093)	\$ -	\$ (1,976,093)	\$ -
Public safety	3,982,540	431,525	329,333	-	(3,221,682)	-	(3,221,682)	-
Highways and streets	2,617,155	-	45,411	-	(2,571,744)	-	(2,571,744)	-
Health and sanitation	3,754	43,454	138,582	-	178,282	-	178,282	-
Culture and recreation	1,224,642	54,164	-	-	(1,170,478)	-	(1,170,478)	-
Economic development	528,925	-	-	-	(528,925)	-	(528,925)	-
Environmental protection	188	-	-	-	(188)	-	(188)	-
Interest on long-term debt	666,529	-	-	-	(666,529)	-	(666,529)	-
Total governmental activities	11,530,881	839,557	733,967	-	(9,957,357)	-	(9,957,357)	-
Business-type activities								
Electric Utility	5,553,998	5,809,117	-	-	-	255,119	255,119	-
Water Utility	1,737,606	1,125,814	-	-	-	(611,792)	(611,792)	-
Sewer Utility	2,301,219	1,751,550	-	-	-	(549,669)	(549,669)	-
Total business-type activities	9,592,823	8,686,481	-	-	-	(906,342)	(906,342)	-
Total primary government	21,123,704	9,526,038	733,967	-	(9,957,357)	(906,342)	(10,863,699)	-
Component units								
Mulvane Public Library	699,465	5,294	46,673	4,957	-	-	-	(642,541)
Mulvane Housing Authority	53,834	49,077	9,127	-	-	-	-	4,370
Mulvane Land Bank	2,629	-	-	-	-	-	-	(2,629)
Total component units	755,928	54,371	55,800	4,957	-	-	-	(640,800)
General Revenues and Transfers								
General revenues								
Property taxes levied for								
General purposes					\$ 5,076,983	\$ -	\$ 5,076,983	\$ -
Debt service					224,988	-	224,988	-
Gaming facility revenue sharing					1,629,055	-	1,629,055	-
Sales tax					1,283,843	-	1,283,843	-
Franchise taxes					234,277	-	234,277	-
Payment from City of Mulvane					-	-	-	551,095
Investment earnings					-	423,673	423,673	87
Miscellaneous					31,204	-	31,204	153,145
Subtotal general revenues					8,480,350	423,673	8,904,023	704,327
Change in net position					(1,477,007)	(482,669)	(1,959,676)	63,527
Net position - beginning					21,875,865	38,855,884	60,731,749	412,578
Net position - ending					\$ 20,398,858	\$ 38,373,215	\$ 58,772,073	\$ 476,105

City of Mulvane, Kansas
Balance Sheet – Governmental Funds
December 31, 2024

	General	Debt Service	Employee Benefits	1% Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and short-term investments	\$ 5,978,259	\$ 111,163	\$ 758,412	\$ 1,465,495	\$ 8,050,288	\$ 16,363,617
Cash held for appearance bonds	-	-	-	-	-	-
Property taxes receivable	1,453,183	737,356	2,021,106	85,294	564,005	4,860,944
Special assessment taxes receivable	-	6,971,584	-	-	-	6,971,584
Accounts receivable, net	100,375	-	3,326	-	161,311	265,012
Gaming facility revenue receivable	148,541	-	-	-	-	148,541
Franchise fees receivable	16,851	-	-	-	-	16,851
Sales tax receivable	107,247	-	-	-	-	107,247
Total Assets	\$ 7,804,456	\$ 7,820,103	\$ 2,782,844	\$ 1,550,789	\$ 8,775,604	\$ 28,733,796
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 19,470	\$ -	\$ 78,489	\$ 56,677	\$ 702,176	\$ 856,812
Municipal Court appearance bonds payable	1,791	-	-	-	-	1,791
Unearned revenue	60,816	-	-	-	299,222	360,038
Total Liabilities	82,077	-	78,489	56,677	1,001,398	1,218,641
Deferred Inflows of Resources						
Property taxes receivable	1,453,183	737,356	2,021,106	-	564,005	4,775,650
Special assessment taxes receivable	-	6,071,218	-	-	-	6,071,218
Total Deferred Inflows of Resources	1,453,183	6,808,574	2,021,106	-	564,005	10,846,868
Fund Balance						
Restricted						
Insurance claims	-	-	-	-	223,976	223,976
Debt service	-	1,011,529	-	-	-	1,011,529
General government	-	-	683,249	-	-	683,249
Recreation	-	-	-	-	377,761	377,761
Health and welfare	-	-	-	-	43,315	43,315
Economic development	-	-	-	-	1,005,951	1,005,951
Street improvements	-	-	-	-	415,765	415,765
Capital improvements	-	-	-	1,494,112	4,307,967	5,802,079
Committed						
Street improvements	-	-	-	-	490,939	490,939
Parks and recreations	-	-	-	-	748	748
Assigned						
General government	3,657,718	-	-	-	-	3,657,718
Culture and recreation	-	-	-	-	3,422	3,422
Capital outlay	-	-	-	-	340,357	340,357
Unassigned	2,611,478	-	-	-	-	2,611,478
Total Fund Balances	6,269,196	1,011,529	683,249	1,494,112	7,210,201	16,668,287
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,804,456	\$ 7,820,103	\$ 2,782,844	\$ 1,550,789	\$ 8,775,604	\$ 28,733,796

City of Mulvane, Kansas
Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
December 31, 2024

Total Governmental Fund Balances		\$ 16,668,287
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	\$ 64,756,016	
Accumulated depreciation is	<u>37,794,258</u>	26,961,758
Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:		
Special assessments receivable		6,071,218
Prepaid expenses		58,238
Deferred refunding bond costs resulting from issuance of refunding bonds are recognized as deferred outflows of resources in the government-wide financial statements		
		38,993
The following liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds		
These liabilities at year end consist of:		
Accrued interest on bonds	264,071	
Compensated absences payable	512,258	
Bonds payable	24,891,623	
Unamortized premiums	692,504	
Net pension liability	3,553,300	
Deferred outflows of resources related to pensions	(851,733)	
Deferred inflows of resources related to pensions	66,305	
Total OPEB liability	73,757	
Deferred outflows of resources related to OPEB	(24,131)	
Deferred inflows of resources related to OPEB	<u>221,682</u>	<u>(29,399,636)</u>
Net Position of Governmental Activities		<u>\$ 20,398,858</u>

City of Mulvane, Kansas
Statement of Revenues, Expenditures and Changes
In Fund Balances-Governmental Funds
Year Ended December 31, 2024

	General	Debt Service	Employee Benefits	1% Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 3,174,183	\$ 224,988	\$ 1,122,127	\$ 993,918	\$ 1,245,652	\$ 6,760,868
Special assessments	-	1,994,205	-	-	-	1,994,205
Intergovernmental	2,152,651	-	-	-	45,480	2,198,131
Licenses and permits	285,586	-	-	-	-	285,586
Charges for services	342,564	-	-	-	105,881	448,445
Fines and forfeitures	105,526	-	-	-	-	105,526
Grants and contributions	-	-	-	-	164,891	164,891
Miscellaneous	302,063	5,223	38,805	-	27,240	373,331
Total revenues	6,362,573	2,224,416	1,160,932	993,918	1,589,144	12,330,983
Expenditures						
Current						
General government	758,349	-	1,545,485	-	209,327	2,513,161
Public safety	3,622,652	-	-	-	-	3,622,652
Highways and streets	1,021,547	-	372,771	-	176,266	1,570,584
Health and sanitation	-	-	-	-	3,827	3,827
Culture and recreation	-	-	-	-	941,600	941,600
Economic development	79,703	-	-	-	459,402	539,105
Environmental protection	192	-	-	-	-	192
Capital outlay	-	-	-	403,286	1,649,556	2,052,842
Debt service						
Principal	547,588	2,288,025	-	510,000	78,804	3,424,417
Interest	-	499,241	-	103,250	-	602,491
Total expenditures	6,030,031	2,787,266	1,918,256	1,016,536	3,518,782	15,270,871
Revenues over (under) expenditures	332,542	(562,850)	(757,324)	(22,618)	(1,929,638)	(2,939,888)
Other Financing Sources (Uses)						
Bond Proceeds	963,531	554,530	1,037,827	-	5,421,826	7,977,714
Transfers in	-	-	-	-	366,000	366,000
Transfers (out)	(366,000)	-	-	-	-	(366,000)
Total other financing sources (uses)	597,531	554,530	1,037,827	-	5,787,826	7,977,714
Net Change in Fund Balance	930,073	(8,320)	280,503	(22,618)	3,858,188	5,037,826
Fund Balance - Beginning of year	5,339,123	1,019,849	402,746	1,516,730	3,352,013	11,630,461
Fund Balance - End of year	\$ 6,269,196	\$ 1,011,529	\$ 683,249	\$ 1,494,112	\$ 7,210,201	\$ 16,668,287

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, 2024

Total Net Change In Fund Balances - Governmental Funds		\$ 5,037,826
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.		
Capital outlays	\$ 1,950,582	
Depreciation expense	<u>(1,846,819)</u>	<u>103,763</u>
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due		(64,038)
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:		
Temporary notes		(5,045,000)
PMB Loans		(2,924,489)
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		
		(25,629)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
General obligation bonds		3,330,753
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		
		(1,804,652)
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		
The net liability increased, which created a credit		(193,076)
OPEB contributions is an expenditure in the governmental funds but reduces the total OPEB liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for OPEB are only recorded in the statement of activities		
The net liability decreased, which created an expense		24,079
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:		
Compensated absences payable	(83,882)	-
Amortization of premium on issuance of general obligation bonds	166,172	-
Amortization of premium on issuance of Mulvane Public Building Commission revenue bonds	<u>1,166</u>	<u>83,456</u>
Change in Net Position of Governmental Activities		<u>\$ (1,477,007)</u>

City of Mulvane, Kansas
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual Budgetary Basis- General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 3,747,791	\$ 3,747,791	\$ 3,174,183	\$ (573,608)
Intergovernmental	1,926,000	1,926,000	2,152,651	226,651
Licenses, fees and permits	283,200	283,200	285,586	2,386
Charges for services	288,000	288,000	342,564	54,564
Fines and Forfeitures	105,000	105,000	105,526	526
Miscellaneous	(1,993,620)	(1,993,620)	302,063	2,295,683
Bond proceeds	-	-	963,531	963,531
Total revenues	4,356,371	4,356,371	7,326,104	2,969,733
Expenditures, encumbrances and other uses:				
General government				
Administration department	2,154,800	2,154,800	758,349	1,396,451
Total general government	2,154,800	2,154,800	758,349	1,396,451
Public safety:				
Police department	2,334,300	2,334,300	1,756,354	577,946
Fire department	544,628	544,628	447,920	96,708
EMS department	1,658,512	1,658,512	1,418,378	240,134
	4,537,440	4,537,440	3,622,652	914,788
Highways and streets:				
Public works	1,061,370	1,061,370	1,021,547	39,823

City of Mulvane, Kansas
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual Budgetary Basis- General Fund
Year Ended December 31, 2024

(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Economic development:				
Planning and zoning	\$ 77,250	\$ 77,250	\$ 79,703	\$ (2,453)
Environmental protection:				
Bindweed department	500	500	192	308
Other				
Debt service	-	-	547,588	(547,588)
Transfers out	-	-	366,000	(366,000)
	-	-	913,588	(913,588)
Total expenditures and other uses	7,831,360	7,831,360	6,396,031	1,435,329
Net Change in Fund Balances	(3,474,989)	(3,474,989)	930,073	4,405,062
Fund Balances, Beginning	3,474,989	3,474,989	5,339,123	1,864,134
Fund Balances, Ending	\$ -	\$ -	\$ 6,269,196	\$ 6,269,196

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,141,588	\$ 2,141,588	\$ 1,122,127	\$ (1,019,461)
Bond proceeds	-	-	1,037,827	1,037,827
Miscellaneous	-	-	38,805	38,805
Total revenues	2,141,588	2,141,588	2,198,759	57,171
Expenditures				
Administrative department	397,850	397,850	367,152	30,698
Public works department	429,500	429,500	348,445	81,055
Economic development	62,600	62,600	53,797	8,803
Public safety	1,370,200	1,370,200	1,148,862	221,338
Total expenditures	2,260,150	2,260,150	1,918,256	341,894
Revenues over (under) expenditures	(118,562)	(118,562)	280,503	399,065
Fund Balances, Beginning	118,562	118,562	402,746	284,184
Fund Balances, Ending	\$ -	\$ -	\$ 683,249	\$ 683,249

City Of Mulvane, Kansas
1% Sales Tax
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sales tax	\$ 800,000	\$ 800,000	\$ 993,918	\$ 193,918
Total revenues	800,000	800,000	993,918	193,918
Expenditures				
Capital outlay	1,000,000	1,000,000	403,286	596,714
Interest payments	-	-	103,250	(103,250)
Bond payments	600,000	600,000	510,000	90,000
Total expenditures	1,600,000	1,600,000	1,016,536	583,464
Revenues over (under) expenditures	(800,000)	(800,000)	(22,618)	777,382
Fund Balances, Beginning	889,751	889,751	1,516,730	626,979
Fund Balances, Ending	\$ 89,751	\$ 89,751	\$ 1,494,112	\$ 1,404,361

**City of Mulvane, Kansas
Proprietary Funds
Statement of Net Position
Year Ended December 31, 2024**

	Business-type Activities - Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
Current Assets:				
Cash and investments	\$ 9,414,636	\$ 1,054,951	\$ 4,077,748	\$ 14,547,335
Trade accounts receivable	753,545	138,760	251,842	1,144,147
Prepaid expenses	23,908	9,185	13,179	46,272
Restricted assets:				
Cash and investments restricted for:				
Customer deposits	186,017	68,453	-	254,470
Total current assets	10,378,106	1,271,349	4,342,769	15,992,224
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	5,537,024	6,015,168	8,818,747	20,370,939
Machinery and equipment	3,059,331	1,387,933	2,092,661	6,539,925
Construction work in process	-	18,292	-	18,292
	14,247,235	16,578,352	32,193,126	63,018,713
Less accumulated depreciation	(11,780,757)	(5,764,545)	(11,095,570)	(28,640,872)
Property, Plant and Equipment, Net	2,466,478	10,813,807	21,097,556	34,377,841
Total assets	12,844,584	12,085,156	25,440,325	50,370,065
Deferred Outflows of Resources:				
Deferred outflows of resources related to pensions	149,629	57,549	92,079	299,257
Deferred outflows of resources related to OPEB	4,239	1,630	2,609	8,478
Total deferred outflows of resources	153,868	59,179	94,688	307,735
Total assets and deferred outflows of resources	12,998,452	12,144,335	25,535,013	50,677,800

**City of Mulvane, Kansas
Proprietary Funds
Statement of Net Position
Year Ended December 31, 2024**

(Continued)

	Business-type Activities - Enterprise Funds			
	Electric System	Water System	Sewer System	Total Enterprise Funds
Current Liabilities:				
Accounts payable	\$ 1,361,241	\$ (43,858)	\$ 73,367	\$ 1,390,750
Compensated absences payable	80,385	33,100	52,014	165,499
Current portion of bonds payable	373,088	4,900	417,091	795,079
Accrued interest payable	41,416	562	70,425	112,403
Customer deposits payable	186,017	68,453	-	254,470
Total current liabilities	<u>2,042,147</u>	<u>63,157</u>	<u>612,897</u>	<u>2,718,201</u>
Noncurrent Liabilities:				
Net pension liability	624,228	240,088	384,141	1,248,457
Total OPEB liability	12,957	4,984	7,974	25,915
Long-term portion of compensated absences payable	53,590	22,066	34,676	110,332
Long-term portion of bonds payable	2,951,539	37,205	5,025,640	8,014,384
Total noncurrent liabilities	<u>3,642,314</u>	<u>304,343</u>	<u>5,452,431</u>	<u>9,399,088</u>
Total liabilities	<u>5,684,461</u>	<u>367,500</u>	<u>6,065,328</u>	<u>12,117,289</u>
Deferred Inflows of Resources				
Unamortized deferred costs on bond refunding	1,789	-	84,323	86,112
Deferred inflows of resources related to pensions	11,648	4,480	7,168	23,296
Deferred inflows of resources related to OPEB	38,944	14,978	23,966	77,888
Total deferred inflows of resources	<u>52,381</u>	<u>19,458</u>	<u>115,457</u>	<u>187,296</u>
Total liabilities and deferred inflows of resources	<u>5,736,842</u>	<u>386,958</u>	<u>6,180,785</u>	<u>12,304,585</u>
Net Position				
Net investment in capital assets	1,779,062	10,771,702	17,481,502	30,032,266
Unrestricted	5,482,548	985,675	1,872,726	8,340,949
Total net position	<u>\$ 7,261,610</u>	<u>\$ 11,757,377</u>	<u>\$ 19,354,228</u>	<u>\$ 38,373,215</u>

City of Mulvane, Kansas
Proprietary Funds
Statement of Revenues, Expenditures and Changes in Net Position
Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Operating Revenues				
Charges for services	\$ 5,701,214	\$ 1,069,475	\$ 1,742,293	\$ 8,512,982
Miscellaneous	100,251	45,423	9,257	154,931
Rents and royalties	7,652	10,916	-	18,568
Total operating revenues	<u>5,809,117</u>	<u>1,125,814</u>	<u>1,751,550</u>	<u>8,686,481</u>
Operating Expenses				
Production	4,098,351	-	-	4,098,351
Capital Improvements	9,961	-	-	9,961
Treatment	-	1,321,048	995,294	2,316,342
Distribution and maintenance	929,990	-	-	929,990
Collection	-	-	417,846	417,846
Depreciation	425,851	414,779	784,140	1,624,770
Total operating expenses	<u>5,464,153</u>	<u>1,735,827</u>	<u>2,197,280</u>	<u>9,397,260</u>
Operating income (loss)	<u>344,964</u>	<u>(610,013)</u>	<u>(445,730)</u>	<u>(710,779)</u>
Nonoperating Revenues (Expenses)				
Interest income	271,243	58,226	94,204	423,673
Interest expense	(89,845)	(1,779)	(103,939)	(195,563)
Total nonoperating revenues (expenses)	<u>181,398</u>	<u>56,447</u>	<u>(9,735)</u>	<u>228,110</u>
Income (loss) before transfers	<u>526,362</u>	<u>(553,566)</u>	<u>(455,465)</u>	<u>(482,669)</u>
Change in Net Position	<u>526,362</u>	<u>(553,566)</u>	<u>(455,465)</u>	<u>(482,669)</u>
Net Position, Beginning	<u>6,735,248</u>	<u>12,310,943</u>	<u>19,809,693</u>	<u>38,855,884</u>
Net Position, Ending	<u>\$ 7,261,610</u>	<u>\$ 11,757,377</u>	<u>\$ 19,354,228</u>	<u>\$ 38,373,215</u>

City of Mulvane, Kansas
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Electric System	Water System	Sewer System	
Operating Activities				
Cash received from customers	\$ 5,608,222	\$ 1,099,705	\$ 1,795,457	\$ 8,503,384
Cash paid for materials and services	(3,226,998)	(889,409)	(605,625)	(4,722,032)
Cash paid to employees for services	(837,359)	(457,146)	(616,249)	(1,910,754)
Other operating receipts	97,942	56,339	9,257	163,538
Net Cash Provided by (Used in) Operating Activities	1,641,807	(190,511)	582,840	2,034,136
Capital and Related Financing Activities				
Principal payments - general obligation bonds	(95,358)	(4,655)	(342,036)	(442,049)
Proceeds from issuances of GO bonds	2,639,000	-	1,911,000	4,550,000
Interest paid on debt	(56,852)	(1,698)	(73,704)	(132,254)
Acquisition and construction of capital assets	(983,005)	(7,370)	(1,169,252)	(2,159,627)
Net Cash Used in Capital and Related Financing Activities	1,503,785	(13,723)	326,008	1,816,070
Investing Activities				
Interest received	271,243	58,226	94,204	423,673
Net Cash Provided by Investing Activities	271,243	58,226	94,204	423,673
Net Increase (Decrease) in Cash and Cash Equivalents	3,416,835	(146,008)	1,003,052	4,273,879
Cash and Cash Equivalents, Beginning of Year	6,183,818	1,269,412	3,074,696	10,527,926
Cash and Cash Equivalents, End of Year	\$ 9,600,653	\$ 1,123,404	\$ 4,077,748	\$ 14,801,805
Cash and cash equivalents	\$ 9,414,636	\$ 1,054,951	\$ 4,077,748	\$ 14,547,335
Restricted cash and cash equivalents included in restricted cash and investments	186,017	68,453	-	254,470
Cash and Cash Equivalents, End of Year	\$ 9,600,653	\$ 1,123,404	\$ 4,077,748	\$ 14,801,805

**City of Mulvane, Kansas
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2024**

(Continued)

	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)	\$ 344,964	\$ (610,013)	\$ (445,730)	\$ (710,779)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	425,851	414,779	784,140	1,624,770
Amortization of bond premium	-	-	-	-
(Increase) decrease in receivables	(98,053)	29,295	53,164	(15,594)
(Increase) decrease in prepaid expenses	(3,219)	1,631	1,109	(479)
Increase (decrease) in accounts payable	920,638	(46,656)	157,690	1,031,672
Increase (decrease) in compensated absences payable	21,938	9,033	14,196	45,167
Increase (decrease) in net pension liability	29,688	11,420	18,271	59,379
Net Cash Provided by (Used in) Operating Activities	\$ 1,641,807	\$ (190,511)	\$ 582,840	\$ 2,034,136

City of Mulvane, Kansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2024

	Mulvane Public Library	Mulvane Housing Authority	Mulvane Land Bank	Total
Assets:				
Cash and investments	\$ 379,136	\$ 205,189	\$ 19,111	\$ 603,436
Total current assets	379,136	205,189	19,111	603,436
Capital Assets				
Buildings	34,574	-	-	34,574
Machinery and equipment	127,181	-	-	127,181
Less accumulated depreciation	(121,956)	-	-	(121,956)
Total noncurrent assets	39,799	-	-	39,799
Total assets	418,935	205,189	19,111	643,235
Deferred Outflows of Resources:				
Deferred outflows of resources related to pensions	58,074	-	-	58,074
Total deferred outflows of resources	58,074	-	-	58,074
Total assets and deferred outflows of resources	477,009	205,189	19,111	701,309
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Long-term debt				
Due within one year	-	-	-	-
Due in more than one year	218,456	-	-	218,456
Total liabilities	218,456	-	-	218,456
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	6,748	-	-	6,748
Total deferred inflows of resources	6,748	-	-	6,748
Total liabilities and deferred inflows of resources	225,204	-	-	225,204
Net Position				
Net investment in capital assets	39,799	-	-	39,799
Unrestricted	212,006	205,189	19,111	436,306
Total net position	\$ 251,805	\$ 205,189	\$ 19,111	\$ 476,105

City of Mulvane, Kansas
Statement of Activities
Discretely Presented Component Units
Year Ended December 31, 2024

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Mulvane Public Library	Mulvane Housing Authority		Mulvane Land Bank
Component Units								
Mulvane Public Library	\$ 699,465	\$ 5,294	\$ 46,673	\$ 4,957	\$ (642,541)	\$ -	\$ -	\$ (642,541)
Mulvane Housing Authority	53,834	49,077	9,127	-	-	4,370	-	4,370
Mulvane Land Bank	2,629	-	-	-	-	-	(2,629)	(2,629)
Total component units	<u>755,928</u>	<u>54,371</u>	<u>55,800</u>	<u>4,957</u>	<u>(642,541)</u>	<u>4,370</u>	<u>(2,629)</u>	<u>(640,800)</u>
General Revenues:								
Payment from City of Mulvane					\$ 551,095	\$ -	\$ -	\$ 551,095
Gain on sale					-	153,145	-	153,145
Investment earnings					60	27	-	87
Total general revenues					<u>551,155</u>	<u>153,172</u>	<u>-</u>	<u>704,327</u>
Change in net position					(91,386)	157,542	(2,629)	63,527
Net position - beginning					343,191	47,647	21,740	412,578
Net position - ending					<u>\$ 251,805</u>	<u>\$ 205,189</u>	<u>\$ 19,111</u>	<u>\$ 476,105</u>

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

Reporting Entity

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

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

Discretely Presented Component Units

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

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

The Mulvane Housing Authority (MHA) manages Quad County Manor, a 23 unit housing facility that was financed by a forty-year United States Department of Agriculture, Rural Development loan. Occupants of the facility pay rent as a percentage of their annual income. The Mulvane Housing Authority hires a management agent to perform administrative functions including the selection of tenants, collection of rents, payment of expenses and performs or contracts for maintenance of the property. The City provides financial assistance to the Mulvane Housing Authority through the uncharged utility services for common areas of the facility and the City serves as a guarantor for the Rural Development loan on the facility. Additional financial statement information can be obtained from the Quad County Manor management agent at Quad County Manor, 605 E. Main, Mulvane, Kansas 67110.

On September 6, 2023, MHA accepted and approved a proposal from Larry Beck for the purchase of Quad County Manor. The closing of the property was on August 16, 2025. A USDA loan needed to be paid off prior to closing, however, MHA could not fund the prepayment of the USDA loan, so the City provided funding to MHA for the loan pay-off. At closing MHA received \$265,000 less a reserve fund and other closing costs, leaving a net pay of \$205,189.

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

Blended Component Unit

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

Basis of Presentation

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Measurement Focus and Basis of Accounting

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

The City also reports the following fund types:

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

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

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

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

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

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

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

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

Cash and Short-Term Investments

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

Property Taxes and Other Receivables

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

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

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

Special Assessments Receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City and are retired from the City's debt service fund. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate construction project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. Special assessment taxes are levied over a ten or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of net position. Balances not collected within 60 days of year-end are not considered available spendable resources for the funds statement and are reported as deferred inflows of resources in the funds statement.

Revenue Recognition For Utility Funds

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

Inventories and Prepaid Expenditures

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

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Compensated Absences

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

The City adopted GASB Statement No. 101, *Compensated Absences* in 2024. This objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The impact to the financial statements was not material and the City did not restate beginning net position for the adoption of GASB 101.

Accrued Liabilities and Long-Term Debt

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

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

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

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

Pension Plan

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERS), 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.

Other Postemployment Benefits Other Than Pensions

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. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

Concentration of Credit Risk

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

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. In accordance with Governmental Accounting Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the City currently reports all its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include payments to cover deductibles and other liabilities related to the City's risk of loss and include an estimate of claims that have been incurred but not reported. There were no material claims during 2024 and 2023.

At December 31, 2024, Other Governmental Funds cash and short-term investments of \$223,976 were held for purposes of funding the City's future claims liabilities, including \$0 at year-end. As a result, \$223,976 of the Other Governmental Fund balance is restricted for payment of future claims liabilities.

Deferred Inflows/Outflows of Resources

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

Net Position and Fund Balance Classifications

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

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

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

- Nonspendable - Assets that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact.
- Restricted - Assets with externally imposed constraints such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
- Committed - The committed portion of fund balance can only be used for specific purposes and imposed by formal action of the government's highest level of decision making authority. In the case of the City it is the City Council and the formal action would be an ordinance to modify or rescind the commitment.
- Assigned - The assigned portion of fund balance is comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (2) a body or official to whom the City Council has delegated the authority to. The City Council has delegated authority to the City Administrator or Department Heads to assign amounts to be used for specific purposes. The portion of fund balance that is appropriated by the City Council for next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by designated senior staff, are included in the assigned fund balance.
- Unassigned - All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

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

Use of Estimates

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

Budgetary Principles

The City is required by state statute to legally adopt annual operating budgets for the general fund, special revenue funds (unless exempted by specific statute), debt service fund and enterprise funds. The Capital Improvement Reserve, Municipal Equipment Reserve, Water Treatment Plant Improvements, Police Building, Mulvane Street Drainage, Sewer Injection Plant, Homestead Senior Housing, Sedgwick County Care, Sumner County SPARS and CBDG Grant funds are exempted from a legally adopted budget. In addition, the Mulvane Public Building Commission is not required to prepare annual budgets. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the Swimming Pool Fund was amended during 2024.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, encumbrances of the budgeted governmental fund types, representing purchase orders, contracts and other commitments, are reported as a charge to the current year budget. All unencumbered appropriations lapse at the end of the year. In addition, revenues for sales taxes, franchise fees and gaming facility revenue sharing are not recognized as revenues until their date of receipt. Also, interfund receivables and payable transactions are recognized as revenues and expenditures in the respective funds for budgetary purposes.

Controls over spending in funds that are not subject to legal budgets are maintained by other statutes or by the use of internal spending limits established by management.

Note 2. Deposits and Investments

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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, 2024, is as follows:

Carson Bank	100%
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Custodial Credit Risk Deposit

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

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories that may be used by governmental entities in Kansas. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation coverage. The City has no other policies that would further limit interest rate risk.

At year-end, the carrying amount of the City's deposits was \$30,910,952, with the bank balances of such accounts being \$31,318,210. Of the deposits, \$1,035,222 were held in money market accounts and \$14,000,000 were held in certificates of deposit. These deposits are carried at net asset value. Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining balance of \$31,068,210 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks and letters of credit pledged to secure City deposits. The fair value of those pledged securities held by the City's custodial investment agencies was \$16,716,286 and the letter of credit was \$16,000,000 at December 31, 2024.

The remaining carrying amount of the City's cash and investments at December 31, 2024, consisted of cash on hand of \$6,300.

The Mulvane Public Library's cash and investments at December 31, 2024, consisted of demand deposit and money market checking accounts. At year-end, the carrying amount of the Library's deposits was \$379,136 with the bank balances of such accounts being \$379,136. The bank balances were entirely secured by FDIC insurance at December 31, 2024.

The Mulvane Housing Authority's cash and investments at December 31, 2024, consisted of savings and money market checking accounts. At year-end, the carrying amount of the Authority's deposits was \$205,189 with the bank balances of such accounts being \$205,189. The bank balances were entirely secured by FDIC insurance at December 31, 2024.

The Mulvane Land Bank cash and investments at December 31, 2024, consisted of a checking account and the carrying amount of the Mulvane Land Bank deposit was \$19,111 with the bank balance of such accounts being \$19,111. The bank balance was entirely secured by FDIC insurance at December 31, 2024.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

Note 3. Changes In Capital Assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 604,482	\$ -	\$ -	\$ -	\$ 604,482
Construction in progress	1,330,612	1,101,963	-	(1,330,612)	1,101,963
Total capital assets not being depreciated	1,935,094	1,101,963	-	(1,330,612)	1,706,445
Capital assets being depreciated:					
Buildings	9,099,247	-	-	-	9,099,247
Improvements other than buildings	4,024,433	-	-	-	4,024,433
Infrastructure	39,984,171	382,443	-	1,330,612	41,697,226
Machinery and equipment	7,762,489	466,176	-	-	8,228,665
Totals capital assets being depreciated	60,870,340	848,619	-	1,330,612	63,049,571
Less accumulated depreciation for:					
Buildings	2,971,944	235,541	-	-	3,207,485
Improvements other than buildings	1,663,840	101,756	-	-	1,765,596
Infrastructure	25,084,628	1,085,098	-	-	26,169,726
Machinery and equipment	6,227,027	424,424	-	-	6,651,451
Total accumulated depreciation	35,947,439	1,846,819	-	-	37,794,258
Total capital assets being depreciated, net	24,922,901	(998,200)	-	1,330,612	25,255,313
Total capital assets, net	\$ 26,857,995	\$ 103,763	\$ -	\$ -	\$ 26,961,758

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 676,863	\$ -	\$ -	\$ -	\$ 676,863
Construction in progress	81,312	-	(63,020)	-	18,292
Total capital assets not being depreciated	<u>758,175</u>	<u>-</u>	<u>(63,020)</u>	<u>-</u>	<u>695,155</u>
Capital assets being depreciated:					
Utility plant	35,412,694	-	-	-	35,412,694
Improvements other than buildings	19,049,924	1,321,015	-	-	20,370,939
Machinery and equipment	5,638,293	901,632	-	-	6,539,925
Totals capital assets being depreciated	<u>60,100,911</u>	<u>2,222,647</u>	<u>-</u>	<u>-</u>	<u>62,323,558</u>
Less accumulated depreciation for:					
Utility plant	13,873,786	794,218	-	-	14,668,004
Improvements other than buildings	9,580,700	430,982	-	-	10,011,682
Machinery and equipment	3,561,616	399,570	-	-	3,961,186
Total accumulated depreciation	<u>27,016,102</u>	<u>1,624,770</u>	<u>-</u>	<u>-</u>	<u>28,640,872</u>
Total capital assets being depreciated, net	<u>33,084,809</u>	<u>597,877</u>	<u>-</u>	<u>-</u>	<u>33,682,686</u>
Total capital assets, net	<u>\$ 33,842,984</u>	<u>\$ 597,877</u>	<u>\$ (63,020)</u>	<u>\$ -</u>	<u>\$ 34,377,841</u>

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

Governmental Activities

General government	\$ 41,451
Public safety	428,307
Highways and streets (including infrastructure assets)	1,076,234
Culture and recreation	300,827
Total depreciation expense – governmental activities	<u>\$ 1,846,819</u>

Business-type Activities

Electric system	\$ 425,851
Water system	414,779
Sewer system	784,140
Total depreciation expense – business-type activities	<u>\$ 1,624,770</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

Note 4. Long-Term Debt

The following is a summary of changes in long-term debt transactions of the City for the year ended December 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 17,653,332	\$ -	\$ (2,797,570)	\$ 14,855,762	\$ 2,937,649
General obligation bond premium	828,381	25,629	(166,172)	687,838	-
PMB Loans	1,599,559	2,924,489	(533,187)	3,990,861	1,264,309
Temporary notes	-	5,045,000	-	5,045,000	-
Mulvane Public Building Commission Revenue bonds	1,000,000	-	-	1,000,000	240,000
Mulvane Public Building Commission Revenue bond premium	5,832	-	(1,166)	4,666	-
Net pension liability	3,512,278	41,022	-	3,553,300	-
Total OPEB liability	74,354	-	(597)	73,757	-
Compensated absences	428,376	83,882	-	512,258	307,355
Total	<u>\$ 25,102,112</u>	<u>\$ 8,120,022</u>	<u>\$ (3,498,692)</u>	<u>\$ 29,723,442</u>	<u>\$ 4,749,313</u>
Business-type Activities					
General obligation bonds	\$ 4,596,668	\$ 4,550,000	\$ (622,430)	\$ 8,524,238	\$ 795,079
General obligation bond premium	104,844	350,815	(170,434)	285,225	-
Net pension liability	1,234,044	14,413	-	1,248,457	-
Total OPEB liability	26,124	-	(209)	25,915	-
Compensated absences	230,664	45,167	-	275,831	165,499
Total	<u>\$ 6,192,344</u>	<u>\$ 4,960,395</u>	<u>\$ (793,073)</u>	<u>\$ 10,359,666</u>	<u>\$ 960,578</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

General Obligation Bonds

General obligation bonds payable are serial bonds to be retired through calendar year 2042. At December 31, 2024, the bonds consist of the following:

<u>Purpose, Series</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>
General Obligation Refunding Bonds, Series A, 2016	2.00% to 3.00%	\$ 3,130,000
General Obligation Refunding Bonds, Series B, 2016	1.50% to 2.15%	200,000
General Obligation Refunding Bonds, Series 2018	3.00% to 4.00%	1,590,000
General Obligation Refunding Bonds, Series A, 2019	3.00% to 5.00%	6,015,000
General Obligation Refunding Bonds, Series A, 2021	2.00%	1,620,000
General Obligation Refunding Bonds, Series B, 2021	1.15% to 3.00%	2,730,000
General Obligation Bonds, Series A, 2022	5.00%	1,555,000
General Obligation Bonds, Series B, 2022	4.00%	1,990,000
General Obligation Bonds, Series A, 2024	4.50%	4,550,000
General Obligation Bonds, Series A 2024 Temp	3.88%	<u>5,045,000</u>
Total general obligation bonds outstanding		28,425,000
Less debt service from enterprise funds		<u>(8,524,238)</u>
Total general obligation bonds payable from governmental activities		<u><u>\$ 19,900,762</u></u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,937,649	\$ 664,096	\$ 3,601,745
2026	7,933,769	484,896	8,418,665
2027	2,471,494	286,766	2,758,260
2028	1,021,084	214,045	1,235,129
2029	722,399	182,587	904,986
2030	746,950	160,040	906,990
2031	722,525	136,709	859,234
2032	742,218	114,061	856,279
2033	771,666	91,225	862,891
2034	801,114	66,478	867,592
2035	111,734	41,196	152,930
2036	116,592	36,726	153,318
2037	121,450	32,063	153,513
2038	126,308	27,205	153,513
2039	131,166	22,152	153,318
2040	136,024	16,906	152,930
2041	140,882	11,465	152,347
2042	<u>145,738</u>	<u>5,830</u>	<u>151,568</u>
	<u><u>\$ 19,900,762</u></u>	<u><u>\$ 2,594,446</u></u>	<u><u>\$ 22,495,208</u></u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

General Obligation Bonds Payable From Enterprise Funds

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

Year	Electric Utility			Water Utility		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 373,088	\$ 109,335	\$ 482,423	\$ 4,900	\$ 1,465	\$ 6,365
2026	302,504	118,582	421,086	5,215	1,220	6,435
2027	116,240	109,182	225,422	5,495	960	6,455
2028	122,120	103,433	225,553	5,635	795	6,430
2029	123,760	97,392	221,152	3,430	626	4,056
2030	132,520	91,243	223,763	3,535	523	4,058
2031	138,180	84,657	222,837	3,290	417	3,707
2032	146,940	77,786	224,726	3,395	318	3,713
2033	152,820	70,399	223,219	3,535	79	3,614
2034	158,700	62,877	221,577	3,675	110	3,785
2035	113,100	54,984	168,084	-	-	-
2036	118,900	50,460	169,360	-	-	-
2037	124,700	45,704	170,404	-	-	-
2038	130,500	40,716	171,216	-	-	-
2039	133,400	35,496	168,896	-	-	-
2040	139,200	30,160	169,360	-	-	-
2041	145,000	24,592	169,592	-	-	-
2042	150,800	18,792	169,592	-	-	-
2043	156,600	12,760	169,360	-	-	-
2044	162,400	6,496	168,896	-	-	-
Total	\$ 3,141,472	\$ 1,245,046	\$ 4,386,518	\$ 42,105	\$ 6,513	\$ 48,618

Year	Sewer and Storm Sewer Utility			Total Utility		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 417,091	\$ 142,675	\$ 559,766	\$ 795,079	\$ 253,475	\$ 1,048,554
2026	323,512	146,143	469,655	631,231	265,945	897,176
2027	336,772	137,009	473,781	458,507	247,151	705,658
2028	346,162	125,244	471,406	473,917	229,472	703,389
2029	355,411	113,113	468,524	482,601	211,131	693,732
2030	371,996	100,661	472,657	508,051	192,427	700,478
2031	381,005	87,584	468,589	522,475	172,658	695,133
2032	392,448	79,240	471,688	542,783	157,344	700,127
2033	396,980	69,912	466,892	553,335	140,390	693,725
2034	406,512	60,455	466,967	568,887	123,442	692,329
2035	375,166	50,236	425,402	488,266	50,236	538,502
2036	384,508	42,334	426,842	503,408	42,334	545,742
2037	93,850	34,033	127,883	218,550	34,033	252,583
2038	98,192	30,279	128,471	228,692	30,279	258,971
2039	100,434	26,352	126,786	233,834	26,352	260,186
2040	104,776	22,334	127,110	243,976	22,334	266,310
2041	109,118	18,143	127,261	254,118	18,143	272,261
2042	113,460	13,778	127,238	264,260	13,778	278,038
2043	113,400	9,240	122,640	270,000	9,240	279,240
2044	119,868	4,704	124,572	282,268	4,704	286,972
Total	\$ 5,340,661	\$ 1,313,469	\$ 6,654,130	\$ 8,524,238	\$ 2,244,868	\$ 10,769,106

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

PMIB Loans

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,264,309	\$ 148,746	\$ 1,413,055
2026	1,264,309	109,159	1,373,468
2027	731,122	69,572	800,694
2028	731,121	34,786	765,907
	<u>\$ 3,990,861</u>	<u>\$ 362,263</u>	<u>\$ 4,353,124</u>

During 2025, the City issued two additional PMIB Loans totaling \$1,834,321. These loans will have four year maturities.

Mulvane Public Building Commission Revenue Bonds

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

The Mulvane Public Building Commission Series 2018 revenue bonds will be paid by the Mulvane Public Building Commission from the lease payments received from the City of Mulvane, which are provided with future property tax revenues to be levied in the General Fund and other resources available to the City. The remaining debt service requirements for the Mulvane Public Building Commission Series 2014 revenue bonds will be paid from the lease payments received from the City of Mulvane. It is anticipated that the lease payments will be made from the proceeds of a 1 % City-wide sales tax for the special purpose of paying the cost of financing, site preparation, acquisition, construction, improvement, installation, furnishing and equipping a new public library within the City. The special sales tax was approved by the voters of the City in June 2014 and became effective October 1, 2014, and was scheduled to expire on the 30th day of September 2024 or such earlier date as all obligations incurred have been paid in full. Effective July 1, 2021, the City repealed the 1 % sales tax as sufficient sales tax was collected to retire the bonds.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 240,000	\$ 30,000	\$ 270,000
2026	245,000	22,800	267,800
2027	255,000	15,450	270,450
2028	260,000	7,800	267,800
	<u>\$ 1,000,000</u>	<u>\$ 76,050</u>	<u>\$ 1,076,050</u>

Net Pension Liability

The governmental funds portion of the liability for pension-related debt is principally liquidated from the City's General Fund. The total net pension liability has been allocated to the business-type activities based on their respective covered payroll for the year ended December 31, 2024.

Compensated Absences

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

Conduit Debt

The City has issued limited obligation bonds for the purpose of financing capital activities of unrelated third parties. Although conduit debt obligations bear the name of the City, they are payable solely from resources provided by leases or loans with the third parties on whose behalf they were issued. The bonds do not constitute an indebtedness or pledge of the faith or credit of the City of Mulvane, and accordingly, are not included as liabilities in the accompanying financial statements. Conduit debt outstanding at December 31, 2024, totaled approximately \$7,842,000.

Note 5. Pension Plans

Plan Description

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

Public employees, which includes:

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

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

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

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

Benefits Provided

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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

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

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

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers, which includes the state and the school employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll. Contributions were \$462,027 for 2024.

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

	Actuarial Employer Rate	Statutory Employer Capped Rate
State employees	9.38%	12.57%
School employees	13.38%	12.57%
Local government employees	9.26%	9.26%
Police and Firemen	23.10%	23.10%
Judges	16.48%	16.48%

- 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.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

Member contribution rates as a percentage of eligible compensation in fiscal year 2024 are 6.00% for Public Employees, 7.15% for Police and Firemen, and 6.00% or 2.00% for Judges.

Employer Allocations

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2023, 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, 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2024, the City's proportion was .226047%, which was a decrease of .000194% from its proportion measured at June 30, 2023.

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, 2024, the outstanding balance was \$1,222,980. These payments are due over various time periods up through December 31, 2032.

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

At December 31, 2024, the City reported a liability of \$4,801,757 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City recognized pension expense of \$764,285. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 240,000	\$ -
Differences between actual and expected experience	584,102	-
Net differences between projected and actual earnings on investments	29,417	-
Changes in assumptions	290,241	-
Changes in proportion	7,230	89,601
Total	\$ 1,150,990	\$ 89,601

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

The City reported \$240,000 as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 232,338
2026	471,493
2027	90,737
2028	26,821
2029	-
	<u>\$ 821,389</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.50% to 15.50%, including price inflation
Investment Rate of Return	7.00% compounded annually, net of investment expense, including price inflation

Mortality rates were based on the PUB 2010 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-2021. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-term Allocation	Rate of Return
Non-US Equities	43.00%	8.20%
Core Fixed Income	13.00%	2.20%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Real Estate	15.00%	5.70%
Alternatives	11.00%	12.00%
Short Term Investments	3.00%	0.30%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for fiscal year 2024 was 1.2 percent.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the Pension Plan as of June 30, 2024, calculated using the discount rate of 7.00%, as well as what the Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 6,951,631	\$ 4,801,757	\$ 3,005,050

Pension Plan Fiduciary Net Position

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

Note 6. Budgetary Data

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Employee Benefits Fund</u>	<u>1% Sales Tax</u>	<u>Other Nonmajor Govern- mental Funds</u>
GAAP Net Change in Fund Balance for the year ended December 31, 2024	\$ 930,073	\$ (8,320)	\$ 280,503	\$ (22,618)	\$ 3,858,188
Adjustments:					
Unbudgeted funds	-	-	-	-	(3,572,264)
Budgetary Net Change in Fund Balance for the year ended December 31, 2024	<u>\$ 930,073</u>	<u>\$ (8,320)</u>	<u>\$ 280,503</u>	<u>\$ (22,618)</u>	<u>\$ 285,924</u>

Note 7. Interfund Transactions

Interfund Transfers

A summary of interfund transfers by individual fund for 2024 is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	\$ -	\$ 366,000
Nonmajor Funds:		
Senior Citizens	40,000	-
Swimming Pool	126,000	-
Capital Equipment Reserve	200,000	-
Total transfers	<u>\$ 366,000</u>	<u>\$ 366,000</u>

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

Transfers from the General Fund to the Swimming Pool Fund (\$126,000) and also to the Senior Citizens Fund (\$40,000) are routinely made to support those functional operations. Transfers from the General Fund to the Capital Equipment Reserve fund (\$200,000) were used for the purchase of public safety equipment.

Note 8. Other Postemployment Benefits Other Than Pensions

Health Insurance

As provided by K.S.A. 12-5040, the City is required to allow retirees to participate in its group health insurance plan. While each retiree is required to pay the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy, if any, has not been quantified in these financial statements. It is management's opinion that the effect on the City's financial statements is not significant.

Under the *Consolidated Omnibus Budget Reconciliation Act* (COBRA), the City makes health care benefits available to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid entirely by the insured and there is no cost to the City under this program.

KPERS Death and Disability OPEB Plan

Plan Description

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

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-Term Disability Benefit

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

Group Waiver of Premium Benefit

Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of the disability or the member's previous 12 months of compensation at the time of the last date of payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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, 2023, the following employees were covered by the benefit terms:

Active employees	73
Retirees and covered spouses	-
Total	<u>73</u>

Total OPEB Liability

The City's total OPEB liability of \$99,672 was measured as of June 30, 2024, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

Valuation date	December 31, 2021
Inflation	2.75%
Payroll growth	3.00%
Discount rate	3.93%
Salary increases	3.50%
Actuarial cost method	Entry age normal as a level percentage of payroll
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree's share of benefit related costs	Not applicable for the coverage in this plan

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

Mortality rates were based on the MP-2021 Mortality tables.

The actuarial assumptions used in the December 31, 2023, valuation were based on an actuarial experience study for the period 2019- 2022. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2024, KPERs pension valuations

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

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

Changes in the Total OPEB Liability

Balance, January 1, 2024	\$	100,479
Service cost		11,978
Interest		4,104
Economic/demographic gains/losses		(17,501)
Changes in assumptions		612
Benefit paid		-
		<u> </u>
Balance, December 31, 2024	\$	<u>99,672</u>

Changes in assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate for each period. The discount rate increased from 3.65% on June 30, 2023, to 3.93% on June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(2.93%)</u>	<u>Discount rate</u> <u>(3.93%)</u>	<u>1% Increase</u> <u>(4.93%)</u>
Total OPEB Liability	<u>\$ 104,376</u>	<u>\$ 99,672</u>	<u>\$ 94,734</u>

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

At December 31, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 19,168	\$ 263,407
Changes of assumptions	<u>13,441</u>	<u>36,163</u>
Total	<u>\$ 32,609</u>	<u>\$ 299,570</u>

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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

<u>Year Ended</u> <u>December 31,</u>	<u>Deferred (Inflows)</u> <u>Outflows Amount</u>
2025	\$ (49,234)
2026	(48,322)
2027	(46,851)
2028	(49,144)
2029	(48,105)
Thereafter	<u>(25,305)</u>
Total	<u>\$ (266,961)</u>

Note 9. Tax Abatements

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

Neighborhood Revitalization Programs Property Tax Abatements

The City participates in the Sumner County Neighborhood Revitalization Plan (NRP), which was effective July 1, 2014, and approves property tax abatements in accordance with

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

For the year ended December 31, 2024, the City abated property taxes totaling \$8,126 under the NRP program.

Industrial Revenue Bond Tax Abatements

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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

- Retention and/or expansion of existing businesses located in the City;
- Diversification of the local economy;
- Positive net impact on the City or a particular areas of the City where economic assistance is needed;
- Enhance the City's economic climate and increase/maintain the City's job market;
- Increase the property tax base of commercial properties to further support the cost of City services;
- Enhance the City's credit worthiness by broadening the tax base;
- Promote the completion of existing City Business Park and encourage development of new business enterprises.

Casino Operations and Commitments

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

The Kansas Star Casino, LLC (Casino) has protested its property valuation within Sumner County for 2012 through 2021. Upon appeal, the Court of Appeals reduced the Casino's assessed valuation in 2012 from \$22.7 million to \$20.1 million. The Court of Appeals decision was appealed, but the Kansas Supreme Court declined to hear the case and such valuation stands. Sumner County issued a refund for 2012 property taxes to the Casino. The City received notification from Sumner County on March 22, 2018, that the property tax distribution to the City for June 5, 2018, would be reduced by \$122,025 to account for the City's portion of the 2012 refund.

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

The Casino appealed the 2015 assessed valuation of \$44.1 million. The Board of Tax Appeals ruled that the Casino's assessed valuation for 2015 is approximately \$25 million. The 2014 and 2015 cases were consolidated on appeal and the Court of Appeals remanded the cases to the Board of Tax Appeals for further fact finding. The City received notification from Sumner County on October 29, 2021, that the property tax distribution to the City scheduled for January 20, 2022, would be reduced by \$989,987 to account for the City's portion of the 2015 refund.

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

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

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

City of Mulvane, Kansas
Notes to Financial Statements
December 31, 2024

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

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

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

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

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

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

The City has applied to the State of Kansas for a Property Tax Loan from the Pooled Money Investment Board ("PMIB") four times; in May of 2022 for the City's portion of the refund for the 2015 tax year (\$989,990) to be repaid in four equal installments over the next four tax years; and again in September of 2022 for the City's portion of the refund for the 2018 tax year (\$1,142,756) to be repaid in four equal installments over the next four years and in January of 2024 for the City's portion of the refund for 2016 and half of 2023 tax year (\$1,460,205.31) to be repaid in equal installments over the next four years, and also in June of 2024 for the City's portion of the refund for the 2014 tax year and half of the 2023 tax year to be repaid in equal installments over the next four years.

Note 10. Capital Projects

Capital projects often extend over two or more fiscal years. The following is a schedule, which compares the project authorization including allowable interest revenue to total project expenditures from project inception to December 31, 2024.

<u>Project</u>	<u>Authorization</u>	<u>Expenditures</u>
Sewer Main A Project	\$ 2,041,620	\$ 2,041,620
Harvest Point	2,981,401	1,260,888
Emerald Valley 2nd Addition	2,071,821	68,764
Generator repairs	729,150	682,500
Electric substation	2,090,230	1,960,000

Required Supplementary Information

City of Mulvane, Kansas
Required Supplementary Information
KPERS Pension Plan
December 31, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.246065%	0.229256%	0.247112%	0.245637%	0.235144%	0.235996%	0.238148%	0.258810%	0.276991%	0.257142%
City's proportionate share of the net pension liability	\$ 3,230,942	\$ 3,546,658	\$ 3,579,380	\$ 3,423,664	\$ 3,285,837	\$ 4,091,354	\$ 2,857,672	\$ 4,631,071	\$ 4,746,322	\$ 4,801,757
City's covered-employee payroll	\$ 3,969,325	\$ 3,994,760	\$ 4,568,936	\$ 4,414,815	\$ 4,225,141	\$ 4,528,908	\$ 4,523,687	\$ 4,782,079	\$ 4,980,589	\$ 5,257,525
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	81.40%	88.78%	78.34%	77.55%	77.77%	90.34%	63.17%	96.84%	95.30%	91.33%
Plan fiduciary net position as a percentage of the total pension liability	71.98%	68.55%	72.16%	74.22%	75.02%	70.77%	81.14%	70.66%	70.66%	71.71%

Schedule of City's Contributions

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 430,043	\$ 378,272	\$ 357,913	\$ 367,772	\$ 392,564	\$ 384,571	\$ 409,381	\$ 449,878	\$ 469,873	\$ 519,577
Contributions in relation to the contractually required contribution	(430,043)	(378,272)	(357,913)	(367,772)	(392,564)	(384,571)	(409,381)	(449,878)	(469,873)	(519,577)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,536,319	\$ 4,120,610	\$ 4,230,650	\$ 4,383,459	\$ 4,415,789	\$ 4,440,546	\$ 4,582,657	\$ 4,782,079	\$ 4,980,589	\$ 5,257,525
Contributions as a percentage of covered employee payroll	9.48%	9.18%	8.46%	8.39%	8.89%	8.66%	8.93%	9.41%	9.43%	9.88%

City of Mulvane, Kansas
Required Supplementary Information
Schedule of Changes in City's Disability
Total OPEB Liability and Related Ratios – Last 10 years*
December 31, 2024

	Measurement Year					
	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 16,529	\$ 16,641	\$ 17,236	\$ 19,667	\$ 19,809	\$ 11,374
Interest	16,469	18,382	18,697	3,611	3,560	3,921
Economic/demographic gains/losses	25,163	31,780	(413,702)	(21,029)	(28,164)	(13,259)
Effect of assumption changes	(10,789)	14,085	10,830	257	(39,817)	(544)
Benefit payments	(32,065)	(32,982)	(11,355)	(1,200)	(1,200)	(800)
Net Change in Total OPEB Liability	<u>15,307</u>	<u>47,906</u>	<u>(378,294)</u>	<u>1,306</u>	<u>(45,812)</u>	<u>692</u>
Total OPEB Liability – Beginning	<u>459,373</u>	<u>474,680</u>	<u>522,586</u>	<u>144,292</u>	<u>145,598</u>	<u>99,786</u>
Total OPEB Liability – Ending	<u>\$ 474,680</u>	<u>\$ 522,586</u>	<u>\$ 144,292</u>	<u>\$ 145,598</u>	<u>\$ 99,786</u>	<u>\$ 100,478</u>
Covered Employee Payroll	<u>\$ 4,188,681</u>	<u>\$ 4,209,668</u>	<u>\$ 4,259,755</u>	<u>\$ 4,386,277</u>	<u>\$ 4,432,388</u>	<u>\$ 4,697,731</u>
Total OPEB liability as a percentage of covered-employee payroll	11.33%	12.41%	3.39%	3.32%	2.25%	2.14%

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

Changes in assumptions: Discount rate changes from 3.65% in 2023 to 3.93% in 2024
From 3.54% in 2022 to 3.65% in 2023
From 2.16% in 2021 to 3.54% in 2022
From 2.21% in 2020 to 2.16% in 2021
From 3.50% in 2019 to 2.21% in 2020
From 3.87% in 2018 to 3.50% in 2019
From 3.58% in 2017 to 3.87% in 2018

***Combining Financial Statements and
Individual Fund Schedules***

Governmental Funds Nonmajor Special Revenue Funds

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

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

Special Liability – to account for legal fees for the City.

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

Senior Citizens - to account for the operations of the Senior Center activities. Financing is provided from intergovernmental revenue and appropriations from the City's general fund.

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

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

Storm Sewer Fee - to account for the assessments on all sewer utility customers for use in construction or improvement of the City's storm sewer drainage system.

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

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

Transient Guest Tax - to account for the administration of the Transient Guest Tax received by the City. All moneys are to be expended for convention and tourism promotion per applicable State statutes.

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

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

Payroll Clearing - to account for moneys held on behalf of City employees' payroll for related payroll taxes, retirement contributions, insurance and other authorized withholdings by City employees. There was no activity in the funds for 2023.

Flexible Spending - to account for moneys held on behalf of City employees' payroll for reimbursement of qualifying medical expenses by City employees. There was no activity in the funds for 2023.

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.

Capital Projects including Harvest Point and Emerald Valley - 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, 2024

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash including short-term investments	\$ 3,170,961	\$ 4,879,327	\$ 8,050,288
Property taxes receivable	563,386	619	564,005
Accounts receivable	161,311	-	161,311
Total assets	\$ 3,895,658	\$ 4,879,946	\$ 8,775,604
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable	\$ 471,173	\$ 231,003	\$ 702,176
Unearned revenues	299,222	-	299,222
Total liabilities	770,395	231,003	1,001,398
Deferred inflows of resources Property taxes receivable	563,386	619	564,005
Fund Balances			
Restricted			
Insurance claims	223,976	-	223,976
Recreation	377,761	-	377,761
Health and welfare	43,315	-	43,315
Economic development	1,005,951	-	1,005,951
Street improvements	415,765	-	415,765
Capital improvements	-	4,307,967	4,307,967
Committed			
Street improvements	490,939	-	490,939
Parks and recreations	748	-	748
Assigned			
Culture and recreation	3,422	-	3,422
Capital outlay	-	340,357	340,357
Total fund balances	2,561,877	4,648,324	7,210,201
Total liabilities, deferred inflows and fund balances	\$ 3,895,658	\$ 4,879,946	\$ 8,775,604

City of Mulvane, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Taxes	\$ 1,245,652	\$ -	\$ 1,245,652
Intergovernmental	45,480	-	45,480
Charges for services	105,881	-	105,881
Miscellaneous	27,240	-	27,240
Grants and contributions	164,891	-	164,891
	<u>1,589,144</u>	<u>-</u>	<u>1,589,144</u>
Total revenues	<u>1,589,144</u>	<u>-</u>	<u>1,589,144</u>
Expenditures			
Current			
General government	209,327	-	209,327
Highways and streets	176,266	-	176,266
Culture and recreation	941,600	-	941,600
Health and sanitation	3,827	-	3,827
Economic development	459,402	-	459,402
Capital improvements	-	1,649,556	1,649,556
Debt service			
Cost of issuance	-	78,804	78,804
	<u>-</u>	<u>78,804</u>	<u>78,804</u>
Total expenditures	<u>1,790,422</u>	<u>1,728,360</u>	<u>3,518,782</u>
Revenues over (under) expenditures	<u>(201,278)</u>	<u>(1,728,360)</u>	<u>(1,929,638)</u>
Other Financing Sources (Uses)			
Bonds Issued	321,202	5,100,624	5,421,826
Transfers in	166,000	200,000	366,000
	<u>487,202</u>	<u>5,300,624</u>	<u>5,787,826</u>
Total other financing sources (uses)	<u>487,202</u>	<u>5,300,624</u>	<u>5,787,826</u>
Net Change in Fund Balances	<u>285,924</u>	<u>3,572,264</u>	<u>3,858,188</u>
Fund Balance, Beginning	<u>2,275,953</u>	<u>1,076,060</u>	<u>3,352,013</u>
Fund Balances, Ending	<u>\$ 2,561,877</u>	<u>\$ 4,648,324</u>	<u>\$ 7,210,201</u>

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2024

	<u>Library</u>	<u>Special Liability</u>	<u>Industrial Development</u>	<u>Senior Citizens</u>	<u>Special Highway</u>	<u>Special Park and Recreation</u>	<u>Storm Sewer Fee</u>	<u>Swimming Pool</u>
Assets								
Cash including short-term investments	\$ 11,575	\$ 223,976	\$ 186,772	\$ 4,319	\$ 415,765	\$ 208,503	\$ 484,262	\$ 748
Accounts receivable	-	-	-	-	-	-	6,677	-
Property taxes receivable	562,552	422	412	-	-	-	-	-
Total assets	574,127	224,398	187,184	4,319	415,765	208,503	490,939	748
Liabilities, Deferred Inflows and Fund Balances								
Liabilities:								
Accounts payable	-	-	-	897	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	897	-	-	-	-
Deferred inflows of resources:								
Property taxes receivable	562,552	422	412	-	-	-	-	-
Fund balance:								
Restricted								
Insurance claims	-	223,976	-	-	-	-	-	-
Recreation	11,575	-	-	-	-	208,503	-	-
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	-	186,772	-	-	-	-	-
Street improvements	-	-	-	-	415,765	-	-	-
Committed								
Street improvements	-	-	-	-	-	-	490,939	-
Parks and recreation	-	-	-	-	-	-	-	748
Assigned								
Culture and recreation	-	-	-	3,422	-	-	-	-
Total fund balance	11,575	223,976	186,772	3,422	415,765	208,503	490,939	748
Total liabilities, deferred inflows and fund balances	\$ 574,127	\$ 224,398	\$ 187,184	\$ 4,319	\$ 415,765	\$ 208,503	\$ 490,939	\$ 748

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2024

	Special Alcohol	Transient Guest Tax	Library Sales Tax	ARPA Grant	Payroll Clearing	Employee Flexible Spending	Total Nonmajor Special Revenue Funds
Assets							
Cash including short-term investments	\$ 43,315	\$ 664,545	\$ 157,683	\$ 299,222	\$ 451,256	\$ 19,020	\$ 3,170,961
Accounts receivable	-	154,634	-	-	-	-	161,311
Property taxes receivable	-	-	-	-	-	-	563,386
Total assets	43,315	819,179	157,683	299,222	451,256	19,020	3,895,658
Liabilities, Deferred Inflows and Fund Balances							
Liabilities:							
Accounts payable	-	-	-	-	451,256	19,020	471,173
Unearned revenue	-	-	-	299,222	-	-	299,222
Total liabilities	-	-	-	299,222	451,256	19,020	770,395
Deferred inflows of resources:							
Property taxes receivable	-	-	-	-	-	-	563,386
Fund balance:							
Restricted							
Insurance claims	-	-	-	-	-	-	223,976
Recreation	-	-	157,683	-	-	-	377,761
Health and welfare	43,315	-	-	-	-	-	43,315
Economic development	-	819,179	-	-	-	-	1,005,951
Street improvements	-	-	-	-	-	-	415,765
Committed							
Street improvements	-	-	-	-	-	-	490,939
Parks and recreation	-	-	-	-	-	-	748
Assigned							
Culture and recreation	-	-	-	-	-	-	3,422
Total fund balance	43,315	819,179	157,683	-	-	-	2,561,877
Total liabilities, deferred inflows and fund balances	\$ 43,315	\$ 819,179	\$ 157,683	\$ 299,222	\$ 451,256	\$ 19,020	\$ 3,895,658

City of Mulvane, Kansas
Combining Schedule of Revenues, Expenditures, and Changes in Fund Bal - Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	<u>Library</u>	<u>Special Liability</u>	<u>Industrial Development</u>	<u>Senior Citizens</u>	<u>Special Highway</u>	<u>Special Park and Recreation</u>	<u>Storm Sewer Fee</u>	<u>Swimming Pool</u>
Revenues								
Taxes	\$ 273,723	\$ (33,043)	\$ (1,765)	\$ -	\$ 255,815	\$ 138,582	\$ -	\$ -
Intergovernmental revenues	-	-	-	45,480	-	-	-	-
Charges for services	-	-	-	8,263	-	-	43,454	54,164
Miscellaneous	-	12,617	-	-	6,090	-	8,533	-
Grants and contributions	-	-	-	-	-	-	-	-
Total revenues	<u>273,723</u>	<u>(20,426)</u>	<u>(1,765)</u>	<u>53,743</u>	<u>261,905</u>	<u>138,582</u>	<u>51,987</u>	<u>54,164</u>
Expenditures								
Current								
General government	-	44,433	3	-	-	-	-	-
Highways and streets	-	-	-	-	142,228	-	34,038	-
Culture and recreations	551,157	-	-	92,515	-	43,259	-	180,070
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Total expenditures	<u>551,157</u>	<u>44,433</u>	<u>3</u>	<u>92,515</u>	<u>142,228</u>	<u>43,259</u>	<u>34,038</u>	<u>180,070</u>
Revenues over (under) expenditures	<u>(277,434)</u>	<u>(64,859)</u>	<u>(1,768)</u>	<u>(38,772)</u>	<u>119,677</u>	<u>95,323</u>	<u>17,949</u>	<u>(125,906)</u>
Other Financing Sources (Uses)								
PMB loans issued	279,600	38,149	3,453	-	-	-	-	-
Transfers in	-	-	-	40,000	-	-	-	126,000
Total other financing sources (uses)	<u>279,600</u>	<u>38,149</u>	<u>3,453</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,000</u>
Net Change in Fund Balances	<u>2,166</u>	<u>(26,710)</u>	<u>1,685</u>	<u>1,228</u>	<u>119,677</u>	<u>95,323</u>	<u>17,949</u>	<u>94</u>
Fund Balances, Beginning	<u>9,409</u>	<u>250,686</u>	<u>185,087</u>	<u>2,194</u>	<u>296,088</u>	<u>113,180</u>	<u>472,990</u>	<u>654</u>
Fund Balances, Ending	<u>\$ 11,575</u>	<u>\$ 223,976</u>	<u>\$ 186,772</u>	<u>\$ 3,422</u>	<u>\$ 415,765</u>	<u>\$ 208,503</u>	<u>\$ 490,939</u>	<u>\$ 748</u>

City of Mulvane, Kansas
Combining Schedule of Revenues, Expenditures, and Changes in Fund Bal - Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Special Alcohol	Transient Guest Tax	Library Sales Tax	ARPA Grant	Payroll Clearing	Employee Flexible Spending	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ 612,340	\$ -	\$ -	\$ -	\$ -	\$ 1,245,652
Intergovernmental revenues	-	-	-	-	-	-	45,480
Charges for services	-	-	-	-	-	-	105,881
Miscellaneous	-	-	-	-	-	-	27,240
Grants and contributions	-	-	-	164,891	-	-	164,891
Total revenues	-	612,340	-	164,891	-	-	1,589,144
Expenditures							
Current							
General government	-	-	-	164,891	-	-	209,327
Highways and streets	-	-	-	-	-	-	176,266
Culture and recreations	-	-	74,599	-	-	-	941,600
Health and welfare	3,827	-	-	-	-	-	3,827
Economic development	-	459,402	-	-	-	-	459,402
Total expenditures	3,827	459,402	74,599	164,891	-	-	1,790,422
Revenue over (under) expenditures	(3,827)	152,938	(74,599)	-	-	-	(201,278)
Other Financing Sources (Uses)							
PMIB loans issued	-	-	-	-	-	-	321,202
Transfers in	-	-	-	-	-	-	166,000
Total other financing sources (uses)	-	-	-	-	-	-	487,202
Net Change in Fund Balances	(3,827)	152,938	(74,599)	-	-	-	285,924
Fund Balances, Beginning	47,142	666,241	232,282	-	-	-	2,275,953
Fund Balances, Ending	\$ 43,315	\$ 819,179	\$ 157,683	\$ -	\$ -	\$ -	\$ 2,561,877

City of Mulvane, Kansas
Combining Balance Sheet - Nonmajor Capital Project Funds
December 31, 2024

	Capital Improvement Reserve	Municipal Equipment Reserve	Harvest Point Grading	Harvest Point Storm Sewer	Harvest Point Sanitary Sewer	Harvest Point Water	Harvest Point Streets	Emerald Valley 2nd Addition Grading	Emerald Valley 2nd Addition Storm	Emerald Valley 2nd Addition Sanitary	Emerald Valley 2nd Addition Water	Emerald Valley 2nd Addition Streets	Emerald Valley 2nd Additions Water Trans.	Total
Assets														
Cash and short-term investments	\$ 631,995	\$ 571,360	\$ 2,482,904	\$ (165,741)	\$ (367,246)	\$ (211,624)	\$ (45,863)	\$ 2,053,126	\$ (10,425)	\$ (19,616)	\$ (17,530)	\$ (20,585)	\$ (1,428)	\$ 4,879,327
Taxes receivable	619	-	-	-	-	-	-	-	-	-	-	-	-	619
Total assets	<u>\$ 632,614</u>	<u>\$ 571,360</u>	<u>\$ 2,482,904</u>	<u>\$ (165,741)</u>	<u>\$ (367,246)</u>	<u>\$ (211,624)</u>	<u>\$ (45,863)</u>	<u>\$ 2,053,126</u>	<u>\$ (10,425)</u>	<u>\$ (19,616)</u>	<u>\$ (17,530)</u>	<u>\$ (20,585)</u>	<u>\$ (1,428)</u>	<u>\$ 4,879,946</u>
Liabilities, Deferred Inflows and Fund Balances														
Liabilities														
Accounts payable	\$ -	\$ 231,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,003
Deferred inflows of resources														
Property taxes receivable	619	-	-	-	-	-	-	-	-	-	-	-	-	619
Fund balance (deficit)														
Restricted														
Capital improvements	631,995	-	2,482,904	(165,741)	(367,246)	(211,624)	(45,863)	2,053,126	(10,425)	(19,616)	(17,530)	(20,585)	(1,428)	\$ 4,307,967
Assigned														
Capital outlay	-	340,357	-	-	-	-	-	-	-	-	-	-	-	\$ 340,357
Total fund balance	<u>631,995</u>	<u>340,357</u>	<u>2,482,904</u>	<u>(165,741)</u>	<u>(367,246)</u>	<u>(211,624)</u>	<u>(45,863)</u>	<u>2,053,126</u>	<u>(10,425)</u>	<u>(19,616)</u>	<u>(17,530)</u>	<u>(20,585)</u>	<u>(1,428)</u>	<u>4,648,324</u>
Total liabilities, deferred inflows and funds balance	<u>\$ 632,614</u>	<u>\$ 571,360</u>	<u>\$ 2,482,904</u>	<u>\$ (165,741)</u>	<u>\$ (367,246)</u>	<u>\$ (211,624)</u>	<u>\$ (45,863)</u>	<u>\$ 2,053,126</u>	<u>\$ (10,425)</u>	<u>\$ (19,616)</u>	<u>\$ (17,530)</u>	<u>\$ (20,585)</u>	<u>\$ (1,428)</u>	<u>\$ 4,879,946</u>

City of Mulvane, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- Nonmajor Capital Project Funds
Year Ended December 31, 2024

	Capital Improvement Reserve	Municipal Equipment Reserve	Harvest Point Grading	Harvest Point Storm Sewer	Harvest Point Sanitary Sewer	Harvest Point Water	Harvest Point Streets	Emerald Valley 2nd Addition Grading	Emerald Valley 2nd Addition Storm	Emerald Valley 2nd Addition Sanitary	Emerald Valley 2nd Addition Water	Emerald Valley 2nd Addition Streets	Emerald Valley 2nd Additions Water Trans.	Total
Revenues														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures														
Capital outlay	11,687	308,217	489,930	163,361	360,582	207,816	39,199	15,364	8,045	15,332	13,722	16,301	-	1,649,556
Issuance costs	31,204	-	8,568	2,380	6,664	3,808	6,664	3,332	2,380	4,284	3,808	4,284	1,428	78,804
Total expenditures	42,891	308,217	498,498	165,741	367,246	211,624	45,863	18,696	10,425	19,616	17,530	20,585	1,428	1,728,360
Expenditures over (under) revenues	(42,891)	(308,217)	(498,498)	(165,741)	(367,246)	(211,624)	(45,863)	(18,696)	(10,425)	(19,616)	(17,530)	(20,585)	(1,428)	(1,728,360)
Other Financing Sources (Uses)														
Temporary notes issued	47,400	-	2,981,402	-	-	-	-	2,071,822	-	-	-	-	-	5,100,624
Transfers in	-	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
	47,400	200,000	2,981,402	-	-	-	-	2,071,822	-	-	-	-	-	5,300,624
Change in Fund Balance	4,509	(108,217)	2,482,904	(165,741)	(367,246)	(211,624)	(45,863)	2,053,126	(10,425)	(19,616)	(17,530)	(20,585)	(1,428)	3,572,264
Fund Balance, Beginning	627,486	448,574	-	-	-	-	-	-	-	-	-	-	-	1,076,060
Fund Balance, Ending	\$ 631,995	\$ 340,357	\$ 2,482,904	\$ (165,741)	\$ (367,246)	\$ (211,624)	\$ (45,863)	\$ 2,053,126	\$ (10,425)	\$ (19,616)	\$ (17,530)	\$ (20,585)	\$ (1,428)	\$ 4,648,324

City Of Mulvane, Kansas
Library Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 546,306	\$ 546,306	\$ 273,723	\$ (272,583)
Loan proceeds	-	-	279,600	279,600
Total revenues	546,306	546,306	553,323	7,017
Expenditures				
Appropriations to Library Board	551,900	551,900	551,157	743
Total expenditures	551,900	551,900	551,157	743
Revenues over (under) expenditures	(5,594)	(5,594)	2,166	7,760
Fund Balances, Beginning	5,594	5,594	9,409	3,815
Fund Balances, Ending	\$ -	\$ -	\$ 11,575	\$ 11,575

City Of Mulvane, Kansas
Special Liability Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,989	\$ 4,989	\$ (33,043)	\$ (38,032)
Miscellaneous	-	-	12,617	12,617
Loan proceeds	-	-	38,149	38,149
Transfers in	-	-	-	-
Total revenues	4,989	4,989	17,723	12,734
Expenditures				
Legal services	120,000	120,000	44,433	75,567
Total expenditures	120,000	120,000	44,433	75,567
Revenues over (under) expenditures	(115,011)	(115,011)	(26,710)	88,301
Fund Balances, Beginning	115,011	115,011	250,686	135,675
Fund Balances, Ending	\$ -	\$ -	\$ 223,976	\$ 223,976

**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, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,620	\$ 1,620	\$ (1,765)	\$ (3,385)
Loan proceeds	-	-	3,453	3,453
Total revenues	1,620	1,620	1,688	68
Expenditures				
Capital Outlay	53,000	53,000	3	52,997
Total expenditures	53,000	53,000	3	52,997
Revenues over (under) expenditures	(51,380)	(51,380)	1,685	53,065
Fund Balances, Beginning	51,380	51,380	185,087	133,707
Fund Balances, Ending	\$ -	\$ -	\$ 186,772	\$ 186,772

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 38,500	\$ 38,500	\$ 45,480	\$ 6,980
Charges for services	2,000	2,000	8,263	6,263
Miscellaneous	11,200	11,200	-	(11,200)
Transfers in	80,000	80,000	40,000	(40,000)
Total revenues	<u>131,700</u>	<u>131,700</u>	<u>93,743</u>	<u>(37,957)</u>
Expenditures				
Operating expenditures	<u>135,968</u>	<u>135,968</u>	<u>92,515</u>	<u>43,453</u>
Total expenditures	<u>135,968</u>	<u>135,968</u>	<u>92,515</u>	<u>43,453</u>
Revenues over (under) expenditures	(4,268)	(4,268)	1,228	5,496
Fund Balances, Beginning	<u>4,268</u>	<u>4,268</u>	<u>2,194</u>	<u>(2,074)</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,422</u>	<u>\$ 3,422</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, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 241,020	\$ 241,020	\$ 261,905	\$ 20,885
Total revenues	241,020	241,020	261,905	20,885
Expenditures				
Street operations	250,000	250,000	142,228	107,772
Capital outlay	100,000	100,000	-	100,000
Total expenditures	350,000	350,000	142,228	207,772
Revenues over (under) expenditures	(108,980)	(108,980)	119,677	228,657
Fund Balances, Beginning	227,773	227,773	296,088	68,315
Fund Balances, Ending	\$ 118,793	\$ 118,793	\$ 415,765	\$ 296,972

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Liquor tax	\$ 120,000	\$ 120,000	\$ 138,582	\$ 18,582
Total revenues	120,000	120,000	138,582	18,582
Expenditures				
Culture and recreations	150,000	150,000	43,259	106,741
Total expenditures	150,000	150,000	43,259	106,741
Revenues over (under) expenditures	(30,000)	(30,000)	95,323	125,323
Fund Balances, Beginning	51,730	51,730	113,180	61,450
Fund Balances, Ending	\$ 21,730	\$ 21,730	\$ 208,503	\$ 186,773

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 40,000	\$ 40,000	\$ 43,454	\$ 3,454
Miscellaneous	-	-	8,533	8,533
Total revenues	40,000	40,000	51,987	11,987
Expenditures				
Highways and streets	150,000	150,000	34,038	115,962
Bond and interest	15,000	15,000	-	15,000
Total expenditures	165,000	165,000	34,038	130,962
Revenues over (under) expenditures	(125,000)	(125,000)	17,949	142,949
Fund Balances, Beginning	319,461	319,461	472,990	153,529
Fund Balances, Ending	\$ 194,461	\$ 194,461	\$ 490,939	\$ 296,478

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 58,000	\$ 54,183	\$ 54,164	\$ (19)
Transfers in	110,000	131,000	126,000	(5,000)
Total revenues	168,000	185,183	180,164	(5,019)
Expenditures				
Swimming pool operations	171,347	185,000	180,070	4,930
Total expenditures	171,347	185,000	180,070	4,930
Revenues over (under) expenditures	(3,347)	183	94	(89)
Fund Balances, Beginning	3,347	654	654	-
Fund Balances, Ending	\$ -	\$ 837	\$ 748	\$ (89)

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Liquor tax	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Awareness programs	15,000	15,000	3,827	11,173
Total expenditures	15,000	15,000	3,827	11,173
Revenues over (under) expenditures	(15,000)	(15,000)	(3,827)	11,173
Fund Balances, Beginning	45,347	45,347	47,142	1,795
Fund Balances, Ending	\$ 30,347	\$ 30,347	\$ 43,315	\$ 12,968

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Transient guest tax	\$ 375,000	\$ 375,000	\$ 612,340	\$ 237,340
Total revenues	375,000	375,000	612,340	237,340
Expenditures				
Contractual services	475,000	825,000	459,402	365,598
Total expenditures	475,000	825,000	459,402	365,598
Revenues over (under) expenditures	(100,000)	(450,000)	152,938	602,938
Fund Balances, Beginning	402,566	402,566	666,241	263,675
Fund Balances, Ending	\$ 302,566	\$ (47,434)	\$ 819,179	\$ 866,613

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sales tax	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Debt service - lease payment	100,000	100,000	-	100,000
Miscellaneous	-	-	74,599	(74,599)
Total expenditures	100,000	100,000	74,599	25,401
Revenues over (under) expenditures	(100,000)	(100,000)	(74,599)	25,401
Fund Balances, Beginning	209,066	209,066	232,282	23,216
Fund Balances, Ending	\$ 109,066	\$ 109,066	\$ 157,683	\$ 48,617

City Of Mulvane, Kansas
Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,218	\$ 15,218	\$ -	\$ (15,218)
Bond proceeds	-	-	47,400	47,400
Total revenues	15,218	15,218	47,400	32,182
Expenditures				
Capital outlay	470,000	470,000	11,687	458,313
Total expenditures	470,000	470,000	11,687	458,313
Revenues over (under) expenditures	(454,782)	(454,782)	35,713	490,495
Fund Balances, Beginning	454,782	454,782	627,486	172,704
Fund Balances, Ending	\$ -	\$ -	\$ 663,199	\$ 663,199

City Of Mulvane, Kansas
Debit Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Budgetary Basis
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 744,766	\$ 744,766	\$ 224,988	\$ (519,778)
Special assessments	1,986,000	1,986,000	1,994,205	8,205
Bond proceeds	-	-	559,753	559,753
Total revenues	<u>2,730,766</u>	<u>2,730,766</u>	<u>2,778,946</u>	<u>48,180</u>
Expenditures				
Bond principal	2,287,571	2,287,571	2,288,025	(454)
Bond interest and commission	499,243	499,243	499,241	2
Cash basis reserve	15,000	15,000	-	15,000
Total expenditures	<u>2,801,814</u>	<u>2,801,814</u>	<u>2,787,266</u>	<u>14,548</u>
Revenues over (under) expenditures	(71,048)	(71,048)	(8,320)	62,728
Fund Balances, Beginning	<u>71,048</u>	<u>71,048</u>	<u>1,019,849</u>	<u>948,801</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011,529</u>	<u>\$ 1,011,529</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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 5,385,000	\$ 5,385,000	\$ 5,701,214	\$ 316,214
Use of money and property	-	-	-	-
Miscellaneous	7,500	7,500	289,301	281,801
Total revenues	<u>5,392,500</u>	<u>5,392,500</u>	<u>5,990,515</u>	<u>598,015</u>
Expenditures				
Operations	5,976,225	5,976,225	5,038,302	937,923
Capital outlay	740,000	740,000	-	740,000
Debt service	315,000	315,000	-	315,000
Total expenditures	<u>7,031,225</u>	<u>7,031,225</u>	<u>5,038,302</u>	<u>1,992,923</u>
Revenues over (under) expenditures	(1,638,725)	(1,638,725)	952,213	2,590,938
Net Position, Beginning	<u>4,667,843</u>	<u>4,667,843</u>	<u>6,735,248</u>	<u>2,067,405</u>
Net Position, Ending	<u>\$ 3,029,118</u>	<u>\$ 3,029,118</u>	7,687,461	<u>\$ 4,658,343</u>
Adjustments to GAAP Basis				
Depreciation			<u>(425,851)</u>	
Net Position, Ending GAAP Basis			<u>\$ 7,261,610</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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,056,500	\$ 1,056,500	\$ 1,069,475	\$ 12,975
Miscellaneous	-	-	112,786	112,786
Total revenues	1,056,500	1,056,500	1,182,261	125,761
Expenditures				
Operations	1,446,675	1,446,675	1,321,048	125,627
Capital outlay	190,000	190,000	-	190,000
Debt service	8,000	8,000	-	8,000
Total expenditures	1,644,675	1,644,675	1,321,048	323,627
Revenues over (under) expenditures	(588,175)	(588,175)	(138,787)	449,388
Net Position, Beginning	657,433	657,433	12,310,943	11,653,510
Net Position, Ending	\$ 69,258	\$ 69,258	\$ 12,172,156	\$ 12,102,898
Adjustments to GAAP Basis				
Depreciation			(414,779)	
Net Position, Ending GAAP Basis			\$ 11,757,377	

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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,645,000	\$ 1,645,000	\$ 1,742,293	\$ 97,293
Miscellaneous	6,000	6,000	(478)	(6,478)
Total revenues	1,651,000	1,651,000	1,741,815	90,815
Expenditures				
Operations	1,528,792	1,528,792	1,413,140	115,652
Capital outlay	255,000	255,000	-	255,000
Debt service	450,000	450,000	-	450,000
Total expenditures	2,233,792	2,233,792	1,413,140	820,652
Revenues over (under) expenditures	(582,792)	(582,792)	328,675	911,467
Net Position, Beginning	1,034,886	1,553,059	19,809,693	18,256,634
Net Position, Ending	\$ 452,094	\$ 970,267	20,138,368	\$ 19,168,101
Adjustments to GAAP Basis				
Depreciation			(784,140)	
Net Position, Ending GAAP Basis			\$ 19,354,228	

Statistical Section

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Governmental activities										
Net investment in capital assets	\$ (3,125,468)	\$ (1,597,973)	\$ 1,034,051	\$ 325,720	\$ 2,841,055	\$ 4,576,371	\$ 6,211,435	\$ 2,444,409	\$ 5,554,468	1,672,040
Restricted for:										
Debt service	17,035,947	15,513,868	14,556,981	12,864,822	14,101,663	12,477,711	11,094,526	11,037,807	8,895,719	\$ 7,082,747
Capital Improvements	280,568	799,708	95,323	193,378	395,939	499,716	514,215	3,431,946	2,592,790	6,142,436
General government	138,559	40,196	156,235	275,702	275,542	263,928	269,234	252,272	3,725,675	3,881,694
Employee Benefits	1,308,689	821,572	306,691	194,063	122,858	192,444	205,134	699,638	402,746	683,249
Parks and recreation	528,310	832,185	945,165	1,179,447	577,767	757,871	418,893	505,874	357,719	381,931
Economic Development	488,678	499,479	475,272	518,714	461,572	315,976	482,232	731,293	851,328	1,005,951
Street Maintenance	37,791	82,963	92,191	52,293	55,938	131,550	179,832	717,895	769,078	906,704
Health and Welfare	81,665	106,878	70,969	87,977	58,421	58,085	56,317	52,347	47,142	43,315
Unrestricted	1,872,601	2,245,722	598,792	1,579,488	850,605	908,356	1,742,608	1,476,927	(1,320,800)	(1,401,209)
Total governmental activities net position	<u>\$ 18,647,340</u>	<u>\$ 19,344,598</u>	<u>\$ 18,331,670</u>	<u>\$ 17,271,604</u>	<u>\$ 19,741,360</u>	<u>\$ 20,182,008</u>	<u>\$ 21,174,426</u>	<u>\$ 21,350,408</u>	<u>\$ 21,875,865</u>	<u>\$ 20,398,858</u>
Business-type activities										
Net investment in capital assets	\$ 30,478,002	\$ 30,038,002	\$ 30,795,123	\$ 31,574,138	\$ 31,325,225	\$ 31,982,415	\$ 28,803,220	\$ 28,492,696	\$ 29,139,683	\$ 30,032,266
Restricted for Debt Service	133,838	-	-	-	-	-	-	-	-	-
Unrestricted	4,778,601	5,671,807	5,769,899	6,226,438	6,919,091	6,596,841	10,223,303	10,395,236	9,716,201	8,340,949
Total business-type activities	<u>\$ 35,390,441</u>	<u>\$ 35,709,809</u>	<u>\$ 36,565,022</u>	<u>\$ 37,800,576</u>	<u>\$ 38,244,316</u>	<u>\$ 38,579,256</u>	<u>\$ 39,026,523</u>	<u>\$ 38,887,932</u>	<u>\$ 38,855,884</u>	<u>\$ 38,373,215</u>
Primary government										
Net investment in capital assets	\$ 27,352,534	\$ 28,440,029	\$ 31,829,174	\$ 31,899,858	\$ 34,166,280	\$ 36,558,786	\$ 35,014,655	\$ 30,937,105	\$ 34,694,151	\$ 31,704,306
Restricted	20,034,045	18,696,849	16,698,827	15,366,396	16,049,700	14,697,281	13,220,383	17,429,072	17,642,197	20,128,027
Unrestricted	6,651,202	7,917,529	6,368,691	7,805,926	7,769,696	7,505,197	11,965,911	11,872,163	8,395,401	6,939,740
Total primary government	<u>\$ 54,037,781</u>	<u>\$ 55,054,407</u>	<u>\$ 54,896,692</u>	<u>\$ 55,072,180</u>	<u>\$ 57,985,676</u>	<u>\$ 58,761,264</u>	<u>\$ 60,200,949</u>	<u>\$ 60,238,340</u>	<u>\$ 60,731,749</u>	<u>\$ 58,772,073</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 1,515,897	\$ 1,782,897	\$ 2,151,881	\$ 1,179,135	\$ 1,177,761	\$ 1,138,868	\$ 1,582,696	\$ 2,339,991	\$ 2,643,128	\$ 2,507,148
Public safety	3,138,385	3,584,483	3,733,737	4,316,866	4,572,523	4,501,353	4,768,021	4,036,043	3,837,136	3,982,540
Highways and Streets	1,527,136	1,665,590	2,320,717	2,361,133	2,366,506	2,287,801	2,242,816	2,478,010	2,394,951	2,617,155
Health Sanitation	39,130	39,130	106,129	600	29,556	123,426	1,768	4,046	4,880	3,754
Culture and Recreation	1,560,950	1,622,079	1,432,675	1,454,413	2,298,566	1,432,248	1,874,437	1,199,323	1,141,536	1,224,642
Economic Development	291,281	340,265	343,545	256,058	404,942	372,574	168,600	315,449	544,856	528,925
Environmental Protection	233	233	308	615	478	849	311	33	434	188
Interest on long term debt	1,072,292	710,073	734,791	746,287	769,278	548,577	436,005	611,614	597,102	666,529
Total governmental activities expenses	<u>\$ 9,145,304</u>	<u>\$ 9,744,750</u>	<u>\$ 10,823,783</u>	<u>\$ 10,315,107</u>	<u>\$ 11,619,610</u>	<u>\$ 10,405,696</u>	<u>\$ 11,074,654</u>	<u>\$ 10,984,509</u>	<u>\$ 11,164,023</u>	<u>\$ 11,530,881</u>
Business-type activities:										
Electric Utility	\$ 4,738,239	\$ 4,742,936	\$ 4,768,801	\$ 5,013,606	\$ 4,648,838	\$ 4,271,131	\$ 4,508,880	\$ 5,601,470	\$ 5,127,960	\$ 5,553,998
Water Utility	1,291,157	1,214,150	1,251,030	1,299,081	1,238,769	1,261,213	1,328,770	1,370,943	1,283,525	1,737,606
Wastewater Utility	1,593,965	1,687,656	1,556,034	1,633,447	1,672,720	1,670,964	1,836,601	2,447,920	1,983,217	2,301,219
Total business-type activities expenses	<u>\$ 7,623,361</u>	<u>\$ 7,644,742</u>	<u>\$ 7,575,865</u>	<u>\$ 7,946,134</u>	<u>\$ 7,560,327</u>	<u>\$ 7,203,308</u>	<u>\$ 7,674,251</u>	<u>\$ 9,420,333</u>	<u>\$ 8,394,702</u>	<u>\$ 9,592,823</u>
Total primary government expenses	<u>\$ 16,768,665</u>	<u>\$ 17,389,492</u>	<u>\$ 18,399,648</u>	<u>\$ 18,261,241</u>	<u>\$ 19,179,937</u>	<u>\$ 17,609,004</u>	<u>\$ 18,748,905</u>	<u>\$ 20,404,842</u>	<u>\$ 19,558,725</u>	<u>\$ 21,123,704</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 126,761	\$ 343,275	\$ 128,893	\$ 158,357	\$ 119,790	\$ 125,653	\$ 196,951	\$ 344,063	\$ 332,859	\$ 310,414
Public safety	1,071,489	1,094,153	1,143,085	1,123,961	2,033,870	1,048,487	1,470,171	479,620	442,372	431,525
Highway & Streets	31,841	39,126	41,631	42,188	42,435	42,370	43,410	-	-	-
Health and Sanitation	-	-	-	-	-	112,643	44,412	43,830	44,966	43,454
Culture and Recreation	63,402	66,051	64,186	72,271	75,301	6,413	61,774	57,713	52,784	54,164
Operating grants and contributions	1,889,916	1,733,706	1,378,067	1,724,379	4,538,085	1,822,052	2,159,421	628,279	990,738	733,967
Capital grants and contributions	723,512	700,756	677,275	673,750	774,806	711,048	476,352	-	-	-
Total governmental activities program revenues	<u>\$ 3,906,921</u>	<u>\$ 3,977,067</u>	<u>\$ 3,433,137</u>	<u>\$ 3,794,906</u>	<u>\$ 7,584,287</u>	<u>\$ 3,868,666</u>	<u>\$ 4,452,491</u>	<u>\$ 1,553,505</u>	<u>\$ 1,863,719</u>	<u>\$ 1,573,524</u>

Continued on next page

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

(Continued)

Business-type activities:

Charges for services											
Electric Utility	\$ 4,441,803	\$ 4,855,854	\$ 4,812,129	\$ 5,296,701	\$ 5,038,007	\$ 4,553,985	\$ 5,346,807	\$ 6,298,667	\$ 5,178,660	\$ 5,809,117	
Water Utility	1,096,022	1,105,822	1,082,368	1,113,993	1,091,439	1,105,199	1,059,237	1,136,331	1,136,233	1,125,814	
Wastewater Utility	1,738,424	1,956,166	1,857,701	1,787,322	1,763,654	1,727,383	1,677,731	1,702,643	1,790,962	1,751,550	
Capital grants and contributions	-	-	-	59,538	-	-	-	-	-	-	
Total business-type activities program revenues	<u>\$ 7,276,249</u>	<u>\$ 7,917,842</u>	<u>\$ 7,752,198</u>	<u>\$ 8,257,554</u>	<u>\$ 7,893,100</u>	<u>\$ 7,386,567</u>	<u>\$ 8,083,775</u>	<u>\$ 9,137,641</u>	<u>\$ 8,105,855</u>	<u>\$ 8,686,481</u>	
Total primary government program revenues	<u>\$ 11,183,170</u>	<u>\$ 11,894,909</u>	<u>\$ 11,185,335</u>	<u>\$ 12,052,460</u>	<u>\$ 15,477,387</u>	<u>\$ 11,255,233</u>	<u>\$ 12,536,266</u>	<u>\$ 10,691,146</u>	<u>\$ 9,969,574</u>	<u>\$ 10,260,005</u>	
Net (Expense) Revenue											
Governmental activities	\$ (5,238,383)	\$ (5,767,683)	\$ (7,390,646)	\$ (6,520,201)	\$ (4,035,323)	\$ (6,537,030)	\$ (6,622,163)	\$ (9,431,004)	\$ (9,300,304)	\$ (9,957,357)	
Business-type activities	(347,112)	273,100	176,333	311,420	332,773	183,259	409,524	(282,692)	(288,847)	(906,342)	
Total Primary Government Net Expenses	<u>\$ (5,585,495)</u>	<u>\$ (5,494,583)</u>	<u>\$ (7,214,313)</u>	<u>\$ (6,208,781)</u>	<u>\$ (3,702,550)</u>	<u>\$ (6,353,771)</u>	<u>\$ (6,212,639)</u>	<u>\$ (9,713,696)</u>	<u>\$ (9,589,151)</u>	<u>\$ (10,863,699)</u>	

Continued on next page

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

(Continued)

General Revenues & Other Changes in Net Position

Governmental activities:

Taxes

Property Taxes

General Purposes	\$ 2,851,045	\$ 2,919,006	\$ 2,346,878	\$ 3,543,583	\$ 2,828,655	\$ 3,924,076	\$ 4,026,556	\$ 5,281,436	\$ 6,270,699	\$ 5,076,983
Debt Services	431,877	818,784	1,606,932	367,703	627,003	541,409	625,427	334,823	463,884	224,988
Gaming Facility Revenue Sharing	1,832,260	1,806,329	1,798,789	1,819,997	1,864,339	1,414,783	1,729,074	1,587,909	1,595,910	1,629,055
Sales Taxes	741,498	690,564	911,338	790,162	837,322	865,772	988,232	1,100,509	1,241,683	1,283,843
Franchise Taxes	223,642	201,404	234,263	250,630	254,163	219,852	235,145	258,380	253,585	234,277
Investment Earnings	29,556	38,520	54,518	76,599	93,597	63,237	10,147	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	31,204
Transfers	(8,318,410)	(10,347)	(575,000)	(1,034,154)	-	(51,451)	-	(122,227)	-	-
Total governmental activities general revenues	<u>\$ (2,208,532)</u>	<u>\$ 6,464,260</u>	<u>\$ 6,377,718</u>	<u>\$ 5,814,520</u>	<u>\$ 6,505,079</u>	<u>6,977,678</u>	<u>7,614,581</u>	<u>8,440,830</u>	<u>9,825,761</u>	<u>\$ 8,480,350</u>

Business-type activities:

Investment earnings	\$ 13,152	\$ 35,921	\$ 44,342	\$ 67,645	\$ 110,967	\$ 100,230	\$ 37,743	\$ 21,874	\$ 256,799	\$ 423,673
Transfers	8,318,410	10,347	575,000	1,034,154	-	51,451	-	122,227	-	-
Total business-type activities general revenues	<u>\$ 8,331,562</u>	<u>\$ 46,268</u>	<u>\$ 619,342</u>	<u>\$ 1,101,799</u>	<u>\$ 110,967</u>	<u>\$ 151,681</u>	<u>\$ 37,743</u>	<u>\$ 144,101</u>	<u>\$ 256,799</u>	<u>\$ 423,673</u>
Total primary government	<u>\$ 6,123,030</u>	<u>\$ 6,510,528</u>	<u>\$ 6,997,060</u>	<u>\$ 6,916,319</u>	<u>\$ 6,616,046</u>	<u>\$ 7,129,359</u>	<u>\$ 7,652,324</u>	<u>\$ 8,584,931</u>	<u>\$ 10,082,560</u>	<u>\$ 8,904,023</u>

Change in Net Position

Governmental Activities	\$ (7,446,915)	\$ 696,577	\$ (1,012,928)	\$ (705,681)	\$ 2,469,756	\$ 440,648	\$ 992,418	\$ (990,174)	\$ 525,457	\$ (1,477,007)
Business-type Activities	<u>7,984,450</u>	<u>319,368</u>	<u>795,675</u>	<u>1,413,219</u>	<u>443,740</u>	<u>334,940</u>	<u>447,267</u>	<u>(138,591)</u>	<u>(32,048)</u>	<u>(482,669)</u>
Total primary government	<u>\$ 537,535</u>	<u>\$ 1,015,945</u>	<u>\$ (217,253)</u>	<u>\$ 707,538</u>	<u>\$ 2,913,496</u>	<u>\$ 775,588</u>	<u>\$ 1,439,685</u>	<u>\$ (1,128,765)</u>	<u>\$ 493,409</u>	<u>\$ (1,959,676)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Restricted: Insurance	\$ 138,559	\$ 401,196	\$ 156,235	\$ 40,196	\$ 275,702	\$ 263,928	\$ 269,234	\$ -	\$ -	\$ -
Assigned: General Government	3,643,955	3,009,377	2,946,773	2,692,998	1,979,839	1,655,581	2,075,223	1,741,546	3,474,989	3,657,718
Unassigned	-	1,438,247	1,129,253	1,279,140	1,649,750	1,783,720	1,927,627	3,019,939	1,864,134	2,611,478
Total General Fund	<u>\$ 3,782,514</u>	<u>\$ 4,848,820</u>	<u>\$ 4,232,261</u>	<u>\$ 4,012,334</u>	<u>\$ 3,905,291</u>	<u>\$ 3,703,229</u>	<u>\$ 4,272,084</u>	<u>\$ 4,761,485</u>	<u>\$ 5,339,123</u>	<u>\$ 6,269,196</u>
All other governmental funds										
Restricted: Debt Service	\$ 147,359	\$ 114,268	\$ 601,951	\$ 315,414	\$ 221,115	\$ 131,306	\$ 216,355	\$ 1,364,710	\$ 1,019,849	\$ 1,011,529
Insurance	-	-	-	-	-	-	-	252,272	250,686	223,976
General Government	1,308,689	821,572	306,691	194,063	122,858	192,444	205,134	699,638	402,746	683,249
Recreation	528,310	832,185	945,165	1,179,447	577,767	757,871	418,893	501,025	354,871	377,761
Health and Welfare	81,665	106,878	70,969	87,977	58,421	58,085	56,317	52,347	47,142	43,315
Economic Development	488,678	499,479	475,272	518,714	461,572	315,976	482,232	731,293	851,328	1,005,951
Street Improvements	37,791	82,963	92,191	52,293	55,938	131,550	179,832	285,320	296,088	415,765
Capital Improvements	2,998,388	799,708	95,323	193,378	395,939	499,716	514,215	2,920,491	2,144,216	5,802,079
Committed: Street Improvements	306,441	334,764	331,384	311,321	320,007	354,860	390,662	432,575	472,990	490,939
Parks and recreation	68,437	78,602	67,424	3,189	2,460	2,789	3,111	3,087	654	748
Assigned: Culture and Recreation	4,202	6,951	661	1,684	694	273	564	1,762	2,194	3,422
Capital Outlay	286,659	228,787	203,670	381,868	188,642	364,843	528,313	511,455	448,574	340,357
Unassigned	(477)	(314,697)	(1,303,181)	241,413	19	-	(2,077,974)	-	-	-
Total all other Governmental Funds	<u>\$ 6,256,142</u>	<u>\$ 3,591,460</u>	<u>\$ 1,887,520</u>	<u>\$ 3,480,761</u>	<u>\$ 2,405,432</u>	<u>\$ 2,809,713</u>	<u>\$ 917,654</u>	<u>\$ 7,755,975</u>	<u>\$ 6,291,338</u>	<u>\$ 10,399,091</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 5,717,474	\$ 5,558,969	\$ 5,977,570	\$ 5,816,319	\$ 5,535,220	\$ 6,336,804	\$ 6,527,078	\$ 6,113,130	\$ 8,042,171	\$ 6,760,868
Special Assessment Taxes	1,716,222	2,113,053	1,721,295	1,964,110	1,951,808	2,009,364	1,932,333	1,882,566	1,984,907	1,994,205
Intergovernmental	2,537,254	2,476,111	2,464,974	2,544,760	2,630,805	2,467,115	2,495,485	2,120,790	2,153,921	2,198,131
Licenses and permits	330,161	294,594	281,645	300,959	299,158	279,543	296,433	327,322	306,916	285,586
Charges for Services	343,678	383,857	446,216	449,633	424,845	335,478	379,012	459,289	465,812	448,445
Fines and Forfeitures	209,614	208,008	208,041	190,501	177,256	156,630	163,443	138,615	100,253	105,526
Grants and Contributions	-	-	-	-	-	-	521,140	95,398	432,727	164,891
Use of Money & Property	637,884	658,099	657,735	695,680	1,654,182	671,397	1,077,247	-	-	-
Other Revenues	37,254	247,971	72,949	87,240	84,952	175,607	143,135	380,632	253,860	373,331
Total revenues	<u>\$ 11,529,541</u>	<u>\$ 11,940,662</u>	<u>\$ 11,830,425</u>	<u>\$ 12,049,202</u>	<u>\$ 12,758,226</u>	<u>\$ 12,431,938</u>	<u>\$ 13,535,306</u>	<u>\$ 11,517,742</u>	<u>\$ 13,740,567</u>	<u>\$ 12,330,983</u>
Expenditures										
General government	\$ 1,584,854	\$ 1,832,201	\$ 2,043,947	\$ 1,107,015	\$ 1,095,817	\$ 1,091,419	\$ 1,528,853	\$ 2,258,990	\$ 2,790,022	\$ 2,513,161
Public safety	2,916,081	3,371,380	3,348,962	4,323,817	4,481,933	4,576,210	4,487,783	3,576,631	3,670,739	3,622,652
Highways and Streets	725,994	764,464	1,372,749	1,577,701	1,474,670	1,343,007	1,443,988	1,467,263	1,494,197	1,570,584
Culture and recreation	1,453,318	1,374,513	1,277,834	1,258,069	2,134,189	1,374,807	1,623,916	907,303	921,200	941,600
Environmental Protection	39,363	39,250	106,437	1,215	478	849	311	4,003	5,668	4,019
Economic Development / Health-Sanitation	291,281	340,265	343,545	283,558	404,978	353,625	135,519	309,536	581,144	539,105
Capital outlay	2,051,227	2,715,999	1,851,688	1,811,575	469,774	243,991	2,132,214	904,775	1,214,542	2,052,842
Debt service										
Principal	2,541,373	2,691,997	2,652,213	2,569,921	3,454,278	2,452,675	2,861,567	1,885,646	3,363,733	3,424,417
Issuance costs	-	-	-	-	-	-	-	147,212	-	-
Interest	1,228,457	745,175	792,549	779,511	776,026	792,976	673,381	557,543	586,321	602,491
Total expenditures	<u>\$ 12,831,948</u>	<u>\$ 13,875,244</u>	<u>\$ 13,789,924</u>	<u>\$ 13,712,382</u>	<u>\$ 14,292,143</u>	<u>\$ 12,229,559</u>	<u>\$ 14,887,532</u>	<u>\$ 12,018,902</u>	<u>\$ 14,627,566</u>	<u>\$ 15,270,871</u>
Revenues over (under) Expenditures	\$ (1,302,407)	\$ (1,934,582)	\$ (1,959,499)	\$ (1,663,180)	\$ (1,533,917)	\$ 202,379	\$ (1,352,226)	\$ (501,160)	\$ (886,999)	\$ (2,939,888)

Continued on next page

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

(Continued)

Other financing sources (uses)										
Bond and Loan Proceeds	\$ 2,543,576	\$ 8,330,000	\$ -	\$ 3,205,000	\$ 8,335,545	\$ -	\$ 1,721,412	\$ 4,589,650	\$ -	\$ 7,977,714
Premium and Go Bonds Issues	21,183	643,885	-	67,000	827,486	-	104,163	284,151	-	-
Premium on PBC Revenue Bonds Issued	-	-	-	-	-	-	-	-	-	-
PMIB loans issued	-	-	-	-	-	-	-	2,132,746	-	-
Payment to Escrow Agent	(2,468,941)	(8,998,679)	-	-	(9,047,152)	-	(1,796,553)	(2,020,239)	-	-
Transfers in	182,887	458,311	125,000	422,647	162,238	226,500	-	390,480	137,500	366,000
Transfers out	(182,887)	(458,311)	(125,000)	(422,647)	(162,238)	(226,500)	-	(512,707)	(137,500)	(366,000)
Total other financing sources (uses)	<u>\$ 95,818</u>	<u>\$ (24,794)</u>	<u>\$ -</u>	<u>\$ 3,272,000</u>	<u>\$ 115,879</u>	<u>\$ -</u>	<u>\$ 29,022</u>	<u>\$ 4,864,081</u>	<u>\$ -</u>	<u>\$ 7,977,714</u>
Net change in fund balance	<u>\$ (1,206,589)</u>	<u>\$ (1,959,376)</u>	<u>\$ (1,959,499)</u>	<u>\$ 1,608,820</u>	<u>\$ (1,418,038)</u>	<u>\$ 202,379</u>	<u>\$ (1,323,204)</u>	<u>\$ 4,362,921</u>	<u>\$ (886,999)</u>	<u>\$ 5,037,826</u>
Debt service as a percentage of non-capital expenditures	31.42%	34.97%	30.80%	28.85%	28.14%	31.77%	28.61%	28.24%	27.00%	26.37%

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

FY	Real Property		Personal Property		Total		Total Direct Tax Rate	Assessed value as a % of Estimated Actual Value
	Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual value		
2015	\$ 80,317,379	\$ 446,207,661	\$ 594,490	\$ 2,201,815	\$ 80,911,869	\$ 448,409,476	42.406%	18.04%
2016	80,264,699	440,205,239	304,910	1,131,217	80,569,609	441,336,456	46.531%	18.26%
2017	81,925,806	463,252,202	284,286	1,057,963	82,210,092	464,310,165	42.406%	17.71%
2018	86,319,759	479,554,217	295,826	1,047,426	86,615,585	480,601,643	44.247%	18.02%
2019	89,113,156	495,373,893	280,515	1,040,711	89,393,671	496,414,604	46.603%	18.01%
2020	93,333,144	518,187,249	285,353	1,300,200	93,618,497	519,487,449	46.599%	18.02%
2021	94,403,593	528,550,994	266,692	1,326,204	94,670,285	529,877,198	46.590%	17.87%
2022	98,241,208	530,000,000	270,000	1,350,000	98,511,208	531,350,000	46.600%	18.54%
2023	104,425,218	530,000,000	314,897	1,350,000	104,740,115	531,350,000	57.570%	19.71%
2024	83,343,196	530,000,000	299,076	1,350,000	83,642,272	531,350,000	57.300%	15.74%

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

**City Of Mulvane, Kansas
Property Tax Rates- Direct and Overlapping Governments
Last Ten Fiscal Years**

Sedgwick County

Fiscal Year	City Rates								Overlapping Government Rates					
	General	Debt Service	Employee Benefits	Library	Industrial Development	Capital Improvements	Special Liability	Total City	State	County	School	Cemetery	Township	Total
2015	14.625	9.417	9.276	3.498	0.086	5.276	0.084	42.262	1.500	29.383	64.306	1.466	0.000	138.917
2016	9.5030	15.316	10.972	5.000	0.053	1.283	2.120	44.247	1.500	29.393	62.956	1.492	0.000	139.588
2017	26.734	3.256	5.454	5.007	0.065	2.347	1.441	44.304	1.500	29.393	62.397	1.482	0.000	139.076
2018	26.191	7.063	6.096	4.972	0.051	2.191	0.039	46.603	1.500	29.383	59.244	1.454	0.000	138.184
2019	26.896	5.533	6.632	4.999	0.056	2.437	0.037	46.590	1.500	29.384	64.511	1.429	0.000	143.414
2020	28.761	6.324	6.417	5.001	0.004	0.042	0.050	46.599	1.500	29.376	59.633	1.430	0.000	138.538
2021	28.755	6.323	6.416	5.000	0.004	0.042	0.050	46.590	1.500	29.370	60.944	1.411	0.000	139.815
2022	29.905	6.010	16.033	4.998	0.019	0.485	0.120	57.570	1.500	29.368	61.724	1.411	0.000	151.573
2023	25.534	6.863	19.728	5.000	0.015	0.119	0.041	57.300	1.500	28.988	60.490	1.895	0.000	150.173
2024	17.428	8.843	24.239	6.747	0.005	0.007	0.005	57.274	1.500	28.701	65.172	2.214	0.000	154.861

Sumner County

Fiscal Year	City Rates								Overlapping Government Rates					
	General	Debt Service	Employee Benefits	Library	Industrial Development	Capital Improvements	Special Liability	Total City	State	County	School	Cemetery	Township	Total
2015	14.625	9.417	9.276	3.498	0.086	5.276	0.084	42.262	1.500	44.235	64.306	1.466	0.000	153.769
2016	9.503	15.316	10.972	5.000	0.053	1.283	2.120	44.247	1.500	48.888	62.956	1.492	0.000	159.083
2017	26.734	3.256	5.454	5.007	0.065	2.347	1.441	44.304	1.500	48.585	62.397	1.482	0.000	158.268
2018	26.191	7.063	6.096	4.972	0.051	2.191	0.039	46.603	1.500	48.362	59.244	1.454	0.000	157.163
2019	26.896	5.533	6.632	4.999	0.056	2.437	0.037	46.590	1.500	52.375	64.511	1.429	0.000	166.405
2020	28.761	6.324	6.417	5.001	0.004	0.042	0.050	46.599	1.500	52.363	59.633	1.430	0.000	161.525
2021	28.755	6.323	6.416	5.000	0.004	0.042	0.050	46.590	1.500	52.180	60.944	1.411	0.000	162.625
2022	29.905	6.010	16.033	4.998	0.019	0.485	0.120	57.570	1.500	52.216	61.724	1.411	0.000	174.421
2023	25.534	6.863	19.728	5.000	0.015	0.119	0.041	57.300	1.500	57.300	60.490	1.895	0.000	178.485
2024	17.428	8.843	24.239	6.747	0.005	0.007	0.005	57.274	1.500	52.090	65.172	2.214	0.000	178.250

(per \$1,000) assessed Value)

Source: Sedgwick County Clerk
Sumner County Clerk

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

2024

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sedgwick County:			
McLean SFR Investment LLC/Homesource Acq.	\$ 956,358	1	1.93%
Kansas Gas Service - A Division Of One Gas	527,614	2	1.06%
Country Walk DG Prattville LLC	484,082	3	0.98%
Individual	271,695	4	0.55%
Westfall Mini-Storage LLC	243,480	5	0.49%
Individual	236,448	6	0.48%
Traditional Holding Company LLC	228,425	7	0.46%
O'Reilly Auto Enterprises LLC	207,200	8	0.42%
Casey's Retail Company	196,650	9	0.40%
Vintage Bank Kansas	155,650	10	0.31%
	<u>\$ 3,507,602</u>		<u>7.08%</u>
Sumner County:			
Kansas Star Casino	\$ 45,469,548	1	48.61%
KSC Lodging, LC	6,083,296	2	6.50%
Dabitojo Dev, LLC	346,910	4	0.37%
Individual	476,670	5	0.51%
Mulvane Coop Union	464,108	6	0.50%
Winedoc Invest, LLC	440,086	3	0.47%
BNSF Railroad	378,166	8	0.40%
Carson Bank	343,694	7	0.37%
Kansas Gas Service	366,724	9	0.39%
Union Pacific	319,866	10	0.34%
	<u>\$ 54,689,068</u>		<u>58.47%</u>

Continued on next page

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

(Continued)

2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sedgwick County:			
Kansas Gas Service	\$ 297,018	1	0.37%
CTAN Investments LLC	264,512	2	0.33%
Fugate J. Larry	217,508	3	0.27%
Casey's Retail Company	192,625	4	0.24%
Traditional Houlding Co LLC	181,662	5	0.22%
Prairie State Bank	167,010	6	0.21%
Carr Properties	146,650	7	0.18%
BNSF	145,615	8	0.18%
David & Pamela Schaefer	125,653	9	0.16%
Antonio Carro MD	117,325	10	0.15%
	<u>\$ 1,855,578</u>		<u>2.31%</u>
Sumner County:			
Kansas Star Casino	\$ 44,150,000	1	54.57%
KSC Lodging, LC	4,387,945	2	5.42%
Brewer, John A	234,190	3	0.29%
Ratzlaff Properties, LLC	212,430	4	0.26%
Pearl St Duplex	176,143	5	0.22%
Mulvane State Bank	145,970	6	0.18%
Union Pacific	145,284	7	0.18%
BNSF	138,535	8	0.17%
Mulvane Coop Union	133,353	9	0.16%
DLK Prop, LLC	127,573	10	0.16%
	<u>\$ 49,851,423</u>		<u>61.61%</u>

Source: Sedgwick County Clerk
Sumner County Clerk

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

Fiscal Year	Taxes Levied for the Tax Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years *	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015	\$ 3,143,298	\$ 3,112,959	99.03%	\$ 49,763	\$ 3,162,722	100.62%
2016	3,453,308	3,427,461	99.25%	32,392	3,459,853	100.19%
2017	3,564,953	3,485,752	97.78%	25,108	3,510,860	98.48%
2018	3,642,244	3,605,431	98.99%	25,157	3,630,588	99.68%
2019	4,022,772	3,963,308	98.52%	21,013	3,984,321	99.04%
2020	4,348,245	4,123,809	94.84%	28,824	4,152,633	95.50%
2021	4,399,025	4,308,574	97.94%	175,025	4,483,599	101.92%
2022	5,655,794	3,454,678	61.08%	71,156	3,525,834	62.34%
2023	5,983,657	4,465,614	74.63%	24,818	4,490,432	75.04%
2024	4,775,650	3,012,511	63.08%	42,734	3,055,245	63.98%

Source: City Revenue Report
Sedgwick County Clerk
Sumner County Clerk

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

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

Governmental Activities						
FY	General Obligation Bonds	Public Building Commission Revenue Bonds	Temporary Notes	Notes Payable	Unamortized Premium on Bonds	PMIB Loans
2015	\$ 28,711,252	\$ 4,485,000	\$ -	\$ -	\$ 145,214	\$ -
2016	26,199,255	3,990,000	315,000	-	690,962	-
2017	24,052,043	3,485,000	2,515,000	-	595,182	-
2018	24,207,122	3,965,000	-	-	567,072	-
2019	21,447,611	2,530,000	-	-	1,202,596	-
2020	19,534,936	1,990,000	-	-	1,016,643	-
2021	17,617,939	1,000,000	2,015,000	-	885,564	-
2022	20,321,943	1,000,000	-	-	994,553	2,132,746
2023	17,653,332	1,000,000	-	-	828,381	1,599,559
2024	19,900,762	1,000,000	5,045,000	-	687,838	3,990,861

Business Type Activities						
FY	Revenue Bonds	G.O. Bonds Secured by Enterprise Funds	Unamortized Premium on G.O. Bonds Secured by Enterprise Bonds	Total Primary Government	% of Personal Income	Per Capita
2015	\$ 1,200,000	\$ 7,353,748	\$ 22,011	\$ 41,917,225	23.04%	\$ 6,665
2016	-	7,603,745	89,018	38,887,980	21.09%	6,159
2017	-	6,738,957	67,942	37,454,124	20.15%	5,890
2018	-	5,805,878	49,828	34,594,900	18.15%	5,392
2019	-	4,897,389	34,665	30,112,261	15.61%	4,618
2020	-	4,050,064	22,484	26,614,127	15.12%	4,403
2021	-	5,912,062	135,173	27,565,738	13.85%	4,185
2022	-	5,198,057	121,621	29,768,920	13.40%	4,089
2023	-	4,596,668	104,844	25,782,784	10.77%	3,301
2024	-	8,524,238	285,225	25,782,784	10.32%	3,301

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

Year	General Obligation Bonds	Premium on General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Property	Net Bonded Debt Per Capita
2015	\$ 36,065,000	\$ 93,139	\$ 147,359	\$ 36,010,780	8.03%	\$ 5,726
2016	33,803,000	649,036	114,268	34,337,768	7.78%	5,438
2017	30,791,000	630,294	601,951	30,819,343	6.64%	4,847
2018	30,013,000	577,165	315,414	30,274,751	6.30%	4,719
2019	26,345,000	1,210,110	221,115	27,333,995	5.51%	4,192
2020	23,585,000	1,039,127	131,306	24,492,821	4.71%	4,052
2021	23,530,000	1,020,737	216,355	24,334,382	4.59%	3,694
2022	25,520,000	1,116,174	427,818	26,208,356	4.93%	3,928
2023	22,250,000	933,225	1,019,849	22,163,376	4.17%	3,067
2024	22,250,000	933,225	1,011,529	22,171,696	4.17%	3,160

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

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>City's % Applicable</u>	<u>City's Amount of Overlapping Debt</u>
Estimated Overlapping Debt:			
Sedgwick County	\$ 65,585,000	0.71%	\$ 465,653
Sumner County	13,726,000	19.36%	2,657,353
School District #263	<u>3,690,000</u>	36.00%	<u>1,328,400</u>
Total Estimated Overlapping Debt	83,001,000	5.36%	4,451,406
City's Direct Debt	<u>28,425,000</u>	100.00%	<u>28,425,000</u>
Total Direct and Overlapping Debt	<u>\$ 111,426,000</u>	29.51%	<u>\$ 32,876,406</u>

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

Assessed Valuation of Mulvane located in the broader governmental unit X Outstanding debt of the broader governmental unit

Total Assessed Valuation of the broader governmental unit

Source: Raymond James & Associates

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 26,330,743	\$ 26,006,095	\$ 26,505,045	\$ 28,078,263	\$ 29,077,143	\$ 30,273,329	\$ 28,165,000	\$ 31,728,047	\$ 26,072,332	\$ 27,281,700
Total Net Debt Applicable to limit	<u>3,590,157</u>	<u>3,525,047</u>	<u>3,861,518</u>	<u>3,469,361</u>	<u>3,349,151</u>	<u>2,643,873</u>	<u>3,515,547</u>	<u>4,723,667</u>	<u>3,952,238</u>	<u>3,952,238</u>
Legal Debt margin	22,740,586	22,481,048	22,643,527	24,608,902	25,727,992	27,629,456	24,649,453	27,004,380	22,120,094	23,329,462
Total Net Debt Applicable to limit as a percentage of Debt Limit	14%	14%	15%	12%	12%	9%	12%	15%	15%	14%

Legal Debt Margin Calculation for 2024

Assessed Value	\$ 83,343,196
Motor-Vehicle K.S.A. 79-5113	<u>7,595,805</u>
Total Assessed Value	<u>\$ 90,939,001</u>
Debt Limit-Approximately 30% of Assessed Value (K.S.A.10-308)	\$ 27,281,700
Bonded Indebtedness (including temporary notes)	28,425,000
Less Exempt Debt	<u>24,447,323</u>
Total Amount Applicable to Debt Limit	<u>3,977,677</u>
Legal Debt Margin	<u>\$ 23,304,023</u>

Source: City Financials
Raymond James & Associates

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

Electric Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2015	\$ 4,447,561	\$ 4,165,396	\$ 282,165	\$ -	\$ 68,223	\$ 68,223	4.14
2016	4,870,084	4,189,546	680,538	-	-	-	-
2017	4,890,700	4,272,950	617,750	-	-	-	-
2018	5,327,706	4,522,210	805,496	-	-	-	-
2019	5,101,021	4,164,582	936,439	-	-	-	-
2020	4,604,294	3,768,563	835,731	-	-	-	-
2021	5,355,835	4,039,406	1,316,429	-	-	-	-
2022	6,309,055	5,178,186	1,130,869	-	-	-	-
2023	5,310,219	4,729,493	580,726	-	-	-	-
2024	5,990,515	5,028,341	962,174	-	-	-	-

Source: City Financials

(1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses

(2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

City Of Mulvane, Kansas
Pledged- Revenue Coverage - Water Utility
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2015	\$ 1,098,471	\$ 990,699	\$ 107,772	\$ -	\$ -	\$ -	-
2016	1,109,000	911,817	197,183	-	-	-	-
2017	1,086,432	915,373	171,059	-	-	-	-
2018	1,122,746	956,248	166,498	-	-	-	-
2019	1,103,930	895,491	208,439	-	-	-	-
2020	1,117,282	913,379	203,903	-	-	-	-
2021	1,063,417	984,734	78,683	-	-	-	-
2022	1,141,258	950,409	190,849	-	-	-	-
2023	1,181,080	863,935	317,145	-	-	-	-
2024	1,182,261	1,321,048	(138,787)	-	-	-	-

Source: City Financials

(1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses

(2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

City Of Mulvane, Kansas
Pledged- Revenue Coverage - Wastewater Utility
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Wastewater Revenue Bonds

Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2015	\$ 1,743,369	\$ 865,676	\$ 877,693	\$ 85,000	\$ 122,717	\$ 207,717	4.23
2016	1,974,679	881,875	1,092,804	-	-	-	-
2017	1,878,946	858,739	1,020,207	-	-	-	-
2018	1,815,209	928,471	886,738	-	-	-	-
2019	1,799,116	963,707	835,409	-	-	-	-
2020	1,765,221	910,656	854,565	-	-	-	-
2021	1,702,266	1,056,968	645,298	-	-	-	-
2022	1,709,202	1,623,255	85,947	-	-	-	-
2023	1,766,074	1,116,871	649,203	-	-	-	-
2024	1,741,815	1,413,140	328,675	-	-	-	-

Source: City Financials

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

City Of Mulvane, Kansas
Pledged- Revenue Coverage - Storm Water Utility
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Storm Water Revenue Bonds							
Year	Gross Revenues	Less Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2015	\$ 31,961	\$ 92,865	\$ (60,904)	\$ -	\$ -	\$ -	-
2016	34,974	46,094	(11,120)	-	-	-	-
2017	42,001	45,825	(3,824)	-	-	-	-
2018	42,694	19,300	23,394	-	-	-	-
2019	61,565	46,389	15,176	-	-	-	-
2020	43,288	8,435	34,853	-	-	-	-
2021	43,410	7,608	35,802	-	-	-	-
2022	44,405	2,493	41,912	-	-	-	-
2023	66,901	26,486	40,415	-	-	-	-
2024	51,987	34,038	17,949	-	-	-	-

Source: City Financials

(1) Total Operating Expenses exclusive of Depreciation and Amortization Expenses

(2) The Revenue Bond Resolution's minimum coverage requirement was 1.25. Coverage is computed on the combined utility systems, as per the Revenue Bond Resolution and was 4.37 for 2015, the last year the Revenue Bonds were outstanding.

**City Of Mulvane, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population	Personal Income (thousands)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate	
						Sedgwick County	Sumner County
2015	6,289	181,934	28,929	39.30	1,900	4.80%	4.50%
2016	6,314	184,432	29,210	38.80	1,821	4.40%	4.10%
2017	6,359	185,886	29,232	35.00	1,784	4.20%	3.80%
2018	6,416	190,658	29,716	36.50	1,874	3.80%	3.50%
2019	6,520	192,953	29,594	42.60	1,781	3.50%	3.40%
2020	6,045	176,012	29,117	38.90	1,781	8.50%	8.00%
2021	6,587	199,006	30,212	38.60	2,184	4.60%	4.20%
2022	6,672	222,144	33,295	37.60	1,817	3.10%	3.00%
2023	7,226	239,397	33,130	41.60	1,844	2.00%	2.20%
2024	7,016	249,909	35,620	41.70	1,844	3.80%	3.90%

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

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

Employer	2024			2015		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Kansas Star Casino	600	1	8.55%	826	1	13.14%
USD #263	330	2	4.70%	323	2	5.14%
City of Mulvane	74	3	1.05%	76	4	1.21%
Villa Maria Inc	102	4	1.45%	102	3	1.62%
Cowley College	55	5	0.78%	50	5	0.80%
Dillons Food Store	45	6	0.64%	45	6	0.72%
Carson Bank	40	7	0.57%	39	7	0.62%
Bufco Engineers	39	8	0.56%	Not Available		
KMI	35	9	0.50%	Not Available		
Mulvane Coop	5	10	0.07%	20	10	0.32%
Maria Court	Not Available			25	8	0.40%
Wolfe Machine	Not Available			24	9	0.38%
	<u>1,322</u>		<u>18.89%</u>	<u>1,530</u>		<u>24.35%</u>

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function/Program										
Administration	8	9	9	9	9	7	10	9	10	8
Police Department	15	14	15	15	15	15	16	14	14	15
Police Dispatchers	6	6	6	6	6	8	6	6	6	6
Emergency Services	19	20	20	20	20	20	20	20	19	20
Public Works	9	10	12	12	12	12	11	12	12	11
Electric	9	8	7	7	7	7	8	7	6	6
Water	4	4	4	3	3	3	2	2	2	3
Wastewater	4	4	4	4	4	4	4	4	4	4
Senior Center	-	-	-	-	-	-	-	-	-	1
Total	<u>74</u>	<u>75</u>	<u>77</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>77</u>	<u>74</u>	<u>73</u>	<u>74</u>

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

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

Function/ Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Calls for Service	4,138	4,202	4,459	4,264	4,387	3,802	3,438	3,489	2,995	3,530
Moving Citations	959	921	816	570	663	534	560	447	385	315
DUI Arrests	35	17	22	12	14	21	15	8	14	19
Arrests	424	453	386	352	423	349	442	378	316	263
Emergency Services										
Fire & Rescue Calls	384	426	412	430	462	378	377	563	530	294
Ambulance Calls	1,094	1,195	1,263	1,253	1,350	1,168	1,280	1,413	1,340	1,405
Electric										
New Connections	7	14	44	16	17	31	26	68	19	13
Average Daily Usage (mWh/Day)	115	114	122	124	124	93	97	105	126	132
Peak Daily Usage (KW)	12,700	12,800	13,200	12,800	12,800	10,270	10,996	11,204	14,939	14,094
Water										
New Connections	7	14	29	13	18	9	29	65	15	8
Average Daily Consumption (Gallons)	594,296	496,153	497,916	514,068	491,983	441,411	456,000	488,148	535,041	529,250
Peak Daily Consumption (Gallons)	1,211,000	888,060	1,020,000	1,104,000	876,030	866,000	866,000	1,095,000	1,249,000	1,063,000
Wastewater										
Average Daily Sewage Treatment	434,833	446,000	419,712	474,610	516,380	422,537	405,959	391,863	397,041	451,326

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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/ Program										
Police										
Police Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	11	11	11	11	11	11	11	11	12	12
Fire/EMS										
Fire Station	2	2	2	2	2	2	2	2	2	2
Fire & Rescue Trucks	12	12	12	12	12	12	12	12	12	13
Ambulances/supporting units	4	4	4	4	4	4	4	4	6	6
Parks & Recreation										
Acreage	70	70	70	70	70	70	71	71	71	71
Neighborhood Parks	16	16	16	16	16	16	17	17	17	17
Sports Complex	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Sr. Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Streets										
Streets (Miles)	38	38	38	43	43	43	45	45	45	45
Traffic Signals	3	3	3	3	3	3	3	3	3	4
Electric										
Power Plant	2	1	1	1	1	1	1	1	1	1
Miles of Line	33	34	34	34	34	35	36	36	36	36
Generating Capacity (kw)	16,600	8,200	8,200	8,200	8,200	8,200	4,100	4,100	4,100	8,200
Water										
Water Mains (Miles)	39	40	40	40	40	41	41	41	41	41
Fire Hydrants	221	256	256	286	286	294	294	294	295	295
Storage Capacity (kgal)	800	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Wastewater										
Sanitary Sewers (Miles)	34	35	35	35	35	36	36	36	36	36
Storm Sewers (Miles)	1	17	17	17	17	17	18	18	18	18
Treatment Capacity (mgd)	1	1	1	1	1	0	3	3	3	3
Lift Stations	5	4	4	4	4	4	4	4	4	4

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

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)