

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2019



City of
Manhattan
Kansas

CITY OF MANHATTAN, KANSAS

Comprehensive Annual Financial Report

**Year Ended
December 31, 2019**

Prepared by:

Department of Finance

CITY OF MANHATTAN, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2019

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory Section

**For the Year Ended
December 31, 2019**



September 25, 2020

Honorable Mayor, City Commissioners, and Manhattan Citizens
City of Manhattan, Kansas

RE: 2019 Comprehensive Annual Financial Report

Dear Honorable Mayor, Members of the City Commission, and Manhattan Citizens:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report of the City of Manhattan, Kansas (the "City") for the fiscal year ended December 31, 2019. State law requires that all general-purpose local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis ("MDA"). This letter of transmittal is designed to complement the MDA and should be read in conjunction with it. The MDA can be found immediately following the report of the independent auditor.

This report was prepared by the City's Finance Department, Allen Gibbs and Houlik, L.C. (AGH), CPAs & Advisors, and BT&Co., P.A., an independent firm of licensed certified public accountants. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal control should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. To the best of our knowledge, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by BT&Co., P.A. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2019, are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the City's financial statements for the year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving administration of federal awards. These reports are included in the Single Audit Section of the Comprehensive Annual Financial Report.

Profile of the City of Manhattan

The City of Manhattan was chartered in 1857 and is a city of the first class. The City operates under a Commission-Manager form of government. The City Commission consists of five members. Elections are held every other year in odd-numbered years. Three City Commission positions are chosen at each election. The two highest vote recipients receive four-year terms while the third highest vote recipient receives a two-year term. The City Manager is appointed by the Commission and is charged with the efficient and effective administration of the City.

The City is in Pottawatomie and Riley Counties, and is located at the confluence of the Blue and Kansas Rivers in Northeast Kansas approximately 116 miles west of Kansas City (56 miles west of Topeka, the Kansas State Capital). The City encompasses approximately 18 square miles and has a current estimated population of 54,832 persons (includes Kansas State University which was annexed on July 3, 1994).

The City provides a full range of services which include police (through the Riley County Police Department, a consolidated City/County entity) and fire protection, construction and maintenance of infrastructure, community development and planning, municipal court, recreational and cultural activities, and regional air service. The City also operates water, wastewater, and storm water utilities along with city administrative services, legal, finance, human resources and information technology.

Expenditures are authorized in the annual appropriated budget approved by the City Commission, as required by state statute. Activities of the General Fund, Special Revenue Funds, Debt Service Fund, and Enterprise Funds are included in the annual appropriated budget. A six-year Capital Improvement Plan is also adopted by the City Commission, and the first year of that plan is included in the City Budget. Expenditures cannot exceed the budgeted amount for each fund. Budgetary control is maintained through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved, by the use of encumbrances for later payment, so that appropriations may not be overspent. Kansas statutes also require unencumbered cash be on hand before an obligation can be incurred. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted. For the General Fund and the Riley County Police Department Fund these comparisons are presented as part of the basic financial statements. For the remaining governmental funds, these comparisons are presented in the governmental fund subsection of this report.

Primary City Functions

The City provides a full range of services including fire protection, construction and maintenance of streets, storm drainage facilities and other infrastructure, comprehensive parks and recreational activities, cemetery, zoo, Flint Hills Discovery Center and cultural events, planning, zoning, code enforcement, engineering, airport operations, municipal court and general administrative services. The water, wastewater, and storm water management utilities operate as enterprise funds of the City. The City is self-insured for worker's compensation, health insurance, and most liability claims. The City pays for these claims as they become due. The City engages in an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses, except for legal claims. The City is a member of both the Kansas Public Employee Retirement System (KPERs) and the Kansas Police and Fire Retirement System (KP&F) for all pension related activity.

The City is financially accountable for a legally separate public library and a legally separate housing authority, the Manhattan Public Library (MPL) is reported separately within the City's financial statements. Additional information on MPL can be found on Note 1.A. in the notes to the financial statements. The City is also legally responsible for 80% of the operational budget for the Riley County Police Department, a City/Riley County consolidated law enforcement agency. This legally separate entity does not meet the criteria for inclusion as a component unit in the City's financial statements.

Local Economy

The major influences on the City's economy continue to be Fort Riley and Kansas State University. The University had an enrollment of 21,719 in the fall of 2019. Fort Riley has a military strength of approximately 14,945 soldiers and 15,652 family members. In addition to the military personnel at Fort Riley, approximately 5,978 civilians work at the installation and live in the region. Fort Riley's direct fiscal year (FY) 2019 economic impact to the State of Kansas was \$1,751,848,044.

The City continues to grow and construction marks the landscape throughout the community. The construction of the National Bio and Agro-Defense Facility is estimated to be completed in 2022 and anticipated to bring over 350 full-time jobs to the community in the North Campus Corridor area of Kansas State University. The Aggieville Business District is currently under construction to add a new hotel with parking garage and a new public two parking garages in the center of town

The economy is varied and diverse, producing a wide variety of products and services. Approximately 60% of the sales taxes generated in the City come from retail sales. About 14% comes from accommodation and food services. In December 2019, the City's unemployment rate was 2.8% compared to the 2.4% for Riley County, 3.1% for the State of Kansas and the national rate of 3.5%.

Financial Policies

The City has focused on adopting policies which provide ongoing guidance in the administration of City financial decisions. The following policies are considered most relevant to this report:

- **Capital Improvements Program (CIP)**. This policy establishes a process for a five-year CIP which shall set priorities and provide for the scheduling of capital improvements, major purchases of equipment and major studies or surveys. The first year of the CIP is considered in the development of the annual operating budget. The CIP is adopted by resolution approved by the City Commission after a public hearing has been conducted for the purpose of soliciting community comments on the proposed CIP.
- **Investment Policy**. This policy establishes that, giving due regard to the safety and risk of investments, all available funds shall be invested in conformance with legal and administrative guidelines and, to the maximum extent possible, at the highest rates obtainable at the time of investment. Annually, the City is granted expanded investment powers by the state's Pooled Money Investment Board (PMIB) and is one of only eight municipal entities in Kansas holding this designation.
- **Long-term Obligation Financing Policy**. This policy establishes a management committee to oversee the issuance of City debt. This policy also establishes benchmarks for the rapid payback of general obligation debt and present value savings to be achieved when refunding existing debt.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting for those municipalities who conform with the highest standards for preparation of state and local government financial reports. The City earned this award for 21 consecutive years, for fiscal years ending December 31, 1996 through 2016. It is the goal of the Finance Department to submit the CAFR for a Certificate of Achievement Award for fiscal year ending December 31, 2020.

For 23 years, the City has received the GFOA's Distinguished Budget Presentation Award for its budget document and most recently for budget year 2020. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communication device.

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of Allen Gibbs and Houlik, L.C. and the staff of the Finance Department. We want to express our appreciation to all members of the department that contributed to its preparation. Special thanks are extended to Rina Neal and Ashley McNatt, for their role in assisting in the preparation of this CAFR. We would also like to thank the City Commission and the City Manager's office for the direction and support necessary to plan and conduct the financial operations of the City in a responsible, sound manner. Finally, we would like to extend the City's thanks to BT & Co. for the cooperation and professional assistance provided during the audit of the City's 2019 financial records.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ron R. Fehr". The signature is fluid and cursive, with the first name "Ron" and last name "Fehr" clearly distinguishable.

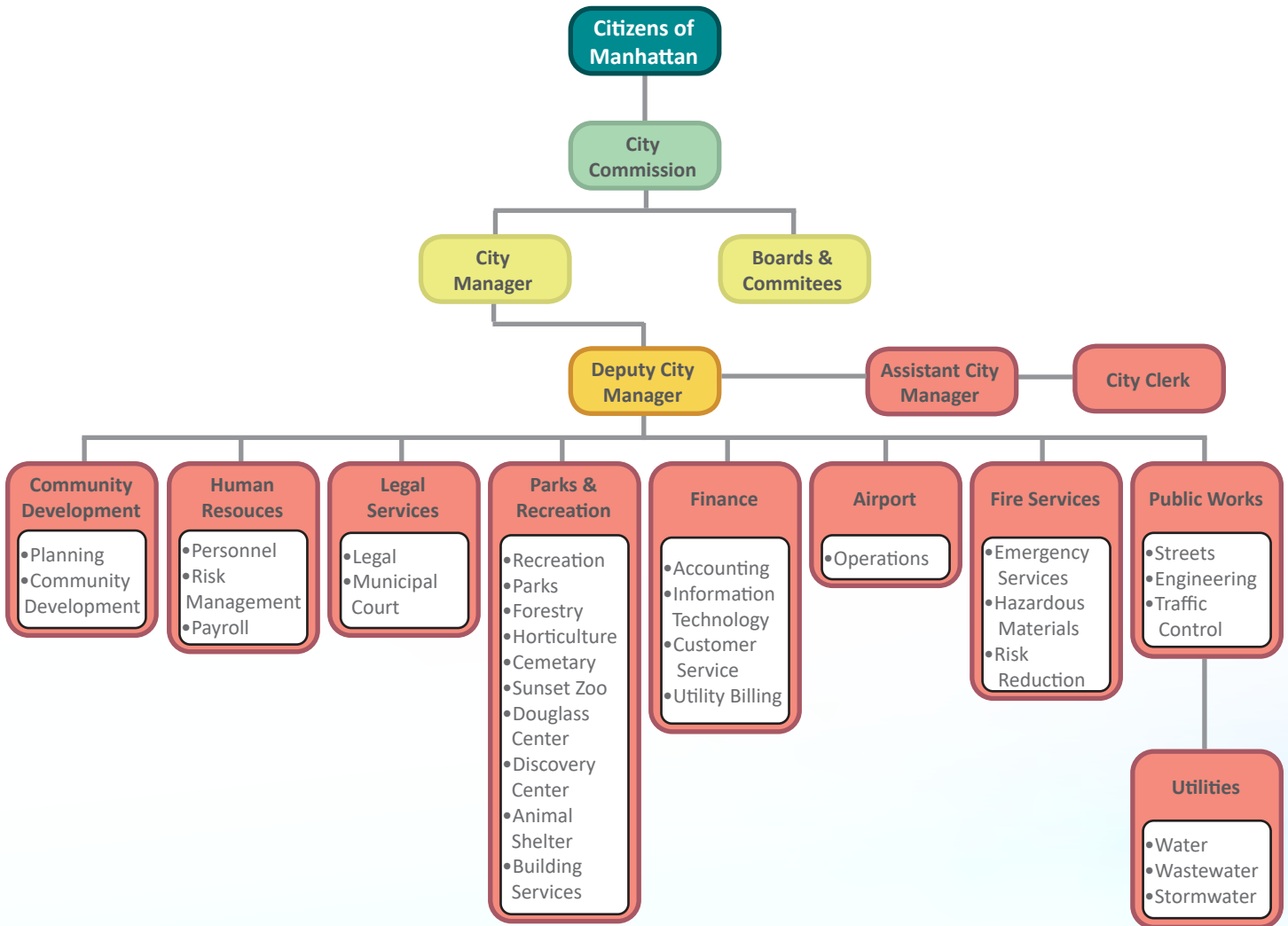
Ron R. Fehr
City Manager

A handwritten signature in black ink, appearing to read "T. Galvan". The signature is cursive and stylized, with the first initial "T" being prominent.

Tammy Galvan
Interim Director of Finance

Organization Chart

September 2020



There is a county-wide police department which was created by state statute in 1971. The Law Board sets policy for the Riley County Police Department. The City contributes 80% of the Law Board's budget. This expenditure is made from the Riley County Police Department Fund (in the Special Revenue section).



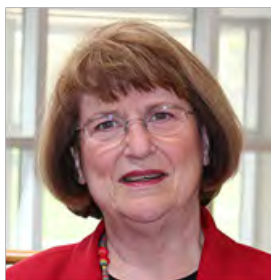


List of Principal Officials

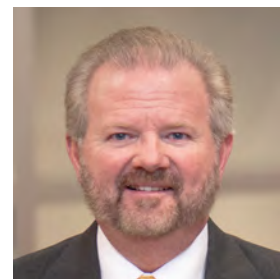
Elected Officials



Mayor Usha Reddi



Commissioner Linda Morse



Commissioner Mark Hatesohl



Commissioner Wynn Butler



Commissioner Aaron Estabrook

Appointed Officials

City Manager	Ron R. Fehr
Deputy City Manager	Jason Hilgers
Assistant City Manager	Dennis Marstall
City Clerk/Communications Manager	Brenda Wolf
City Attorney	Katherine Jackson
Airport Director	Jesse R. Romo
Director of Community Development	Eric Cattell
Interim Director of Finance	Tammy Galvan
Director of Fire Services	Scott French
Director of Human Resources	Tammy Galvan
Director of Parks and Recreation	Eddie Eastes
Director of Public Works/Utilities	Rob Ott



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Financial Section

**For the Year Ended
December 31, 2019**



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Commission
City of Manhattan, Kansas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manhattan, Kansas (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Manhattan Public Library, the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Manhattan Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Manhattan Public Library discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the Riley County Police Department fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the prior year financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, in 2019, the City adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations, (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other information, including the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BT + Co., P.A.

September 25, 2020
Topeka, Kansas

Management's Discussion and Analysis

This section of the City of Manhattan's annual financial report presents our discussion and analysis of the City's financial performance during the year that ended on December 31, 2019. Please read it in conjunction with the City's financial statements, which follow this section, for a well-rounded picture of the City's financial condition.

Financial Highlights

- The assets of the City of Manhattan exceeded its liabilities at the close of 2019 by \$284,673,467. Of this amount, \$73,257,800 in governmental activities is unrestricted.
- The City's total net position increased by \$21,388,797 over the course of this year's operations. The net position of our governmental activities increased by \$12,796,280 (9 percent) and the net position of our business-type activities increased by \$8,592,517 (7 percent).
- As of the end of 2019, the City of Manhattan's governmental funds reported combined ending fund balances of \$51,163,282, a decrease of \$2,024,368 in comparison with the prior year. Approximately 9 percent of this total amount, \$4,713,589, is unassigned.
- At the end of 2019, the unassigned fund balance for the general fund is \$4,721,370.
- The City's total debt decreased by \$7,658,410 during 2019. General obligation bonds outstanding increased by \$3,365,000 in 2019. General obligation bonds in the amount of \$15,500,000 were issued in 2019, while \$12,135,000 was retired. The balance of temporary notes decreased by \$3,350,000 million from 2018 to 2019. The payment of debts related to special assessments contributed to the decrease in general obligation debt retirement.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Manhattan's basic financial statements. The City of Manhattan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information and required supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City of Manhattan's assets and liabilities, with the difference between the two 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 of Manhattan is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as 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 some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Manhattan that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City of Manhattan include general government, public safety, public works, urban development and housing, and culture and recreation. The business-type activities of the City of Manhattan include water, wastewater, and storm water management.

The government-wide financial statements include not only the City of Manhattan itself (known as the primary government), but also the legally separate library for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself in the government-wide financial statements. Separately issued audited financial statements for the Manhattan Public Library may be obtained at 629 Poyntz Avenue, Manhattan, KS 66502.

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 of Manhattan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Manhattan can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows 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 a government's near-term financing requirements.

Because the focus of the 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Manhattan maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Riley County Police Department fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other 48 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Manhattan adopts an annual appropriated budget for its general fund and the Riley County Police Department fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with budget.

Proprietary funds. The City of Manhattan maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Manhattan uses enterprise funds to account for its water, wastewater, and storm water management operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Manhattan's various functions. The City of Manhattan uses internal service funds to account for its motor pool services, its health care program, its workers' compensation program, and its photocopy services. Because these four services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, and stormwater management operations. All three of these funds are considered to be major funds. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Manhattan's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other Information. In addition to the financial statements and the notes described above, this report also presents required supplementary information related to the City's net pension liability and other postemployment benefits and other supplementary information related to the combining statements for non-major governmental funds and internal service funds.

Government-wide Financial Analysis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Manhattan, assets exceeded liabilities by \$284,673,467 at the close of 2019.

A large portion of the City of Manhattan's net position (58 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Manhattan uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Manhattan's investment in its 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 capital assets themselves cannot be used to liquidate these liabilities.

CITY OF MANHATTAN'S NET POSITION							
	Governmental activities		Business-type activities		Total		
	2019	2018	2019	2018	2019	2018	
Current and other assets	\$ 177,277,206	\$ 167,478,193	\$ 7,186,846	\$ 2,547,785	\$ 184,464,052	\$ 170,025,978	
Capital assets	226,855,073	224,881,098	179,155,852	174,747,743	406,010,925	399,628,841	
Total assets	404,132,279	392,359,291	186,342,698	177,295,528	590,474,977	569,654,819	
Deferred outflows	4,336,653	4,845,617	456,668	520,307	4,793,321	5,365,924	
Long-term liabilities outstanding	209,601,906	215,434,964	61,073,697	61,091,439	270,675,603	276,526,403	
Other liabilities	8,023,001	5,017,596	1,837,663	1,432,931	9,860,664	6,450,527	
Total liabilities	217,624,907	220,452,560	62,911,360	62,524,370	280,536,267	282,976,930	
Deferred inflows	29,960,221	28,664,824	98,343	94,319	30,058,564	28,759,143	
Net position:							
Net investment in capital assets	43,228,374	57,166,499	121,429,692	116,897,628	164,658,066	174,064,127	
Restricted	44,397,630	100,020,584	-	-	44,397,630	100,020,584	
Unrestricted	73,257,800	(9,099,559)	2,359,971	(1,700,482)	75,617,771	(10,800,041)	
Total net position	\$ 160,883,804	\$ 148,087,524	\$ 123,789,663	\$ 115,197,146	\$ 284,673,467	\$ 263,284,670	

An additional portion of the City's net position (16 percent) represents resources that are subject to external restrictions on how they may be used. The positive balance of net position for governmental activities represents the city's growth in capital assets, specifically construction in progress. The city has met all statutory funding levels set by the State of Kansas.

The City's balance for restricted net position declined significantly in 2019, while investment in capital assets net position decreased by 5 percent since the end of 2018. In 2019, the City's net position, for governmental and business activities, increased by \$21,388,797.

Governmental activities. Governmental activities increased the City's net position by \$12,796,280. Key elements of this increase are as follows:

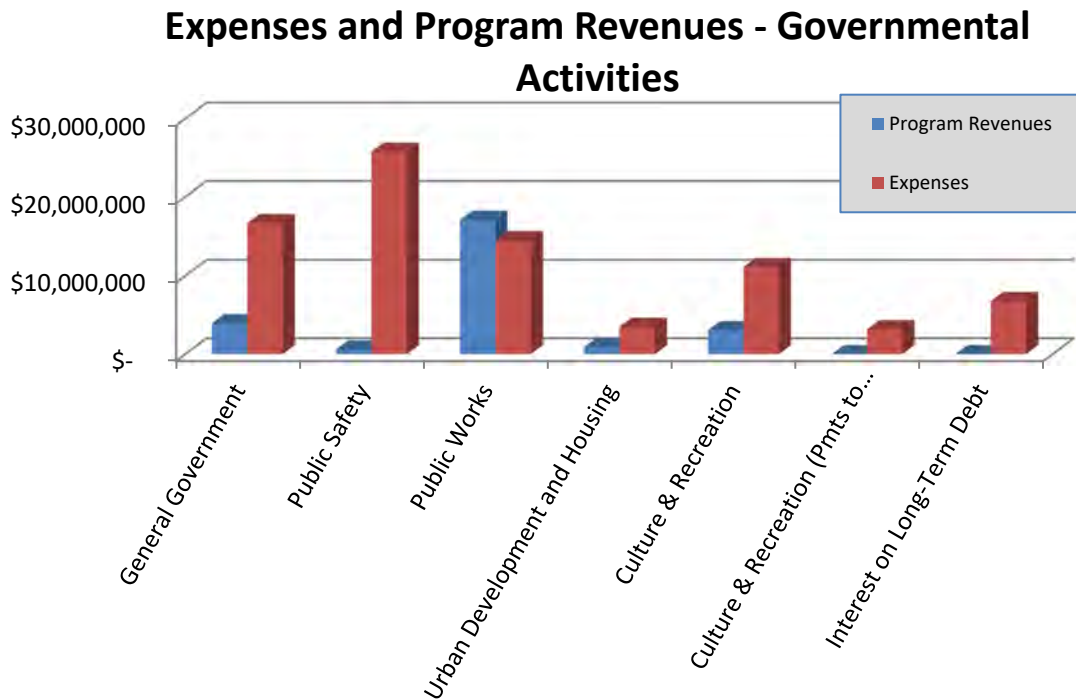
CITY OF MANHATTAN'S CHANGES IN NET POSITION

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,023,407	\$ 6,846,112	\$ 23,147,361	\$ 22,783,767	\$ 30,170,768	\$ 29,629,879
Operating grants and contributions	3,328,159	3,773,771	-	-	3,328,159	3,773,771
Capital grants and contributions	15,184,495	18,159,186	-	-	15,184,495	18,159,186
General revenues:						
Property taxes	32,386,319	33,899,922	-	-	32,386,319	33,899,922
Other taxes	36,422,876	33,521,498	-	-	36,422,876	33,521,498
Other	4,905,543	2,574,722	574,430	579,137	5,479,973	3,153,859
Total revenues	99,250,799	98,775,211	23,721,791	23,362,904	122,972,590	122,138,115
Expenses:						
General government	16,910,290	15,317,764	-	-	16,910,290	15,317,764
Public safety	26,035,561	25,027,060	-	-	26,035,561	25,027,060
Public works	14,503,573	13,345,811	-	-	14,503,573	13,345,811
Urban development and housing	3,503,009	4,420,801	-	-	3,503,009	4,420,801
Culture and recreation	11,079,958	11,624,634	-	-	11,079,958	11,624,634
Culture and recreation (payments to Library)	3,175,616	3,114,184	-	-	3,175,616	3,114,184
Interest on long-term debt	6,773,123	6,645,379	-	-	6,773,123	6,645,379
Water	-	-	9,741,586	9,170,427	9,741,586	9,170,427
Wastewater	-	-	8,240,083	8,910,992	8,240,083	8,910,992
Storm water management	-	-	1,813,706	1,864,030	1,813,706	1,864,030
Total expenses	81,981,130	79,495,633	19,795,375	19,945,449	101,776,505	99,441,082
Increase in net assets before transfers	17,269,669	19,279,578	3,926,416	3,417,455	21,196,085	22,697,033
Transfers	(4,666,101)	(3,761,889)	4,666,101	3,761,889	-	-
Increase in net assets	12,603,568	15,517,689	8,592,517	7,179,344	21,196,085	22,697,033
Net position - 01/01	148,087,524	131,459,214	115,197,146	108,017,802	263,284,670	239,477,016
Prior period adjustment	192,712	1,110,621	-	-	192,712	1,110,621
Net position, beginning as restated	148,280,236	132,569,835	115,197,146	108,017,802	263,477,382	240,587,637
Net position - 12/31	\$ 160,883,804	\$ 148,087,524	\$ 123,789,663	\$ 115,197,146	\$ 284,673,467	\$ 263,284,670

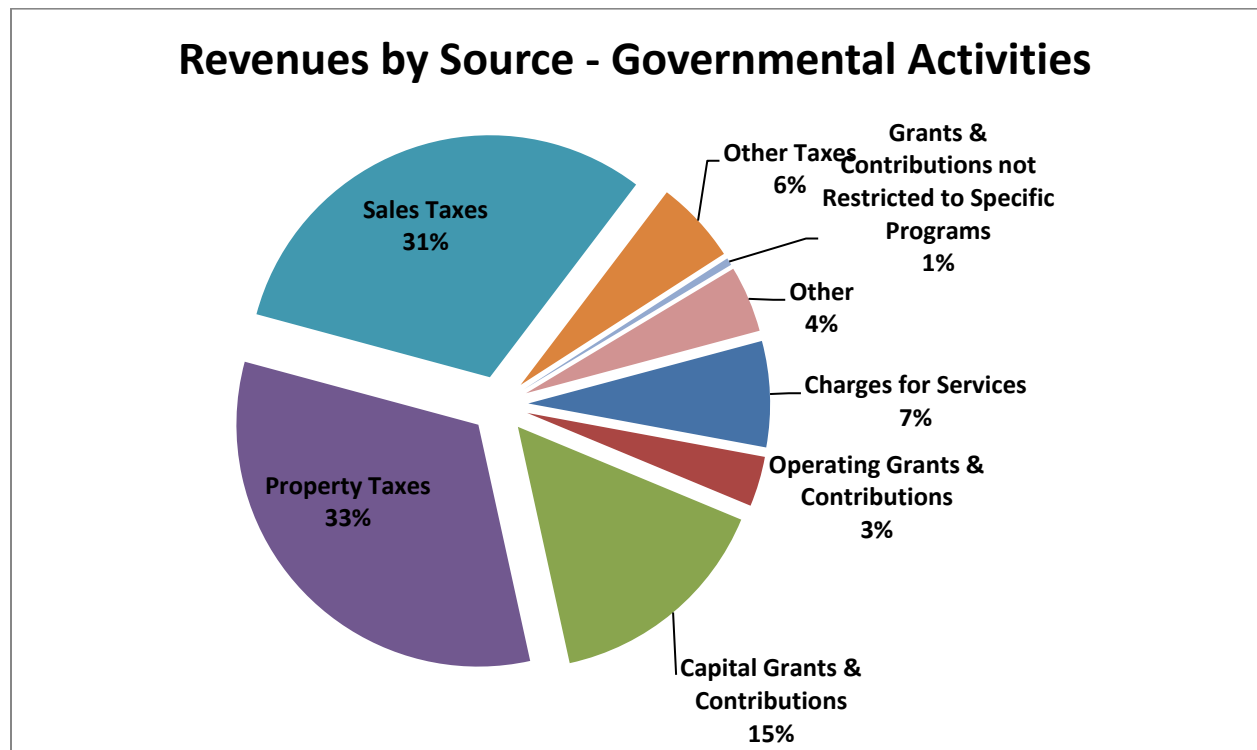
- Capital grants for governmental activities decreased by \$2,974,691 from 2018 to 2019. These decreases included general government and public works program revenues. General government capital grant revenues decreased by \$701,825 while public works capital grant revenues decreased by \$2,272,766 from 2018 to 2019.
- Operating grants and contributions decreased by \$445,612 from 2018 to 2019. This decrease can be attributed to operating grants and contributions for general government and urban housing and development. The remaining increase reflects the normal fluctuation in several of the City's grant funds.
- Property taxes decreased by \$1,513,603 from 2018 to 2019. Other taxes increased by \$2,901,378 during 2019.
- Other general revenues increased by \$2,330,821 from 2018 to 2019.

Total expenses increased by \$2,485,497 from 2018 to 2019. In 2019, expenses for public safety, public works, and interest on long-term debt increased by \$2,294,007. The general government function increased expenses by \$1,592,526 (10.40 percent) from 2018 to 2019. Expenditures related to urban development and housing and culture and recreation decreased by \$1,401,036 (23 percent) from 2018 to 2019.

The following chart compares expenses with program revenues for the various governmental activities of the City.



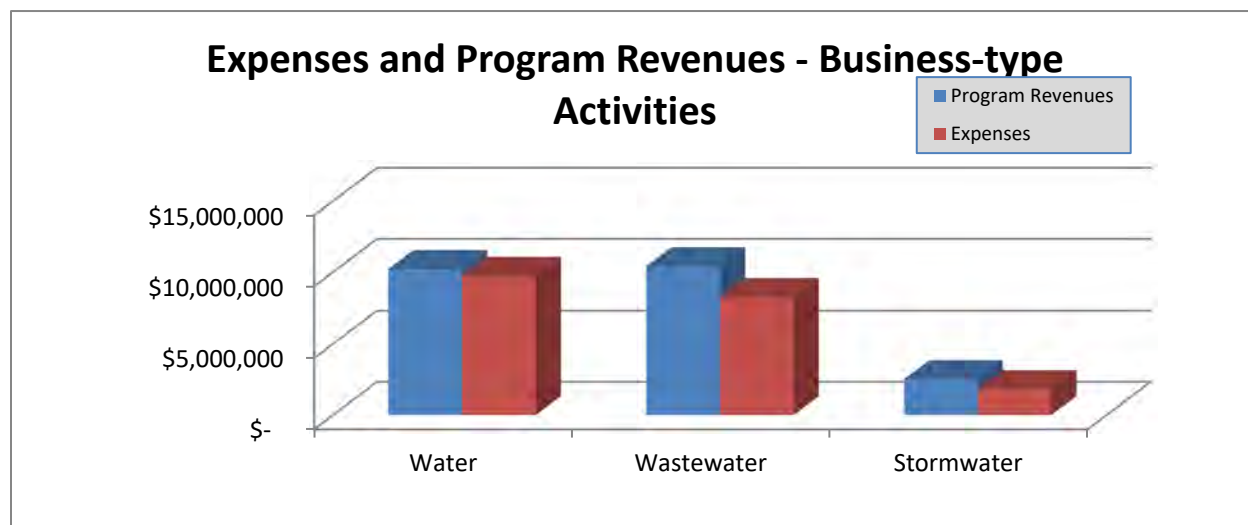
The following graph shows the composition of 2019 revenues for the governmental activities.



Business-type activities. Business-type activities increased the City's net position by \$8,592,517 in 2019. This increase is due primarily to an excess of operating revenues over operating expenses and capital contributions for assets constructed in the City's governmental funds. Revenue received from service charges in 2019 totaled \$23,147,361 compared to \$22,783,767 in 2018. This is a increase of \$363,594 (1.63 percent) from 2018 to 2019.

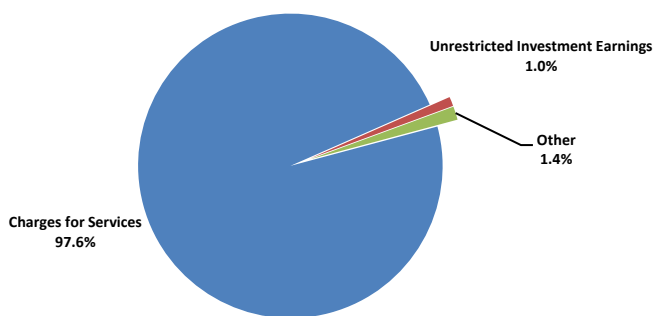
A rate increase of 3 percent went into effect January 1, 2019 for water, wastewater, and stormwater. Capital contributions received in 2019 totaled \$13,035,717 while these contributions totaled \$9,762,824 in 2018. Total expenses decreased \$150,074 (less than one percent) from 2018 to 2019.

The following chart compares expenses with program revenues for the various business-type activities of the City.



The following graph shows the composition of 2019 revenues for the business-type activities.

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

As noted earlier, the City of Manhattan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2019, the City of Manhattan's governmental funds reported combined ending fund balances of \$51,163,282 a decrease of \$2,166,602 in comparison with the prior year. The available unassigned balance for governmental funds was \$4,713,589 at the completion of the 2019 fiscal year. The remainder of fund balance is classified as assigned, committed, restricted, or non-spendable, as described in the notes to the financial statements. The general fund is the chief operating fund of the City of Manhattan. At the end of 2019, unassigned fund balance of the general fund was \$4,721,370 while total fund balance was \$5,875,109. As a measure of the general fund's liquidity, it may be useful to compare the unassigned and assigned fund balance as well as the total fund balance to total fund expenditures. In total, the assigned and unassigned fund balance represents 13 percent of total general fund expenditures, while total fund balance represents 16 percent of the same expenditure amount.

In 2019, the City's general fund balance increased by \$110,687. An increase of \$1,131,278 was shown in 2018. Key elements of this are as follows:

- Several of the City's funds previously reported as special revenue funds were consolidated into the general fund for financial reporting purposes.
- Taxes increased by \$3,212,188 in 2019. Most of this change (approximately \$2.8 million) was related to the consolidation of the Employee Benefit Contribution fund, Fire Equipment Reserve fund and Fire Pension KP&F fund into the general fund for financial reporting purposes. In addition, property taxes in the general fund increased by \$543,815 from 2018 to 2019.
- Licenses and permits increased by \$77,691 in 2019. Most of this increase was related to building permits, which increased by \$70,338.
- Intergovernmental revenues increased by \$175,924 from 2018 to 2019. This change was primarily related to proceeds from a federal grant in the amount of \$183,294, which were deposited to the general fund.
- Charges for services increased by \$333,571 from 2018 to 2019. This change was primarily related to the consolidation of the Special Sunset Zoo fund into the general fund for financial reporting purposes. Charges for services in the Special Sunset Zoo fund were \$477,172 in 2019. This increase was offset by other small changes within the general fund, including a \$134,011 decrease in administrative fees.
- Fine and forfeitures decreased by \$116,122 in 2019. This decrease of municipal court revenues was the result of a significant change in community policing tactics by the Riley County Police Department (RCPD).
- Investment income increased by \$19,726 from 2018 to 2019. This increase was due to investment interest rates continuing to improve compared to prior years.
- Miscellaneous revenues increased by \$216,393 from 2018 to 2019. The increase is attributed to reimbursements of expenses for street maintenance.
- Expenditures increased by \$9,787,073 in 2019. Approximately \$7.3 million of this amount was related to the consolidation of the Employee Benefit Contribution fund, Fire Equipment Reserve fund, Fire Pension KP&F fund, Special Sunset Zoo fund, General Improvement fund, Industrial Promotion fund and the Risk Management Reserve fund into the general fund for financial reporting purposes. As a result of this change, all of the functional reporting categories showed increases over 2018 amounts. General government expenditures increased by \$4,330,510. Public safety expenditures increased by \$1,779,754. Public works expenditures increased by \$1,242,352. Urban development and housing expenditures increased \$293,712. Culture and recreation expenditures increased \$1,292,682.
- Net transfers increased by \$4,454,909 from 2018 to 2019. This increase is primarily attributed to the consolidation of the Employee Benefit Contribution fund, Fire Equipment Reserve fund and Fire Pension KP&F fund into the general fund for financial reporting purposes. In addition, fee in lieu of taxes and the franchise fees increased by \$649,350 from 2018 to 2019.

The Riley County Police Department fund provides for expenditures made to the Riley County Police Department (RCPD). Police protection is provided to the City by the RCPD under a statutory arrangement whereby the City is responsible for 80 percent of the RCPD's budget. This fund had a balance of \$527,771 at the end of 2019.

The debt service fund has a total fund balance of \$6,246,990 at the end of 2019, which is restricted for future debt service payments. The net decrease in the debt service fund balance during the current year was \$1,499,673. Debt service expenditures were greater than revenues by \$3,114,100. However, this deficit was offset by issuance of general obligation bonds, premiums on general obligation bonds, and transfers in from other funds. The deficit of revenues over debt service expenditures in 2019 was \$2,664,802 less than in 2018.

The capital projects fund is used to account for the acquisition and construction of major facilities which are financed predominately through the issuance of general obligation bonds. This fund has a total fund balance of \$12,023,908 all of which all is restricted. The capital projects fund balance decreased by \$5,186,935 during 2019.

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

Unrestricted net position of the Water Fund at the end of 2019 amounted to \$5,547,575; the Wastewater Fund amounted to negative \$2,864,226, and the Stormwater Management Fund amounted to negative \$323,378. The Water, Wastewater, and Stormwater Management Funds each reported an increase in net position of \$1,536,239, \$2,336,129 and \$4,720,149, respectively. A key element of these changes is as follows:

- Capital contributions are typically a significant revenue source for all of the enterprise funds. Capital contributions result primarily from the fact that a large portion of the infrastructure assets for these funds are financed from the proceeds of general obligation bonds which are repaid from governmental funds rather than these enterprise funds. Some capital assets are also donated by outside parties. During the current year, total capital contributions by the Water, Wastewater, and Stormwater Funds were \$4,634,919, \$2,235,876 and \$6,164,922 respectively compared to \$2,811,948, \$4,012,641 and \$2,938,235 in 2018. The overall increase from 2018 to 2019 was \$3,272,893.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Revenues exceeded of budgetary estimates in all categories with the exceptions of licenses and permits, fines and forfeitures and investment income. Investment income has declined dramatically since 2007, however annual interest income is slowly increasing. The most significant variance from budget was in fines and forfeitures, which fell short of the budgeted amount by approximately \$171,824. The majority of this difference stemmed from Riley County Police Department's change in policing tactics. Total expenditures were less than budgetary estimates by \$3,872,727 (12 percent) of total budgeted expenditures.

Capital Asset and Debt Administration

Capital assets. The City of Manhattan's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$406,010,602 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, park and pool facilities, streets, storm sewers, bridges, and water and sewer lines. The total increase in the City's investment in capital assets was 1.7 percent.

Major capital asset events during 2019 included the following:

- Expansion of Airport Terminal, Phase Two increased assets by \$8,549,542.
- Construction of Water Treatment Plant and Pump Station increased assets by \$4,527,079.
- Construction of Eureka Valley Main, Phase Two increased assets by \$3,455,435.
- Construction of Miller Parkway and Scenic Drive Street Improvements increased assets by \$2,154,110.
- Construction of Olympic Addition Street Improvements increased assets by \$1,478,540.

CITY OF MANHATTAN'S CAPITAL ASSETS

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 20,728,184	\$ 20,728,184	\$ 505,833	\$ 505,833	\$ 21,234,017	\$ 21,234,017
Buildings and improvements	90,570,211	86,767,551	44,748,686	47,319,108	135,318,897	134,086,659
Contents and equipment	2,576,743	2,463,741	2,444,847	2,377,345	5,021,590	4,841,087
Vehicles	3,502,137	2,186,631	972,269	573,295	4,474,406	2,759,926
Infrastructure	79,199,013	75,087,085	111,862,367	97,987,203	191,061,380	173,074,287
Construction in progress	30,278,785	41,170,240	18,621,850	22,894,034	48,900,635	64,064,276
Total	\$ 226,855,073	\$ 224,881,098	\$ 179,155,852	\$ 174,684,743	\$ 406,010,925	\$ 399,565,841

Additional information on the City's capital assets can be found in note 3. F on pages 58-59 of this report.

Long-term debt. At the end of 2019, the City had total bonded debt outstanding of \$144,275,000. Of this amount, \$54,618,890 comprises debt backed by the full faith and credit of the City and \$45,001,110 special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt represents bonds secured solely by specific revenue sources (i.e., special obligation bonds).

CITY OF MANHATTAN'S OUTSTANDING DEBT

General Obligation and Special Obligation Bonds

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 54,618,890	\$ 55,394,698	\$ 11,550,000	\$ 10,355,000	\$ 66,168,890	\$ 65,749,698
General obligation bonds (special assessment debt with governmental commitment)	45,001,110	42,055,302	-	-	45,001,110	42,055,302
Sales tax revenue bonds	4,455,000	4,640,000	-	-	4,455,000	4,640,000
Special obligation bonds	28,650,000	34,890,000	-	-	28,650,000	34,890,000
Total	\$ 132,725,000	\$ 136,980,000	\$ 11,550,000	\$ 10,355,000	\$ 144,275,000	\$ 147,335,000

The City's total outstanding debt decreased by \$3,060,000 during 2019. General obligation bonds outstanding increased by \$3,365,000 in 2019. General obligation bonds in the amount of \$15,500,000 were issued in 2019, while \$12,135,000 were retired. There was a decrease of \$3,350,000 in temporary notes outstanding at the end of 2019 as compared to 2018. This decrease was due to several special assessment and construction projects bonding in 2019.

The City maintains a "Aa2" rating from Moody's for its general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 30 percent of its total assessed valuation. The current debt limitation for the City is \$185,455,922 which is significantly greater than the City's outstanding general obligation bonds.

Additional information on the City's long-term debt can be found in note 3.J on pages 62-75 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Manhattan at the end of 2019 was 2.8 percent. This rate increased by 0.1 percent compared to the end of 2018 and remains very favorable compared to the state's average unemployment rate of 3.1 percent and the national average rate of 3.5 percent at the end of 2019.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the City's 2020 budget are as follows:

The mill levy rate increased by 0.443, with a total mill levy rate of 49.798 for 2020. This rate is higher compared to mill levy rates over the last 20 years.

- Capital improvements anticipated for 2020 and beyond are incorporated into the proposed 2020-2024 Capital Improvements Program. The plan approximately totals \$67,612,739 and includes the following for 2020:
 - ✓Construction of the Aggieville Parking Garage
 - ✓Reconstruct Runway 3/21 – Design and Construction
 - ✓Construction of Anthony Recreation Center
 - ✓Improvements to Juliette/Poyntz Intersection

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the Finance Department, City of Manhattan, 1101 Poyntz Avenue, Manhattan, Kansas 66502.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Basic Financial Statements

**For the Year Ended
December 31, 2019**

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 40,059,755
Cash with fiscal agent	4,186,514
Investment in joint venture	131,766
Receivables:	
Accounts (net of allowance for uncollectibles)	1,116,667
Intergovernmental	2,002,991
Franchise tax	392,272
Sales tax	4,685,882
Transient guest tax	552,893
Property tax	29,059,756
Other loans	3,829,918
Notes:	
Current	90,000
Noncurrent	5,800,000
Inventories	31,661
Prepaid items	-
Internal balances	8,778,550
Restricted assets:	
Cash and investments	
Construction accounts	-
Special assessments:	
Current	7,637,241
Noncurrent	68,921,340
Capital assets:	
Land	20,728,184
Infrastructure, net of accumulated depreciation	79,199,013
Other capital assets, net of accumulated depreciation	96,649,091
Construction in progress	30,278,785
TOTAL ASSETS	404,132,279
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	916,078
Deferred outflows - OPEB	226,459
Deferred outflows - pension	3,194,116
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,336,653

(Continued)

Primary Government		Component Unit
Business-type Activities	Total	Manhattan Public Library
\$ 13,175,274	\$ 53,235,029	\$ 1,783,569
-	4,186,514	-
-	131,766	-
2,471,956	3,588,623	155
-	2,002,991	-
-	392,272	-
-	4,685,882	-
-	552,893	-
-	29,059,756	3,499,850
-	3,829,918	-
-	90,000	-
-	5,800,000	-
65,914	97,575	-
-	-	96,865
(8,778,550)	-	-
252,252	252,252	-
-	7,637,241	-
-	68,921,340	-
505,833	21,234,017	-
111,862,367	191,061,380	-
48,165,802	144,814,893	801,706
18,621,850	48,900,635	-
186,342,698	590,474,977	6,182,145
-	916,078	-
-	226,459	-
456,668	3,650,784	262,595
\$ 456,668	\$ 4,793,321	\$ 262,595

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION (CONTINUED)

December 31, 2019

	Governmental Activities
LIABILITIES	
Accounts payable	\$ 4,588,158
Estimated insurance claims payable	1,678,757
Accrued interest payable	864,699
Accrued payroll	891,387
Unearned revenue	-
Long-term liabilities:	
Due within one year	37,664,929
Due in more than one year	171,936,977
TOTAL LIABILITIES	217,624,907
DEFERRED INFLOWS OF RESOURCES	
Deferred receivable - property taxes	29,059,756
Resources related to OPEB	172,493
Resources related to pensions	727,972
TOTAL DEFERRED INFLOWS OF RESOURCES	29,960,221
NET POSITION	
Net investment in capital assets	43,228,374
Restricted for:	
Culture and recreation	6,646,080
Public safety	537,120
Public works	15,019,495
Urban development and housing	9,228,616
Debt service	11,602,406
Perpetual care:	
Nonexpendable	233,358
Other purposes	1,130,555
Unrestricted	73,257,800
TOTAL NET POSITION	\$ 160,883,804

The notes to the financial statements are an integral part of this statement.

Primary Government		Component Unit	
Business-type		Manhattan	
Activities	Total	Public	Library
\$ 1,070,198	\$ 5,658,356	\$ 32,962	
-	1,678,757	-	
580,288	1,444,987	-	
173,532	1,064,919	84,591	
13,645	13,645	-	
5,753,647	43,418,576	136,651	
55,320,050	227,257,027	1,624,624	
62,911,360	280,536,267	1,878,828	
-	29,059,756	3,499,850	
-	172,493	-	
98,343	826,315	61,864	
98,343	30,058,564	3,561,714	
121,429,692	164,658,066	750,764	
-	6,646,080	-	
-	537,120	-	
-	15,019,495	-	
-	9,228,616	-	
-	11,602,406	-	
-	233,358	-	
-	1,130,555	-	
2,359,971	75,617,771	253,434	
\$ 123,789,663	\$ 284,673,467	\$ 1,004,198	

CITY OF MANHATTAN, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for Services</u>
Primary government		
Governmental activities		
General government	\$ 16,910,290	\$ 3,016,544
Public safety	26,035,561	575,131
Public works	14,503,573	476,757
Urban development and housing	3,503,009	408,459
Culture and recreation	11,079,958	2,546,516
Culture and recreation (payments to Library)	3,175,616	-
Interest on long-term debt	6,773,123	-
Total governmental activities	<u>81,981,130</u>	<u>7,023,407</u>
Business-type activities		
Water	9,741,586	10,218,726
Wastewater	8,240,083	10,411,754
Storm water management	1,813,706	2,516,881
Total business-type activities	<u>19,795,375</u>	<u>23,147,361</u>
Total primary government	<u>\$ 101,776,505</u>	<u>\$ 30,170,768</u>
Component unit		
Manhattan Public Library	<u>\$ 3,526,250</u>	<u>\$ 112,249</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise taxes

Sales taxes

Transient guest taxes

Payments from the City of Manhattan

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

Gain on sales of capital assets

Transfers-internal activities

Total general revenues and transfers

Change in net position

Net position-beginning

Prior period adjustment

Net position-beginning, restated

Net position-ending

The notes to the financial statements are an integral part of this statement.

Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit
Operating	Capital	Primary Government			Manhattan
Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	Public Library
\$ 688,109	\$ 227,004	\$ (12,978,633)	\$ -	\$ (12,978,633)	\$ -
12,465	-	(25,447,965)	-	(25,447,965)	-
1,640,512	14,957,491	2,571,187	-	2,571,187	-
480,578	-	(2,613,972)	-	(2,613,972)	-
506,495	-	(8,026,947)	-	(8,026,947)	-
-	-	(3,175,616)	-	(3,175,616)	-
-	-	(6,773,123)	-	(6,773,123)	-
3,328,159	15,184,495	(56,445,069)	-	(56,445,069)	-
-	-	-	477,140	477,140	-
-	-	-	2,171,671	2,171,671	-
-	-	-	703,175	703,175	-
-	-	-	3,351,986	3,351,986	-
\$ 3,328,159	\$ 15,184,495	(56,445,069)	3,351,986	(53,093,083)	-
\$ 333,174	\$ -				(3,080,827)
		29,362,667	-	29,362,667	-
		3,023,652	-	3,023,652	-
		3,637,274	-	3,637,274	-
		30,906,060	-	30,906,060	-
		1,879,542	-	1,879,542	-
		-	-	-	3,206,731
		490,660	-	490,660	-
		901,475	234,475	1,135,950	31,402
		2,787,471	339,955	3,127,426	-
		725,937	-	725,937	-
		(4,666,101)	4,666,101	-	-
		69,048,637	5,240,531	74,289,168	3,238,133
		12,603,568	8,592,517	21,196,085	157,306
		148,087,524	115,197,146	263,284,670	846,892
		192,712	-	192,712	-
		148,280,236	115,197,146	263,477,382	846,892
\$ 160,883,804	\$ 123,789,663	\$ 284,673,467	\$ 1,004,198		

CITY OF MANHATTAN, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2019

	General	Riley County Police Department
ASSETS		
Cash and cash equivalents	\$ 5,284,871	\$ 527,771
Cash with fiscal agent	126,784	-
Investment in joint venture	-	-
Receivables		
Accounts	814,859	-
Intergovernmental	83,561	-
Franchise tax	392,272	-
Sales tax	1,683,907	-
Transient guest tax	-	-
Property tax	7,147,299	15,921,239
Interfund	18,714	-
Other loans	-	-
Special assessments		
Current	-	-
Noncurrent	-	-
TOTAL ASSETS	\$ 15,552,267	\$ 16,449,010
LIABILITIES		
Accounts payable	\$ 831,746	\$ -
Accrued payroll	883,930	-
Unearned revenue	-	-
Interfund payable	-	-
Temporary notes payable	-	-
TOTAL LIABILITIES	1,715,676	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	7,147,299	15,921,239
Unavailable revenue - receivables	814,183	-
Unavailable revenue - special assessments	-	-
TOTAL DEFERRED INFLOWS	7,961,482	15,921,239
FUND BALANCES (DEFICITS)		
Nonspendable:		
Perpetual care	-	-
Restricted:		
Urban Development & Housing	-	-
General Government	-	-
Capital Projects	-	-
Public Safety	-	527,771
Culture & Recreation	-	-
Public Works	-	-
Debt Service	1,153,739	-
Committed:		
General Government	-	-
Assigned:		
Purchases on Order	-	-
Unassigned	4,721,370	-
TOTAL FUND BALANCES	5,875,109	527,771
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,552,267	\$ 16,449,010

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 6,052,809	\$ 6,738,182	\$ 18,435,598	\$ 37,039,231
-	-	4,059,730	4,186,514
-	-	131,766	131,766
193,626	-	4,469	1,012,954
-	983,302	916,327	1,983,190
-	-	-	392,272
195,353	-	2,806,622	4,685,882
-	-	552,893	552,893
2,742,868	-	3,248,350	29,059,756
-	8,778,550	-	8,797,264
-	-	5,037,083	5,037,083
7,637,241	-	-	7,637,241
68,921,340	-	-	68,921,340
<u>\$ 85,743,237</u>	<u>\$ 16,500,034</u>	<u>\$ 35,192,838</u>	<u>\$ 169,437,386</u>
\$ 1,172	\$ 3,246,126	\$ 405,975	\$ 4,485,019
-	-	7,457	891,387
-	-	-	-
-	-	-	-
-	1,230,000	-	1,230,000
<u>1,172</u>	<u>4,476,126</u>	<u>413,432</u>	<u>6,606,406</u>
2,742,868	-	3,248,350	29,059,756
193,626	-	5,041,552	6,049,361
76,558,581	-	-	76,558,581
<u>79,495,075</u>	<u>-</u>	<u>8,289,902</u>	<u>111,667,698</u>
-	-	233,358	233,358
-	-	10,435,781	10,435,781
-	-	1,130,555	1,130,555
-	12,023,908	-	12,023,908
-	-	9,349	537,120
-	-	6,646,080	6,646,080
-	-	2,995,587	2,995,587
6,246,990	-	5,046,575	12,447,304
-	-	-	-
-	-	-	-
-	-	(7,781)	4,713,589
<u>6,246,990</u>	<u>12,023,908</u>	<u>26,489,504</u>	<u>51,163,282</u>
<u>\$ 85,743,237</u>	<u>\$ 16,500,034</u>	<u>\$ 35,192,838</u>	<u>\$ 169,437,386</u>

CITY OF MANHATTAN, KANSAS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2019

Fund balances of governmental funds	\$	51,163,282
Amounts reported for governmental activities in the statement of net position are different because:		
Certain receivables, net of an allowance for doubtful accounts, are not available to pay current period expenditures and therefore are deferred in the funds.		10,802,939
Capital assets net of depreciation are not financial resources and therefore have not been included in the funds.		226,855,073
Long-term debt and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.		
General obligation bonds payable	\$ (99,620,000)	
Special obligation bonds payable	(33,105,000)	
Temporary notes payable	(40,710,000)	
Premium on bonds payable	(5,718,027)	
Transportation revolving fund loan payable	(1,547,270)	
Capital leases payable	(3,842,480)	
Compensated absences	(2,666,508)	(187,209,285)
Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then:		
Deferred charge on refunding		916,078
Accrued interest payable on long-term debt has not been reported in the governmental funds.		(864,699)
Other long-term assets related to special assessments are not available to pay current period expenditures and therefore are deferred in the funds.		76,558,581
In the statement of net position, a long-term liability is recorded for the unfunded portion of postemployment benefits other than pensions as well as the related deferred inflows and outflows of resources.		
Total other postemployment benefit liability	(2,435,399)	
Deferred outflows of resources - OPEB	226,459	
Deferred inflows of resources - OPEB	(172,493)	(2,381,433)
In the statement of net position, a long-term liability is recorded for the net pension liability as well as deferred inflows and outflows of resources related to the pension.		
Net pension liability	(18,727,222)	
Deferred outflows of resources - pension	3,194,116	
Deferred inflows of resources - pension	(727,972)	(16,261,078)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,304,346
Net position of governmental activities	\$	160,883,804

The notes to the financial statements are an integral part of this statement.

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

REVENUES	General
Taxes	\$ 19,156,616
Special assessments	-
Licenses and permits	592,783
Intergovernmental revenues	764,939
Charges for services	3,680,998
Fines and forfeitures	1,279,061
Investment income	149,231
Miscellaneous revenues	720,007
Total Revenues	<u>26,343,635</u>
EXPENDITURES	
Current	
General government	12,250,817
Public safety	8,052,718
Public works	4,713,510
Urban development and housing	829,315
Culture/recreation	9,016,395
Culture/recreation-payments to Library	-
Capital outlay	1,303,039
Debt service	
Principal	575,502
Bond issuance costs	-
Interest and fiscal charges	47,496
Total Expenditures	<u>36,788,792</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,445,157)</u>
OTHER FINANCING SOURCES (USES)	
General obligation bonds issued	-
Premium on general obligation bonds	-
Payment to bond refunding escrow agent	-
Temporary notes issued	-
Capital leases	1,241,837
Sales of capital assets	-
Transfers in	9,629,162
Transfers out	(315,155)
Total Other Financing Sources (Uses)	<u>10,555,844</u>
NET CHANGE IN FUND BALANCES	<u>110,687</u>
FUND BALANCE - BEGINNING OF YEAR	5,764,422
PRIOR PERIOD ADJUSTMENT	-
FUND BALANCE - BEGINNING OF YEAR, RESTATED	<u>5,764,422</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,875,109</u>

The notes to the financial statements are an integral part of this statement.

Riley County Police Department	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 17,219,411	\$ 4,095,409	\$ -	\$ 28,247,759	\$ 68,719,195
-	7,048,909	438,832	-	7,487,741
-	-	-	-	592,783
-	-	2,127,904	4,030,141	6,922,984
-	327,579	-	153,724	4,162,301
3,632	-	-	-	1,282,693
-	21,045	-	332,468	502,744
-	312,772	631,971	745,214	2,409,964
<u>17,223,043</u>	<u>11,805,714</u>	<u>3,198,707</u>	<u>33,509,306</u>	<u>92,080,405</u>
-	122,902	-	507,539	12,881,258
17,165,520	-	-	21,537	25,239,775
-	-	40,986	2,672,369	7,426,865
-	-	-	2,698,004	3,527,319
-	-	369	47,512	9,064,276
-	-	-	3,175,616	3,175,616
-	-	25,912,723	2,462,580	29,678,342
-	10,637,512	16,535,000	6,502,688	34,250,702
-	320,646	127,679	-	448,325
-	3,838,754	632,639	1,982,419	6,501,308
<u>17,165,520</u>	<u>14,919,814</u>	<u>43,249,396</u>	<u>20,070,264</u>	<u>132,193,786</u>
<u>57,523</u>	<u>(3,114,100)</u>	<u>(40,050,689)</u>	<u>13,439,042</u>	<u>(40,113,381)</u>
-	270,000	12,520,000	-	12,790,000
-	12,668	1,107,155	-	1,119,823
-	(270,000)	-	-	(270,000)
-	-	13,960,000	-	13,960,000
-	-	-	205,774	1,447,611
-	-	799,729	-	799,729
-	2,031,309	6,957,383	187,298	18,805,152
-	(429,550)	(480,513)	(9,480,318)	(10,705,536)
-	1,614,427	34,863,754	(9,087,246)	37,946,779
<u>57,523</u>	<u>(1,499,673)</u>	<u>(5,186,935)</u>	<u>4,351,796</u>	<u>(2,166,602)</u>
<u>470,248</u>	<u>7,746,663</u>	<u>17,116,229</u>	<u>22,090,097</u>	<u>53,187,659</u>
-	-	94,614	47,611	142,225
<u>470,248</u>	<u>7,746,663</u>	<u>17,210,843</u>	<u>22,137,708</u>	<u>53,329,884</u>
<u>\$ 527,771</u>	<u>\$ 6,246,990</u>	<u>\$ 12,023,908</u>	<u>\$ 26,489,504</u>	<u>\$ 51,163,282</u>

CITY OF MANHATTAN, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ (2,166,602)

Amounts reported for governmental activities in the statement of activities differ because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 18,692,102	
Less current year depreciation	<u>(12,741,924)</u>	5,950,178

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position. (73,792)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.

Long-term debt proceeds	(28,197,611)	
Premium on debt issued	(1,119,823)	
Amortization of bond premium	291,914	
Amortization on deferred charge on refunding	(97,284)	
Principal reductions	<u>34,520,703</u>	5,397,899

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 governmental funds.

Compensated absences	(102,762)	
Other postemployment benefits other than pensions	(317,817)	
Net pension liability	(734,272)	
Accrued interest on bonds	<u>(18,122)</u>	(1,172,973)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds.

Receivables	1,684,434	
Special assessments	<u>4,073,978</u>	5,758,412

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues of the internal service funds are reported with governmental activities.

(1,089,554)

Change in net position of governmental activities	<u><u>\$ 12,603,568</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
REVENUES				
Taxes	\$ 16,347,868	\$ 16,347,868	\$ 16,358,309	\$ 10,441
Licenses and permits	593,600	593,600	592,783	(817)
Intergovernmental revenues	570,000	570,000	764,939	194,939
Charges for services	2,848,450	2,848,450	3,203,826	355,376
Fines and forfeitures	1,450,885	1,450,885	1,279,061	(171,824)
Investment income	421,960	421,960	138,810	(283,150)
Miscellaneous revenues	249,100	249,100	584,375	335,275
Total Revenues	22,481,863	22,481,863	22,922,103	440,240
EXPENDITURES				
Current				
General government				
Administration	887,040	887,040	879,612	7,428
Finance	1,457,145	1,457,145	1,165,992	291,153
Airport	1,473,381	1,473,381	1,457,377	16,004
Animal Shelter	626,745	626,745	609,172	17,573
Human Resources	346,825	346,825	348,797	(1,972)
Legal Services	1,314,205	1,314,205	1,285,087	29,118
General Services	4,330,196	4,330,196	2,171,305	2,158,891
Outside Services	785,474	785,474	637,192	148,282
Municipal parking lots	46,000	46,000	25,597	20,403
Public safety				
Fire Department				
Administration	605,813	605,813	567,829	37,984
Operations	5,456,120	5,456,120	5,297,052	159,068
Technical Services	1,024,090	1,024,090	874,941	149,149
Municipal Building Maintenance	-	-	-	-
Public works				
Administration	215,805	215,805	193,965	21,840
Street	2,405,011	2,405,011	2,478,944	(73,933)
Engineering	1,068,390	1,068,390	922,636	145,754
Traffic Control	746,318	746,318	743,981	2,337
Urban development and housing	665,905	665,905	609,044	56,861
Culture/recreation				
Administration	282,920	282,920	254,482	28,438
Douglass Center	215,365	215,365	162,843	52,522
City Parks	2,740,155	2,740,155	2,418,522	321,633
Swimming Pools	892,400	892,400	739,090	153,310
Sunset Zoo	1,181,550	1,181,550	1,168,695	12,855
Blue Earth Park	27,250	27,250	27,628	(378)
Recreation	1,991,995	1,991,995	1,910,310	81,685
Discovery Center	1,119,600	1,119,600	1,082,878	36,722
Total Expenditures	31,905,698	31,905,698	28,032,971	3,872,727
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (9,423,835)	\$ (9,423,835)	\$ (5,110,868)	\$ 4,312,967

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 7,423,835	\$ 7,423,835	\$ 5,926,341	\$ (1,497,494)
Transfers out	-	-	(288,755)	(288,755)
Capital leases	-	-	204,062	204,062
Total Other Financing Sources (Uses)	<u>7,423,835</u>	<u>7,423,835</u>	<u>5,841,648</u>	<u>(1,582,187)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	730,780	<u>\$ 2,730,780</u>
FUND BALANCE - BEGINNING OF YEAR			<u>4,268,787</u>	
FUND BALANCE - END OF YEAR			4,999,567	
Fund balance for separately budgeted funds included with the General Fund on GAAP basis financials:				
Employee Benefit			-	
Fire Equipment Reserve			13,217	
Fire Pension KP&F			79,567	
General Improvements			73,623	
Industrial Promotion			319,054	
Park Development			49,312	
Special Sunset Zoo			45,932	
Risk Management Reserve			101,388	
Fund balance for non-budgeted funds included with the General Fund on GAAP basis financials:				
Capital Improvement Reserve			35,154	
Alcohol and Drug Safety			17,064	
Hail Storm Insurance - Airport			48,513	
Special Taxi			45,259	
Cafeteria Plan			41,195	
Employee Activity			6,264	
FUND BALANCE - GAAP BASIS			<u>\$ 5,875,109</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
RILEY COUNTY POLICE DEPARTMENT FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
REVENUES				
Taxes	\$ 17,160,520	\$ 17,160,520	\$ 17,219,411	\$ 58,891
Fines and forfeitures	5,000	5,000	3,632	(1,368)
Total Revenues	<u>17,165,520</u>	<u>17,165,520</u>	<u>17,223,043</u>	<u>57,523</u>
EXPENDITURES				
Current				
Public safety	17,165,520	17,165,520	17,165,520	-
Total Expenditures	<u>17,165,520</u>	<u>17,165,520</u>	<u>17,165,520</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>57,523</u>	<u>57,523</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>57,523</u>	<u>\$ 57,523</u>
FUND BALANCE - BEGINNING OF YEAR			<u>470,248</u>	
FUND BALANCE - END OF YEAR			527,771	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE - GAAP BASIS			<u>\$ 527,771</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
December 31, 2019

	Water
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 8,128,131
Accounts receivable (net of allowance for uncollectibles)	914,082
Inventories	63,975
Total Current Assets	<u>9,106,188</u>
Noncurrent Assets	
Restricted cash and cash equivalents	-
Capital assets:	
Land	281,430
Buildings and improvements	26,112,416
Equipment, contents and vehicles	2,955,803
Infrastructure	69,014,923
Construction in progress	1,790,822
Less accumulated depreciation	<u>(35,741,100)</u>
Total capital assets (net of accumulated depreciation)	<u>64,414,294</u>
Total Noncurrent Assets	<u>64,414,294</u>
TOTAL ASSETS	<u>73,520,482</u>
DEFERRED OUTFLOWS OF RESOURCES	
Resources related to pensions	<u>\$ 212,868</u>

(Continued)

Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
Wastewater	Storm Water Management	Total	
\$ 1,257,987	\$ 3,789,156	\$ 13,175,274	\$ 3,020,525
1,247,114	310,760	2,471,956	52,771
1,939	-	65,914	31,661
<u>2,507,040</u>	<u>4,099,916</u>	<u>15,713,144</u>	<u>3,104,957</u>
252,252	-	252,252	-
217,842	6,561	505,833	-
37,090,850	29,827	63,233,093	-
3,984,680	1,278,095	8,218,578	19,673
97,413,456	25,958,722	192,387,101	-
6,387,874	10,443,154	18,621,850	-
(61,308,672)	(6,760,831)	(103,810,603)	(19,673)
<u>83,786,030</u>	<u>30,955,528</u>	<u>179,155,852</u>	<u>-</u>
<u>84,038,282</u>	<u>30,955,528</u>	<u>179,408,104</u>	<u>-</u>
<u>86,545,322</u>	<u>35,055,444</u>	<u>195,121,248</u>	<u>3,104,957</u>
\$ 205,230	\$ 38,570	\$ 456,668	\$ -

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION (CONTINUED)
December 31, 2019

	<u>Water</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 638,418
Accrued payroll	91,333
Estimated insurance claims payable	-
Unearned revenue	3,106
Interfund payable	1,174,867
Accrued interest	275,062
Current portion of compensated absences	159,926
Current portion of capital leases payable	-
Current portion of state revolving loan	1,165,734
Current portion of general obligation bonds payable	550,000
Total Current Liabilities	<u>4,058,446</u>
Noncurrent Liabilities	
Compensated absences	82,386
Net pension liability	1,300,542
Capital leases payable	-
State revolving loan	16,951,527
General obligation bonds payable	3,970,283
Total Noncurrent Liabilities	<u>22,304,738</u>
Total Liabilities	<u>26,363,184</u>
DEFERRED INFLOWS OF RESOURCES	
Resources related to pensions	<u>45,841</u>
NET POSITION	
Net investment in capital assets	41,776,750
Unrestricted	<u>5,547,575</u>
TOTAL NET POSITION	<u><u>\$ 47,324,325</u></u>

The notes to the financial statements are an integral part of this statement.

Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
Wastewater	Storm Water Management	Total	
\$ 395,578	\$ 36,202	\$ 1,070,198	\$ 103,140
68,383	13,816	173,532	-
-	-	-	1,678,757
-	10,539	13,645	-
3,501,621	4,102,062	8,778,550	18,714
265,351	39,875	580,288	-
197,832	10,173	367,931	-
47,341	137,364	184,705	-
2,470,277	-	3,636,011	-
415,000	600,000	1,565,000	-
<u>7,361,383</u>	<u>4,950,031</u>	<u>16,369,860</u>	<u>1,800,611</u>
101,913	5,241	189,540	-
1,253,874	235,650	2,790,066	-
143,079	198,618	341,697	-
24,562,856	-	41,514,383	-
1,955,000	4,559,081	10,484,364	-
<u>28,016,722</u>	<u>4,998,590</u>	<u>55,320,050</u>	<u>-</u>
<u>35,378,105</u>	<u>9,948,621</u>	<u>71,689,910</u>	<u>1,800,611</u>
44,196	8,306	98,343	-
54,192,477	25,460,465	121,429,692	-
<u>(2,864,226)</u>	<u>(323,378)</u>	<u>2,359,971</u>	<u>1,304,346</u>
<u>\$ 51,328,251</u>	<u>\$ 25,137,087</u>	<u>\$ 123,789,663</u>	<u>\$ 1,304,346</u>

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Year Ended December 31, 2019

	<u>Water</u>
OPERATING REVENUES	
Charges for services	\$ 10,218,726
Rent income	246,068
Miscellaneous revenue	29,537
Total Operating Revenues	<u>10,494,331</u>
OPERATING EXPENSES	
Personnel services	2,728,925
Commodities	1,687,935
Contractual services	2,137,617
Depreciation	2,475,131
Total Operating Expenses	<u>9,029,608</u>
OPERATING INCOME (LOSS)	<u>1,464,723</u>
NON-OPERATING REVENUE (EXPENSE)	
Investment income	117,475
Gain (loss) on sales of capital assets	-
Interest and fiscal charges	(711,978)
Total Non-Operating Revenue (Expense)	<u>(594,503)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	870,220
Capital contributions	4,634,919
Transfers in	6,225
Transfers (out)	(3,975,125)
CHANGE IN NET POSITION	<u>1,536,239</u>
TOTAL NET POSITION - BEGINNING OF YEAR	<u>45,788,086</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 47,324,325</u></u>

The notes to the financial statements are an integral part of this statement.

Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
Wastewater	Storm Water Management	Total	
\$ 10,411,754	\$ 2,516,881	\$ 23,147,361	\$ 7,776,391
-	-	246,068	-
56,196	8,154	93,887	59,862
10,467,950	2,525,035	23,487,316	7,836,253
2,422,480	473,744	5,625,149	-
516,509	116,697	2,321,141	38,151
1,400,906	152,056	3,690,579	9,220,542
3,074,913	833,032	6,383,076	-
7,414,808	1,575,529	18,019,945	9,258,693
3,053,142	949,506	5,467,371	(1,422,440)
41,679	75,321	234,475	62,886
-	(48,800)	(48,800)	-
(825,275)	(189,377)	(1,726,630)	-
(783,596)	(162,856)	(1,540,955)	62,886
2,269,546	786,650	3,926,416	(1,359,554)
2,235,876	6,164,922	13,035,717	-
-	6,350	12,575	270,000
(2,169,293)	(2,237,773)	(8,382,191)	-
2,336,129	4,720,149	8,592,517	(1,089,554)
48,992,122	20,416,938	115,197,146	2,393,900
\$ 51,328,251	\$ 25,137,087	\$ 123,789,663	\$ 1,304,346

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 10,423,864
Cash paid to vendors and suppliers	(3,554,793)
Cash paid to employees	(2,623,345)
Cash received from miscellaneous sources	29,537
Net Cash Provided (Used) by Operating Activities	4,275,263

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Cash received from other funds	6,225
Cash paid to other funds	(3,975,125)
Net Cash Provided (Used) by Non-Capital Financing Activities	(3,968,900)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Cash received from issuance of debt	1,778,148
Cash paid for purchase of capital assets	(821,568)
Cash paid for interest on long-term debt	(720,357)
Cash paid for principal on long-term debt	(1,547,166)
Net Cash (Used) by Capital and Related Financing Activities	(1,310,943)

CASH FLOWS FROM INVESTING ACTIVITIES

Cash received from investment of idle funds	117,475
Net Cash Provided by Investing Activities	117,475

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(887,105)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR

9,015,236

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 8,128,131

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ 1,464,723
-------------------------	--------------

Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

Depreciation	2,475,131
(Increase) decrease in accounts receivable	(44,005)
(Increase) decrease in inventory	6,238
(Increase) decrease in deferred outflows pension	21,294
Increase (decrease) in interfund payable	-
Increase (decrease) in accounts payable and accrued expenses	325,270
Increase (decrease) in unearned revenue	3,075
Increase (decrease) in net pension liability	20,143
Increase (decrease) in deferred inflows pension	3,394

Total Adjustments

2,810,540

Net Cash Provided (Used) by Operating Activities

\$ 4,275,263

Noncash investing, capital, and financing activities:

Capital assets acquired through contributions from governmental funds	\$ 4,634,919
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The notes to the financial statements are an integral part of this statement.

Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
Wastewater	Storm Water Management	Total	
\$ 10,243,784	\$ 2,488,789	\$ 23,156,437	\$ 7,925,009
(1,782,620)	(295,519)	(5,632,932)	(8,346,234)
(2,413,248)	(444,910)	(5,481,503)	-
56,196	8,154	93,887	-
6,104,112	1,756,514	12,135,889	(421,225)
-	6,350	12,575	270,000
(2,221,348)	(2,237,773)	(8,434,246)	-
(2,221,348)	(2,231,423)	(8,421,671)	270,000
1,175,352	1,610,558	4,564,058	-
(2,249,578)	(433,712)	(3,504,858)	-
(841,059)	(188,219)	(1,749,635)	-
(2,788,882)	(639,346)	(4,975,394)	-
(4,704,167)	349,281	(5,665,829)	-
41,679	75,321	234,475	62,886
41,679	75,321	234,475	62,886
(779,724)	(50,307)	(1,717,136)	(88,339)
2,289,963	3,839,463	15,144,662	3,108,864
\$ 1,510,239	\$ 3,789,156	\$ 13,427,526	\$ 3,020,525
\$ 3,053,142	\$ 949,506	\$ 5,467,371	\$ (1,422,440)
3,074,913	833,032	6,383,076	-
(167,970)	(34,070)	(246,045)	88,756
903	-	7,141	7,229
39,126	3,219	63,639	-
-	-	-	18,714
186,363	(9,027)	502,606	886,516
-	5,978	9,053	-
(82,266)	7,147	(54,976)	-
(99)	729	4,024	-
3,050,970	807,008	6,668,518	1,001,215
\$ 6,104,112	\$ 1,756,514	\$ 12,135,889	\$ (421,225)
\$ 2,235,876	\$ 6,164,922	\$ 13,035,717	\$ -

CITY OF MANHATTAN, KANSAS
STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS
December 31, 2019

		Custodial Funds
	ASSETS	
Cash and cash equivalents		\$ 13,953
Receivables		58,188
		<hr/>
TOTAL ASSETS		72,141
		<hr/>
	LIABILITIES	
Current Liabilities		
Accounts payable		32,822
TOTAL LIABILITIES		<hr/>
		32,822
		<hr/>
	NET POSITION	
Held in trust for various purposes		\$ 39,319
		<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

CITY OF MANHATTAN, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION-
FIDUCIARY FUNDS
For the Year Ended December 31, 2019

	<u>Custodial Funds</u>
ADDITIONS	
Intergovernmental	\$ 330,738
Miscellaneous	128,099
Total additions	<u>458,837</u>
DEDUCTIONS	
Personnel	210,533
Contractual services	241,655
Commodities	7,208
Total deductions	<u>459,396</u>
Change in net position	<u>(559)</u>
NET POSITION - BEGINNING	182,103
PRIOR PERIOD ADJUSTMENT	<u>(142,225)</u>
NET POSITION - BEGINNING, RESTATED	<u>39,878</u>
NET POSITION - ENDING	<u><u>\$ 39,319</u></u>

The notes to the financial statements are an integral part of this statement.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Notes to the Financial Statements

**For the Year Ended
December 31, 2019**

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies:

The City of Manhattan, Kansas was chartered May 30, 1857 under the first session of the legislature of the Kansas Territory.

The City operates under a Commission-Manager form of government.

The accounting policies of the City of Manhattan, Kansas relating to the funds included in the accompanying combined financial statements conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to state and local governments. U.S. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant policies of the City are described below.

A. Financial Reporting Entity

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

The City has two entities that meet the criteria as listed above, the Manhattan Public Library (MPL) and the Manhattan Housing Authority (MHA). Because the financial information of these entities is generally insignificant relative to that of the City's, the City's policy is to discretely present the financial information of these entities if they are readily available at the date of issuance. As of the date that the City's financial statements were ready to be issued, the financial statements of the Manhattan Public Library were ready and have been discretely presented on the government-wide financial statements. The financial statements of the Manhattan Housing Authority, however, were not readily available and have not been discretely presented.

Manhattan Public Library

The City of Manhattan Library Board is appointed by the City Commission and oversees the operations of the Library. Acquisition or disposition of real property by the board must be approved by the City. The issuance of bonds must also be approved by the City.

Complete financial statements for the Manhattan Public Library may be obtained at the entity's administrative offices, located at 629 Poyntz Avenue.

Manhattan Housing Authority

Effective January 1, 2001, the City of Manhattan Housing Authority became a separate entity and agent of the City. The City of Manhattan Housing Authority consists of seven (7) commissioners appointed by the Mayor of the City with the consent of the City Commission and oversees the operations of the Housing Authority. The issuance of bonds must be approved by the City.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Joint Venture

A joint venture is a legal entity or other organization that results from a contractual arrangement (or interlocal agreement) and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an on-going financial interest or (b) an on-going financial responsibility. The City participates in one joint venture:

Manhattan Holdings, LLC

The City is a participant in a joint venture agreement with Kansas Technology Enterprise Corporation Holdings, Inc. (KTEC Holdings) and Kansas State University Foundation (KSU Foundation) for the purpose of providing early stage risk capital for the commercialization of new products and technologies with apparent high growth potential.

The City of Manhattan appoints three members to the ten member Board of Members. Interest in the Joint Venture is proportionate to the amount of Class A units of Stock purchased by each entity. Each participant receives a pro-rata share of the Joint Venture's annual net income, if any, or remit a pro-rata share of any operating loss. The initial and December 31, 2019 percent interest and investments in the venture of each participant is as follows:

<u>Entity</u>	<u>Initial Percent Interest</u>	<u>Initial Investment</u>	<u>12/31/19 Percent Interest</u>	<u>12/31/19 Share of Contributed Capital</u>
KTEC Holdings	57.90%	\$550,000	33.334%	\$ 600,000
City of Manhattan	21.05%	\$200,000	33.333%	\$ 600,000
KSU Foundation	<u>21.05%</u>	<u>\$200,000</u>	<u>33.333%</u>	<u>\$ 600,000</u>
Total	<u>100%</u>	<u>\$950,000</u>	<u>100%</u>	<u>\$1,800,000</u>

KTEC Holdings made an initial investment of \$550,000 in 1996 with a subsequent investment of \$50,000 in 1998. The City of Manhattan made an initial investment of \$200,000 in 1996, with subsequent investments of \$200,000 in 1997 and \$200,000 in 1998. KSU Foundation made an initial investment of \$200,000 in 1996, with subsequent investments of \$200,000 in 1997 and \$200,000 in 1998.

The City's net investment is recorded in the Economic Development Special Revenue Fund, which provided the funds for the initial and subsequent investments. The City's equity interest as of December 31, 2019 was \$131,766, which includes \$131,766 for the City's share of the joint venture's net income from 1997 to 2019 less distributions of \$137,657, \$50,000, \$119,751, \$292,592, \$165,032, \$56,482, and \$30,352 in 2001, 2011, 2013, 2014, 2015, 2016, and 2017 respectively. The City's share of the joint venture's income is reported in investment income in these financial statements.

Complete separate financial statements for the Joint Venture may be obtained from Manhattan Holdings, LLC, 2005 Research Park Circle, Manhattan, KS 66502.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 have been 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days of year-end). Most expenditures, including capital outlays, are recorded when a liability is incurred. However, principal and interest on general long-term debt which have not matured are recognized when paid.

Sales taxes, franchise taxes, licenses, interest, and certain state and federal grants and entitlements associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes and special assessments, though measurable, are not available to finance current period obligations, as they are legally required to fund the expenditures of the upcoming fiscal year. Therefore, property tax and special assessment receivables are recorded and offset by deferred inflows of resources until they become available.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Riley County Police Department Fund – The Riley County Police Department Fund is a special revenue fund used to account for ad valorem property tax revenue received by the City to fund expenditures made to the Riley County Police Department for police protection.

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

Capital Projects Fund – The Capital Projects Fund accounts for the financing and acquisition and construction of various citywide improvements.

The City reports the following major proprietary funds:

Water Fund – The Water Fund is used to account for revenues and expenditures related to the operation and maintenance of the water system operated within the City.

Wastewater Fund – The Wastewater Fund is used to account for revenues and expenditures related to the operation and maintenance of the wastewater system operated within the City.

Stormwater Management Fund – The Stormwater Management Fund is used to account for revenues and expenditures related to the operation and maintenance of the stormwater system operated within the City.

Additionally, the City reports the following fund types:

Internal service funds account for motor pool and photocopy services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. These funds also account for the City's partially self-funded health care and workers' compensation programs.

Permanent funds are used to account for the perpetual care endowment of Sunrise Cemetery.

Custodial funds are used to report resources held by the City in a custodial capacity for the benefit of other organizations or governments.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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-in-lieu of taxes and other charges between the City's water, wastewater, and stormwater management functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all of the City's proprietary funds are charges to customers for sales and services. The City's water utility also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash, Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand; demand deposits, including all certificates of deposit; and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with the City's formal investment policy adopted by the governing body, the City may pool idle cash from all funds for the purpose of increasing income through temporary investment activities. Cash and investments of the individual funds are combined to form a pool which is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and cash equivalents" in the financial statements. These pooled investments consist primarily of operating accounts, nonnegotiable certificates of deposit and money market investments, such as U.S. Treasury and Agency obligations. The nonnegotiable certificates of deposit are recorded at cost, as they are not affected by market rate changes. The City reports all other investments at fair value. Fair value was determined using the bid price of each security as reported in the *Wall Street Journal*. There were no material changes in fair value and therefore no investment gain or loss was recorded. Investment earnings are allocated to the funds required to accumulate earnings based upon their average daily equity balances.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Cash, Cash Equivalents and Investments (Continued)

If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2019, investment earnings allocated to the various funds were \$657,337.

Receivables and Payables

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable are considered uncollectible in varying percentages based on the specific type of receivable and its age. However, the majority are considered uncollectible in the percentages below based on the following criteria:

Up to one year old	25%
More than one and up to two years old	65%
More than two and up to four years old	85%
More than four and up to five years old	95%
More than five years old	100%

No allowance for uncollectibles has been established for property taxes receivable, as the actual delinquency rate on property taxes has historically been very low.

Inventories

Inventories which benefit future periods, other than those recorded in the proprietary fund types, are recorded as expenditures during the year of purchase. For the proprietary fund types, inventories are stated at the lower of cost or market, cost being determined by the first-in, first-out method.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (streets, drainage systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	45 years
Improvements other than buildings	20 years
Vehicles	10 years
Machinery	10-15 years
Office equipment	7-10 years
Treatment plants	40 years
Water and sewer mains	40 years
Streets	20 years
Storm drainage systems	40 years

Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has several items that qualify for reporting in this category in the government-wide statement of net position and proprietary funds statement of net position, deferred charge on refunding, deferred outflows for other postemployment benefits (OPEB) and deferred outflows for pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 4C for more information on the deferred outflow for pensions, and Note 4D for more information on the deferred outflows for OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items, unavailable revenue, deferred inflows for OPEB, and deferred inflows for pensions, which qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property tax receivable, other receivables and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows are reported in the government-wide statement of net position for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. The last items, deferred inflows for pensions and deferred inflows for OPEB are reported in both the government-wide statement of net position and the proprietary funds statement of net position. See Note 4C and 4D for more information on these deferred inflows.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Pensions (Continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of KPERS and additions to/deductions from KPERS's fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Vacation and Sick Pay

The City's policy regarding vacation pay permits employees to accumulate vacation leave not to exceed two (2) times their annual rate (maximum hours depending on the rate are 192, 264, 312, 384 or 432) unless approved by the City Manager, as of December 31 of each year. The accumulated vacation is governed by agreements with the International Association of Fire Fighters (IAFF) for union employees, and the City's Personnel Rules and Regulations for non-union employees. Policy prohibits payment for vacation time in lieu of time off. At December 31, 2019, the City estimates the accumulated unpaid vacation amount to be \$1,456,430 for governmental funds and \$326,251 for proprietary funds.

There is no limit to the amount of sick leave that may be accumulated. However, there are limits to the amount of accumulated sick leave that will be paid on the date of employment termination. Shift employees who belong to the IAFF with from one to nineteen years of service with the City will receive payment for 1/3 of accumulated sick leave up to a maximum of 480 hours. Shift employees who belong to the IAFF with twenty or more years of service with the City will receive payment for 1/2 of accumulated sick leave up to a maximum of 720 hours. Other City employees with from one to nineteen years of service with the City will receive payment for 1/3 of accumulated sick pay up to a maximum of 320 hours. Other City employees with twenty or more years of service with the City will receive payment for 1/2 of accumulated sick pay up to a maximum of 480 hours. At December 31, 2019, the City estimates the accumulated unpaid sick pay amount to be \$1,210,078 for governmental funds and \$231,220 for proprietary funds. These amounts include only accumulated sick leave that would be paid on the date of employment termination.

The total liability for compensated absences for vacation and sick leave for governmental funds is \$2,666,508. This liability is recorded in the governmental activities column of the government-wide financial statements but not the governmental fund financial statements. The total liability for compensated absences for vacation and sick leave for proprietary funds is \$557,471. This liability is recorded in both the business-type activities column of the government-wide financial statements and the proprietary fund financial statements.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Long-term Liabilities

The accounting treatment of long-term debt depends on whether the debt relates to governmental fund operations or proprietary fund operations and whether it is being reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. This long-term debt consists primarily of bonds and notes payable and accrued compensated absences. Long-term debt for governmental funds is not reported as liabilities in the governmental fund financial statements. The debt proceeds are reported as other financing sources and principal payments are reported as expenditures.

The long-term debt and other long-term obligations of the proprietary fund types are recorded as liabilities in both the proprietary fund statements and the government-wide statements.

Special Assessments

Kansas Statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments received prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments may be levied over various periods, but are generally levied over 20 years. The annual installments are due and payable with the annual ad valorem property taxes. Special assessments receivable are offset with a corresponding amount of deferred inflow of resources in the governmental fund financial statements, but not in the government-wide financial statements. Special assessments in the amount of \$269,302 were delinquent at December 31, 2019.

Fund Balance

Through various City ordinances and resolutions approved by the City Commission, in addition to policies set by the City Manager, the Finance Director assigns fund balances across all budgeted and non-budgeted funds of the City for any given fiscal year.

In the governmental fund financial statements, fund balances are classified as follows:

- **Non-Spendable:** amounts legally or contractually required to be maintained or not in spendable form, such as inventory or prepaid times. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- **Restricted:** amounts 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, law or regulations.
- **Committed:** amounts with a purpose formally imposed by resolution by the City Commission of the City, binding unless modified or rescinded by the City Commission.
- **Assigned:** amounts constrained by the express intent of the City Commission, City Manager or Finance Director. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted.
- **Unassigned:** all amounts not included in other fund balance classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balances.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Fund Balance (Continued)

In circumstances when an 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.

Net Position

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

1. 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, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted for – 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 provision or enabling legislation.
3. Unrestricted – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”

Interfund Receivable/Liability

As previously discussed, the City pools cash from all funds. From time to time, a fund will overdraw its share of pooled cash. The overdrawn amount is reported as a liability in the overdrawn fund. An interfund receivable is reported in the General Fund or another fund as determined by management.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Pending Governmental Accounting Standards Board Statements (Continued)

At December 31, 2019, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 83, Certain Asset Retirement Obligations, issued December 2016, will be effective for the City beginning with its fiscal year ending December 31, 2020. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement, issued March 2018, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Pending Governmental Accounting Standards Board Statements (Continued)

GASB Statement No. 91, Conduit Debt Obligations, will be effective for the City beginning with its year ending December 31, 2022. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, Omnibus 2020, addresses practice issues that have been identified during implementation and application of certain GASB statements. In particular, this Statement addresses the effective date of GASB Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases, which is effective upon issuance. It also addresses 1.) Reporting of intra-entity transfers of assets between the primary government employer and component unit defined benefit retirement plans; 2.) The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; 3.) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; 4.) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; 5.) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; 6.) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and 7.) Terminology used to refer to derivative instruments, all of which are effective for the City with its year ending December 31, 2022.

GASB No. 93, Replacement of Interbank Offered Rates establishes how the City will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the City with its year ending December 31, 2021 except for provision relating to the removal of the LIBOR rate, which will be effective for the fiscal year ending December 31, 2022.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the City with its year ending December 31, 2023.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. This statement will be effective for the City with its year ending December 31, 2023.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Pending Governmental Accounting Standards Board Statements (Continued)

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will also enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Another objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. This statement will be effective for the City with its year ending December 31, 2022.

E. Prior Period Adjustments

Beginning net position on the statement of activities was restated to account for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of this restatement on the beginning net position was an increase of \$142,225 for governmental activities and a decrease of \$142,225 for fiduciary funds, which resulted from the reclassification of certain funds. The Sunset Cemetery fund, which was previously classified as an agency fund, is now classified as a special revenue fund. The Animal Shelter Trust Fund, which was previously classified as a fiduciary fund, is now classified as part of the capital projects fund. The Flint Hills MPO fund, which was previously classified as a special revenue fund, is now classified as a custodial fund. There was no effect on current year revenues or expenditures as a result of this adjustment.

Beginning net position on the statement of activities was restated to account for a lease receivable that was put into place during a previous fiscal year. The effect of this restatement on the beginning net position was an increase of \$50,487, which resulted from leases receivable being increased by \$3,952,889 and other capital assets, net of accumulated depreciation, being decreased by \$3,902,402. There was no effect on current year revenues or expenses as a result of this adjustment.

Note 2: Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), the Debt Service Fund and all Enterprise Funds.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the City Commission. The legal level of control is at the fund level basis.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Budgeted Special Revenue Funds, Enterprise Funds, and Budgeted Debt Service Funds.

Budgets for the General, Budgeted Special Revenue, and Budgeted Debt Service Funds are adopted on a basis consistent with U.S. GAAP except that encumbrances are included in expenditures. Budgetary comparisons for the General, Special Revenue, and Debt Service Funds in this report are on this non-GAAP budgetary basis. Budgeted amounts are as originally adopted or amended by the City Commission.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 2: Stewardship, Compliance, and Accountability (Continued)

A. Budgets and Budgetary Accounting (Continued)

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. To do this, a notice of public hearing to amend the budget must 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 funds below were included as budgeted special revenue funds and have legally adopted annual budgets:

Aggieville Business Improvement District
City/University Projects
Downtown Business Improvement District
Economic Development
Library
Library Employee Benefit Contribution
Recreation and Trails Sales Tax
Riley County Police Department
Sales Tax
Special Alcohol Programs
Special Parks and Recreation
Special Street and Highway
Special Street Maintenance
Tourism and Convention Promotion

The following debt service funds also have legally adopted annual budgets:

Debt Service
Downtown Redevelopment Senior Lien TIF Bonds

The following enterprise funds also have legally adopted annual budgets:

Water
Wastewater
Stormwater Management

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. Encumbrances outstanding at year-end are reported as commitments of fund balances in the governmental fund statements since they do not constitute expenditures or liabilities, except in budgetary comparisons shown. All unencumbered appropriations lapse at year-end.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 2: Stewardship, Compliance, and Accountability (Continued)

A. Budgets and Budgetary Accounting (Continued)

By statute, the City prepares its annual budget on a non-GAAP basis of accounting as described above. A reconciliation of these budgetary statements to the GAAP statements is as follows:

	Major Governmental Funds		
	General Fund	Riley County Police Department	Debt Service
Revenues - Budgetary basis	\$ 29,052,506	\$ 17,223,043	\$ 11,805,714
Canceled encumbrances	-	-	-
Revenues - GAAP basis	\$ 29,052,506	\$ 17,223,043	\$ 11,805,714
Expenditures - budgetary basis	\$ 28,321,726	\$ 17,165,520	\$ 14,919,814
Encumbrances, beginning of year	-	-	-
Encumbrances, end of year	-	-	-
Canceled encumbrances	-	-	-
Expenditures - GAAP basis	\$ 28,321,726	\$ 17,165,520	\$ 14,919,814
Fund balances - budgetary basis	\$ 4,999,567	\$ 527,771	\$ 6,246,990
Encumbrances, end of year	-	-	-
Fund balance - GAAP basis	\$ 4,999,567	\$ 527,771	\$ 6,246,990

B. Property Taxes

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, levied by the County Treasurer on November 1 of each year, 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 20 during the year levied with the balance to be paid on or before May 10 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 with a corresponding amount recorded as unavailable revenue.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2019, the City's investment balances were:

	Reported Amount/ Fair Value
Investment Type:	
Money Market	\$ 25,936,482
Corporate Bonds	635,108
Cash with Fiscal Agent	3,551,406
Total Investments	30,122,996
Deposits	27,559,377
Cash on Hand	5,375
Total Deposits	27,564,752
TOTAL DEPOSITS AND INVESTMENTS	\$ 57,687,748
 Reconciliation of Government-wide Statement of Net Position to Total Deposits and Investments:	
Cash and Cash Equivalents	\$ 53,235,029
Cash with Fiscal Agent	4,186,514
Restricted Construction Accounts	252,252
Add Fiduciary Funds cash and cash equivalents: Private Purpose Trusts	13,953
TOTAL DEPOSITS AND INVESTMENTS	\$ 57,687,748

Interest rate risk – The City's exposure to declines in fair values is limited by the fact that, in accordance with Kansas statutes and expanded investment powers, investments are purchased with maturities of four years or less.

Credit Risk - Kansas statutes authorize Kansas Municipalities to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal Investment Pool. In October, 1995 the Kansas State Pooled Money Investment Board granted the City expanded investment powers. In addition to the above, the City is allowed to invest in U.S. Agency discount notes with a maturity of four years or less, agency bullet bonds with a maturity of four years or less, and repurchase agreements, through primary security dealers, with a maturity of less than 30 days. The City's credit risk is minimized due to these limitations on the types of investments that may be purchased.

Concentration of Credit Risk - The City's investment policy does not place any limitations on the percentage of the City's total investments that may be with any one issuer. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds.

Custodial Credit Risk—deposits - In the case of deposits, this is the risk that in the event of bank failure, the City's deposit may not be returned to it. The City's investment policy requires that 100% of the City's deposits not covered by FDIC insurance be collateralized. All collateral must be held by a third-party custodian in the City's name. Consequently, the City is not exposed to custodial credit risk.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

A. Cash and Investments (Continued)

Custodial Credit Risk—investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy and Kansas statutes require that all securities purchased be held by a safekeeping agent independent of the counterparty in the City’s account and in the City’s name. This requirement, along with the statutory limitations on the types of investments that may be purchased, limits the City’s exposure to this type of custodial credit risk.

Fair Value Measurement – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City has the following recurring fair value measurements as of year-end:

- Money Market mutual funds are valued using quoted market prices (level 1 inputs).
- Certificates of deposit are non-participating interest-earning investments contracts that are using the cost-based approach.
- The repurchase agreement is an overnight instrument, with fair value of the collateral underlying the repurchase agreement in excess of the amount invested. Given the short-term nature of the agreement, it is measured at amortized cost.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

A. Cash and Investments (Continued)

At December 31, 2019, the City had the following investments:

	Investment Maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less Than One	1-5	
Repurchase Agreements	\$ 21,087,478	\$ 21,087,478	\$ -	N/A
Certificates of deposit	12,000,000	12,000,000	-	N/A
Subtotal general operating portfolio	\$ 33,087,478	\$ 33,087,478	\$ -	
Assets held by trustee:				
Money Market Mutual Funds	\$ 3,551,406	\$ 3,551,406	\$ -	Level 1
Corporate Bonds	635,108	635,108	-	Level 1
Total Investments	\$ 37,273,992	\$ 37,273,992	\$ -	

Manhattan Public Library component unit cash and cash equivalents of \$1,783,569 are stated at cost which approximates fair value. As the Manhattan Public Library is governed by the same Kansas statutes as the City, their exposure to the various investment-related risks is similar to that of the City.

B. Receivables

Accounts receivable for the governmental activities are reported net of an allowance for uncollectible accounts in the amount of \$491,760.

Accounts receivable for the Enterprise Funds are reported net of allowances for uncollectible accounts. The allowances at December 31, 2019, are as follows:

Water Fund	\$86,508
Wastewater Fund	147,038
Stormwater Management Fund	<u>16,591</u>
Total	<u>\$250,137</u>

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

C. Economic Development Loans

Economic Development Loans receivable, aggregating \$1,111,964 at December 31, 2019, consist of loans to four companies in Manhattan as part of an economic development incentive program which included grants and tax abatements. The loans were funded from the Economic Development Fund. An allowance for uncollectible amounts of \$10,024 has been recorded as of December 31, 2019. The loan balance is also presented net of \$1,101,940 of forgivable loans that will not be collected if specified terms are met.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

D. Conference Center Promissory Note

In December 2009, the City entered into an economic development agreement with HCW-Manhattan, LLC for the construction of several components within the South End Redevelopment including the construction of a 30,000 square foot conference center as required by the Amended South Project Final Development Agreement (the 'Amended South FDA'). According to the Amended South FDA, the City passed Ordinance 6810 authorizing the issuance of up to \$9,500,000 in economic development funds for the design and construction of the conference center. Per the economic development agreement, the City is required to provide HCW-Manhattan, LLC up to \$5,000,000 in the form of a repayable note followed by \$4,500,000 in the form of a forgivable note. The repayable note shall be repaid in annual installments of \$100,000 per year for 29 years with a single balloon payment in the amount of \$2,100,000 or the remaining unpaid balance in year 30. Under the forgivable note, 1/30 of the note shall be deemed forgiven on each due date of the repayable loan, as long as the developer is in compliance with the terms of the notes. The payment of these notes is secured by a mortgage on the property which contains the conference center and that mortgage is subordinate to a lien in favor of the developer's lending bank. In February 2019, the City entered into a Second Addendum to provide for the construction of a 15,000 square foot addition to the Conference Center. The City passed Ordinance 7461 authorizing the issuance of up to \$4,990,000 in economic development funds relating to the development and construction of the New Addition. Per the economic development agreement, the City is to provide up to \$1,790,000 repayable note followed by a forgivable loan up to \$3,200,000. The repayable note shall be repaid in annual installments of \$90,000 from 2020 to 2029, and \$120,000 from 2030 to 2046 with the exception of a one-time \$100,000 reduction in 2019. A single balloon payment in the amount of \$2,950,000 is due in 2047 for the remaining unpaid balance. Under the forgivable loan, 1/28 of the note shall be deemed forgiven on each due date of the new repayable loan as long as the developer is in compliance with the terms in the notes. In 2019, \$100,000 was paid on the loan and \$148,201 was forgiven. The balance as of December 31, 2019 is \$12,350,411 and is reported net expected of the forgivable note balance of \$6,460,411 on the government-wide financial statements.

E. FCIP Reimbursement from the Manhattan Public Library

The City entered into a Memorandum of Understanding (MOU) with the Library for the Facility Conservation Improvement Program (FCIP) during 2011. This project provided for various improvements to the Library which is intended to result in savings in annual energy costs. The MOU states that the City will pay all of the costs associated with the project and the Library will reimburse the City a total of \$254,710 over a ten year period. The payments will be made annually in the amount of \$25,471 beginning in 2012. The total balance is reflected on the Government Wide statements as a receivable and as a reduction of expense, with the receivable reduced each year by the payment received. Only the payment each year will be reflected on the governmental fund financial statements. In 2019, \$25,471 was paid by the Manhattan Public Library for the FCIP Improvements. The balance as of December 31, 2019 is \$50,942.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

F. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

Primary Government

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,728,184	\$ -	\$ -	\$ 20,728,184
Construction in progress	33,767,300	(3,414,724)	73,791	30,278,785
TOTAL	<u>54,495,484</u>	<u>(3,414,724)</u>	<u>73,791</u>	<u>51,006,969</u>
Capital assets being depreciated:				
Buildings and improvements	129,630,434	10,680,579	-	140,311,013
Contents and equipment	10,671,345	366,593	-	11,037,938
Vehicles	9,316,867	2,095,550	86,421	11,325,996
Infrastructure	169,897,665	8,964,103	-	178,861,768
TOTAL	<u>319,516,311</u>	<u>22,106,825</u>	<u>86,421</u>	<u>341,536,715</u>
Less accumulated depreciation:				
Buildings and improvements	46,059,607	3,681,195	-	49,740,802
Contents and equipment	7,957,226	503,969	-	8,461,195
Vehicles	7,130,236	780,044	86,421	7,823,859
Infrastructure	91,886,039	7,776,716	-	99,662,755
TOTAL	<u>153,033,108</u>	<u>12,741,924</u>	<u>86,421</u>	<u>165,688,611</u>
Total capital assets being depreciated, net	<u>166,483,203</u>	<u>9,364,901</u>	<u>-</u>	<u>175,848,104</u>
Governmental activities capital assets, net	<u>\$ 220,978,687</u>	<u>\$ 5,950,177</u>	<u>\$ 73,791</u>	<u>\$ 226,855,073</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 505,833	\$ -	\$ -	\$ 505,833
Construction in progress	22,529,635	(3,907,785)	-	18,621,850
TOTAL	<u>23,035,468</u>	<u>(3,907,785)</u>	<u>-</u>	<u>19,127,683</u>
Capital assets being depreciated:				
Buildings and improvements	63,167,845	65,248	-	63,233,093
Contents and equipment	5,118,984	602,162	215,553	5,505,593
Vehicles	2,043,910	669,071	-	2,712,981
Infrastructure	178,912,813	13,474,292	-	192,387,105
TOTAL	<u>249,243,552</u>	<u>14,810,773</u>	<u>215,553</u>	<u>263,838,772</u>
Less accumulated depreciation:				
Buildings and improvements	17,098,842	1,385,565	-	18,484,407
Contents and equipment	2,870,688	356,808	166,750	3,060,746
Vehicles	1,470,615	270,097	-	1,740,712
Infrastructure	76,154,132	4,370,606	-	80,524,738
TOTAL	<u>97,594,277</u>	<u>6,383,076</u>	<u>166,750</u>	<u>103,810,603</u>
Total capital assets being depreciated, net	<u>151,649,275</u>	<u>8,427,697</u>	<u>48,803</u>	<u>160,028,169</u>
Business-type activities capital assets, net	<u>\$ 174,684,743</u>	<u>\$ 4,519,912</u>	<u>\$ 48,803</u>	<u>\$ 179,155,852</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

F. Capital Assets (Continued)

Discretely Presented Component Units

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Manhattan Public Library				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Works of Art	32,400	-	-	32,400
	\$ 32,400	\$ -	\$ -	\$ 32,400
 Capital assets being depreciated:				
Contents and equipment	1,555,954	114,524	341,875	1,328,603
TOTAL	1,555,954	114,524	341,875	1,328,603
 Less accumulated depreciation	742,598	158,574	341,875	559,297
 Total capital assets being depreciated, net	813,356	(44,050)	-	769,306
 Library capital assets, net	\$ 845,756	\$ (44,050)	\$ -	\$ 801,706

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

Governmental activities:	
General government	\$ 2,018,078
Public safety	953,162
Public works	7,322,904
Urban development and housing	80,862
Culture/Recreation	2,155,516
Downtown Redevelopment	211,402
Total depreciation expense for governmental activities	<u>\$ 12,741,924</u>
Business-type activities:	
Water	\$ 2,475,131
Wastewater	3,074,913
Stormwater Management	833,032
Total depreciation expense for business-type activities	<u>\$ 6,383,076</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

G. Capital Projects

At December 31, 2019 the City had contractual commitments for the construction of various projects:

	<u>Expenditures to Date</u>	<u>Amount Authorized</u>
Miscellaneous governmental activities	\$ 3,355,653	\$ 26,623,859
Airport Improvements	736,182	4,196,505
Stormwater Improvements	10,443,152	19,809,410
Sanitary Sewer Improvements	6,387,874	8,851,088
Street Improvements	26,186,949	47,325,076
Water Improvements	1,790,822	6,438,496
Total	<u><u>\$ 48,900,632</u></u>	<u><u>\$ 113,244,434</u></u>

H. Interfund Receivable/Payable

Individual fund receivable/payable balances at December 31, 2019, are as follows.

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 18,714	\$ -
Capital Projects Fund	8,778,550	-
Internal Service Funds:	-	18,714
Proprietary Funds:		
Water Fund	-	1,174,867
Wastewater Fund	-	3,501,621
Stormwater Management Fund	-	4,102,062
Non-major Governmental Funds	-	-
TOTAL	<u><u>\$ 8,797,264</u></u>	<u><u>\$ 8,797,264</u></u>

The amounts payable to the general fund relate to amounts drawn by other funds in excess of their respective shares of pooled cash while awaiting reimbursements from outside entities. The amounts payable to the Capital Projects Fund relate to amounts drawn by the Water and Wastewater Fund for KDHE Loan draws and temporary notes.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

I. Interfund Transfers

A summary of 2019 interfund transfers is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
Governmental Funds:		
General	\$ 9,629,162	\$ 315,155
Riley County Police Department	-	-
Debt Service	2,031,309	429,550
Capital Projects	6,957,383	480,513
Proprietary Funds:		
Water	6,225	3,975,125
Wastewater Fund	-	2,169,293
Non-major Proprietary Funds	6,350	2,237,773
Non-major Governmental Funds	187,298	9,480,318
Internal Service Funds	270,000	-
TOTAL TRANSFERS	<u>\$ 19,087,727</u>	<u>\$ 19,087,727</u>

Transfers are used primarily to move revenues from the funds with collection authorization to finance the expenditures of other funds in need of additional revenue sources.

On the government-wide statement of activities, capital asset transfers of \$73,792 were made from the business-type activities to the governmental activities.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt

The following is a summary of the debt transactions of the City for the year ended December 31, 2019:

	Balance January 1, 2019	Issued	Retired/ Refunded	Balance December 31, 2019	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 97,450,000	\$ 12,790,000	\$ (10,620,000)	\$ 99,620,000	\$ 10,365,000
General obligation bonds-premium	4,890,118	1,119,823	(291,914)	5,718,027	-
Senior lien special obligation bonds- Series 2009-A - direct borrowing	14,905,000	-	(1,290,000)	13,615,000	1,400,000
Subordinate lien special obligation bonds- Series 2009-B - direct borrowing	4,130,000	-	-	4,130,000	-
Taxable STAR bonds-Series 2009-2 - direct borrowing	15,855,000	-	(4,950,000)	10,905,000	3,055,000
Temporary notes - direct borrowings	45,290,000	15,190,000	(18,540,000)	41,940,000	19,795,000
Transportation Development District Sales Tax Revenue Bonds-Series 2010 - direct borrowing	4,640,000	-	(185,000)	4,455,000	200,000
Transportation Revolving Fund Loan - direct borrowing	1,834,782	-	(287,512)	1,547,270	298,208
Capital leases - direct borrowings	3,048,060	1,447,611	(653,191)	3,842,480	791,826
Other postemployment benefits	2,134,127	587,431	(286,159)	2,435,399	-
Compensated absences	2,563,746	1,944,488	(1,841,726)	2,666,508	1,759,895
Net Pension Liability	18,694,131	4,271,382	(4,238,291)	18,727,222	-
Total for governmental activities	\$ 215,434,964	\$ 37,350,735	\$ (43,183,793)	\$ 209,601,906	\$ 37,664,929
Business-type Activities:					
General obligation bonds	\$ 10,355,000	\$ 2,710,000	\$ (1,515,000)	\$ 11,550,000	\$ 1,565,000
General obligation bonds-premium	-	513,631	(14,267)	499,364	-
State revolving loans - direct borrowings	47,166,862	1,349,580	(3,366,048)	45,150,394	3,636,011
Capital leases - direct borrowings	265,253	355,495	(94,346)	526,402	184,705
Compensated absences	459,282	428,126	(329,937)	557,471	367,931
Net Pension Liability	2,845,042	606,896	(661,872)	2,790,066	-
Total for business-type activities	\$ 61,091,439	\$ 5,963,728	\$ (5,981,470)	\$ 61,073,697	\$ 5,753,647

Of the \$99,620,000 in general obligation bond debt shown above, \$45,001,110 is special assessment debt with government commitment.

For governmental activities, compensated absences, other postemployment benefits, the net pension liability, and other long-term debt are generally liquidated by the general fund.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

General Obligation Bonds and Temporary Notes

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds currently outstanding consist of the following:

	Type	Original	Date	Remaining Principal		Interest Rate	Maturity	Balance
	of	Issue	of	Annual Installments				December 31,
General Obligation Bonds	Bond	Amount	Issue	Lowest	Highest		Date	2019
2000 Series 213	Serial	\$ 340,000	12/1/00	\$ 25,000	\$ 25,000	5.0% to 5.45%	11/1/20	\$ 25,000
2009 Refunding Series 2009D	Serial	8,820,000	12/1/09	705,000	920,000	2.375% to 3.375%	11/1/21	1,625,000
2010 Series 2010A	Serial	6,700,000	6/1/10	160,000	535,000	2.0% to 4.0%	11/1/30	2,405,000
2011 Series 2011A	Serial	10,535,000	12/1/11	110,000	990,000	2.0% to 3.75%	11/1/31	3,210,000
2011 Refunding Series 2011B	Serial	2,790,000	12/1/11	160,000	280,000	2.0% to 3.0%	11/1/23	970,000
2012 Series 2012A	Serial	1,465,000	6/1/12	60,000	85,000	1.5% to 3.75%	1/1/32	955,000
2012 Series 2012B	Serial	12,885,000	12/1/12	45,000	1,095,000	1.5% to 3.0%	1/1/32	5,790,000
2012 Refunding Series 2012C	Serial	4,895,000	12/20/12	430,000	555,000	2.0% to 4.0%	11/1/26	3,470,000
2013 Series 2013A	Serial	6,400,000	12/1/13	45,000	695,000	3.0% to 4.0%	11/1/33	3,135,000
2014 Series 2014A	Serial	12,310,000	6/2/14	485,000	805,000	2.0% to 5.0%	11/1/34	9,255,000
2014 Series 2014B	Serial/Term	9,685,000	6/2/14	395,000	670,000	3.0% to 4.25%	11/1/34	7,815,000
2014 Series 2014C	Serial/Term	3,940,000	12/8/14	175,000	235,000	2.0% to 3.375%	11/1/34	3,005,000
2015 Series 2015A	Serial/Term	5,475,000	12/7/15	105,000	745,000	2.0% to 5.0%	11/1/35	2,740,000
2015 Refunding Series 2015B	Serial	4,805,000	12/7/15	440,000	595,000	2.0% to 5.0%	11/1/27	4,140,000
2016 Refunding and Improvement Series 2016A	Serial	18,050,000	6/6/16	195,000	1,985,000	2.0% to 5.0%	11/1/36	17,515,000
2016 Series 2016B	Serial/Term	2,065,000	12/5/16	50,000	165,000	2.0% to 3.5%	11/1/36	1,630,000
2017 Series 2017A	Serial/Term	1,235,000	6/5/17	50,000	80,000	0.90% to 3.30%	11/1/37	1,135,000
2017 Series 2017B Subject to AMT	Serial/Term	3,075,000	6/5/17	115,000	205,000	3.0% to 3.5%	11/1/37	2,845,000
2017 Series 2017C Taxable	Serial/Term	1,075,000	6/5/17	20,000	60,000	3.0% to 4.1%	11/1/36	1,035,000
2017 Series 2017D Refunding and Improvements	Serial/Term	9,230,000	12/15/17	65,000	1,545,000	3.0% to 5.0%	11/1/37	6,200,000
2018 Series 2018A	Serial/Term	17,630,000	6/4/18	615,000	1,340,000	3.0% to 5.0%	11/1/38	16,770,000
2019 Series 2019A Refunding and Improvements	Serial/Term	11,780,000	6/14/19	390,000	845,000	3.0% to 5.0%	11/1/39	11,780,000
2019 Series 2019B Taxable	Serial/Term	3,720,000	6/14/19	210,000	300,000	2.30% to 3.15%	11/1/34	3,720,000
Subtotal								\$ 111,170,000
Less amount to be paid by Enterprise Funds								(11,550,000)
Total General Obligation Bonds Payable- Governmental Activities								\$ 99,620,000

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

The annual requirements to amortize governmental activities general obligation bonds outstanding as of December 31, 2019, are as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$ 10,365,000	\$ 3,485,840	\$ 13,850,840
2021	9,155,000	3,141,230	12,296,230
2022	8,095,000	2,772,718	10,867,718
2023	7,590,000	2,450,249	10,040,249
2024	7,100,000	2,159,355	9,259,355
2025-2029	31,670,000	6,951,358	38,621,358
2030-2034	18,130,000	2,881,888	21,011,888
2035-2039	7,095,000	692,286	7,787,286
2040-2044	245,000	75,905	320,905
2045-2049	175,000	23,985	198,985
TOTAL	\$ 99,620,000	\$ 24,634,814	\$ 124,254,814

General obligation bonds in the amount of \$11,550,000 are included as liabilities of the Water, Wastewater, and Stormwater Funds because the City intends to retire them through the operations of these funds. The annual requirements to amortize business-type activities general obligation bonds outstanding as of December 31, 2019, are as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$ 1,565,000	\$ 520,979	\$ 1,952,379
2021	1,420,000	456,904	1,735,479
2022	1,225,000	394,904	1,527,154
2023	1,290,000	338,054	1,271,404
2024	1,210,000	279,404	1,271,304
2025-2029	3,965,000	654,470	3,843,619
2030-2034	645,000	90,872	813,475
2035-2039	230,000	13,950	328,100
TOTAL	\$ 11,550,000	\$ 2,749,537	\$ 12,742,913

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Temporary notes currently outstanding consist of the following:

Series	Maturity Date	Rate	12/31/19 Balance
2016-03	6/15/2020	1.25%	\$ 9,165,000
2016-04	6/15/2020	2.00%	1,865,000
2016-04	12/15/2020	2.00%	3,550,000
2017-01	6/15/2020	2.00%	1,990,000
2017-01	12/15/2020	2.00%	305,000
2017-02	6/15/2021	1.75%	565,000
2017-03	6/15/2020	1.25%	1,835,000
2017-03	6/15/2021	1.50%	445,000
2017-04	6/15/2021	1.45%	2,495,000
2018-01	6/15/2020	1.70%	80,000
2018-01	12/15/2021	1.75%	3,310,000
2018-02	6/15/2022	2.125%	1,145,000
2019-01	6/15/2022	1.75%	435,000
2019-01	6/15/2023	1.88%	7,460,000
2019-02	6/15/2022	1.20%	870,000
2019-02	6/15/2023	1.20%	510,000
2019-03	6/15/2022	1.50%	5,915,000
Total			<u>\$ 41,940,000</u>

\$6,246,990 is available in the Debt Service Fund to service the general obligation and special assessment bonds. Future tax revenues will pay off the remaining general long-term debt.

Bond proceeds and temporary notes issued have been reported in the Capital Projects Fund. Temporary notes paid have also been reported in the Capital Projects Fund.

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Most temporary notes issued by the City have initial maturities of at least two years. Therefore, they are considered long-term debt and have been included in long-term liabilities on the statement of net position. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds or other available funds or refinanced with temporary notes. Temporary notes in the amount of \$15,090,000 outstanding December 31, 2019, were retired June 15, 2020, with funds on hand. Temporary notes in the amount of \$26,850,000 will mature in 2020, 2021, 2022 and 2023.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

At December 31, 2019 there were temporary notes in the amount of \$1,230,000 maturing in 2020 for which the legal steps and the ability to consummate refinancing have not been met. Therefore, this balance is reported as a fund liability in the Capital Projects Fund at December 31, 2019.

Changes in this short-term debt during 2019 are summarized in the following table:

Balance at January 1, 2019	\$2,005,000
Issued	1,230,000
Retired	<u>(2,005,000)</u>
Balance at December 31, 2019	<u><u>\$ 1,230,000</u></u>

Debt Service Limit

The December 31, 2019 debt limit is \$185,455,922. There was \$89,397,367 in outstanding long and short-term G.O. debt applicable to the debt limit as of December 31, 2019. Sewer, Water, Stormwater and refunding G.O. bonds are exempt from the state-imposed debt limit.

Transportation Development District Sales Tax Revenue Bonds-Series 2010

In 2010, the City issued Transportation Development District Sales Tax Revenue bonds in the amount of \$5,610,000. The proceeds were used to finance infrastructure improvements needed for the north project area of the downtown redevelopment project. An excise/sales tax has been imposed on purchases made within the transportation development district. The excise/sales tax collected will be used to retire the bonds. The bonds are considered a special obligation to the City secured by a pledge of the excise/sales tax revenues. The bonds are not a general obligation of the City, nor do they go against the City's debt limit. Interest on the bonds is payable semiannually. The interest rates on the bonds range from 2.0 to 5.0 percent.

The bonds include term bonds that are subject to mandatory redemption and payment prior to stated maturity. The annual requirement to amortize the bonds under these mandatory redemption provisions are as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$ 200,000	\$ 213,925	\$ 413,925
2021	215,000	206,425	421,425
2022	235,000	196,750	431,750
2023	250,000	186,175	436,175
2024	270,000	174,925	444,925
2025-2029	1,710,000	661,275	2,371,275
2030-2034	<u>1,575,000</u>	<u>171,000</u>	<u>1,746,000</u>
TOTAL	\$ 4,455,000	\$ 1,810,475	\$ 6,265,475

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Senior Lien Tax Increment Financing (TIF) Special Obligation Bonds-Series 2009A and Subordinate Lien TIF Special Obligation Bonds-Series 2009B

The Senior Lien TIF Special Obligation Bonds-Series 2009A and the Subordinate Lien TIF Special Obligation Bonds-Series 2009B were issued December 1, 2009, at a principal amount of \$21,220,000 and \$4,160,000, respectively. These bonds were issued to retire the Taxable Special Obligation Revenue Bonds-Series 2006 issued to finance land acquisition and site preparation of the North Redevelopment District. Funds from these issuances will also be used to construct a public plaza in the North District. The Series 2009B Bonds shall constitute subordinate lien bonds and shall be junior and subordinate with respect to the payment of debt service from the incremental tax revenues to the Series 2009A Bonds. Both series of bonds shall not constitute a debt or liability of the City nor any pledge of the full faith and credit of the City. Revenue available for debt service from the North District consists of incremental property taxes, City sales tax, compensating use tax, and the City's portion of the County's sales tax. Revenue available from the South District consists of incremental property taxes.

The 2009 TIF bonds shall become due on the stated maturity dates and in the amounts listed below. Interest is payable semiannually at the following annual rates:

Series 2009A Bonds

Term Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2026	\$13,615,000	5.000%

Series 2009B Bonds

Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2027	\$4,130,000	7.500%

At the option of the City, the Series 2009A bonds maturing on or after December 1, 2019 are subject to redemption and payment prior to their stated maturity on December 1, 2018 at the redemption prices set forth below plus accrued interest to the redemption date:

Redemption Dates	Redemption Price
December 1, 2019 and thereafter	100%

The Series 2009B Bonds are subject to redemption and payment prior to their stated maturity at the Redemption Price of 100% plus accrued interest to the redemption date; provided, however, the Series 2009B Bonds cannot be redeemed prior to maturity until all Senior Lien Bonds have been paid and are no longer outstanding.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Senior Lien Tax Increment Financing (TIF) Special Obligation Bonds-Series 2009A and Subordinate Lien TIF Special Obligation Bonds-Series 2009B (Continued)

The Series 2009A term bonds maturing December 1, 2026, are subject to mandatory redemption and payment prior to maturity on December 1 in the years set forth below at a redemption price of 100% of the principal amount plus accrued interest to the redemption date:

Principal Amount	Year
\$1,400,000	2020
\$1,520,000	2021
\$1,640,000	2022
\$1,775,000	2023
\$1,910,000	2024
\$2,055,000	2025
\$3,315,000	2026

Taxable STAR Bonds-Series 2009-2

The Taxable STAR Bonds-Series 2009-2 were issued December 1, 2009, at a principal amount of \$33,145,000. This series of STAR Bonds was issued to finance eligible facilities and infrastructure costs within the South Redevelopment District. The 2009-2 STAR Bonds will be treated as "Build America Bonds" under the Recovery Act and will receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the bonds. These bonds shall not constitute a debt or liability of the City nor any pledge of the full faith and credit of the City. Revenue available for debt service from the North District consists of State sales tax. Revenue available from the South District consists of State sales tax, City sales tax, compensating use tax, and the City's portion of the County's sales tax. The 2009-2 STAR bonds shall become due on the stated maturity date and in the amount listed below. In 2019, \$4,950,000 in principal has been redeemed on the 2009-2 STAR Bonds, resulting in a current balance of \$10,905,000. Interest is payable semiannually at the following annual rates:

Serial Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2020	\$3,055,000	5.482%
Term Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2026	\$7,850,000	6.515%

At the option of the City, the Series 2009-2 serial bonds maturing on or after December 1, 2020, are subject to redemption and payment prior to their stated maturity on December 1, 2019, and thereafter at the redemption price of 100% plus accrued interest to the redemption date.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Taxable STAR Bonds-Series 2009-2 (Continued)

The Series 2009-2 term bonds maturing December 1, 2026, are subject to mandatory redemption and payment prior to maturity on December 1 in the years set forth below at a redemption price of 100% of the principal amount plus accrued interest to the redemption date:

Principal Amount	Year
\$1,150,000	2021
\$1,230,000	2022
\$1,325,000	2023
\$1,690,000	2024
\$1,965,000	2025
\$ 490,000	2026

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Capital Leases

In the current and prior years, the City agreed to lease equipment through capital leasing arrangements. The assets acquired through capital leases outstanding are as follows:

Equipment Leased	Amount Financed	Gross Cost of Assets Under Capital Leases	Accumulated Amortization 12/31/2019	Lease Balance 12/31/2019
Governmental Activities:				
Facilities Conservation Improv. Prog.	\$ 930,000	\$ -	\$ -	\$ 213,036
Narrow Band Equipment	303,804	-	-	71,757
Pumper Truck	529,802	610,742	305,371	236,658
EZ Liner Striping Unit	48,023	77,447	25,816	(0)
Quint Pumper Truck	950,000	993,985	298,196	687,447
Sign/Stencil Truck	71,539	94,639	37,856	18,248
Airport Truck	30,892	30,892	12,357	(0)
Rubber Tire Loader	92,118	92,118	24,565	37,525
Dump Truck	84,579	84,579	67,663	34,376
Paint Machine	30,892	39,257	7,851	14,819
Dump Truck	126,693	151,402	60,560	96,162
Brush Truck	88,897	109,460	21,892	67,017
2 Ford F350 Trucks	70,222	99,424	19,884	52,610
Backhoe	85,300	96,492	12,866	67,268
Peace Memorial	460,000	793,059	35,248	382,312
Phone System	519,543	519,543	207,818	415,633
Thermal imaging cameras	39,200	51,534	4,295	39,200
Aeial truck	953,091	1,094,876	109,488	953,091
Groundsmaster mower	32,385	32,385	2,159	32,385
Skid steer loader	18,743	18,743	6,248	18,743
Compact excavator	26,150	26,150	8,717	26,150
Storm warning sirens	45,484	58,962	2,948	45,484
Forestry large aerial truck	126,784	-	-	126,784
Peace Memorial - new roof	205,774	-	-	205,774
Total	\$ 5,869,915	\$ 5,075,689	\$ 1,271,796	\$ 3,842,480
Business-type Activities:				
Biosolids farm row crop tractor	\$ 190,420	\$ 255,517	\$ 17,034	\$ 190,420
Street Sweeper	90,228	135,153	108,122	23,065
Mower	138,176	160,136	32,027	70,471
Street Sweeper	153,263	200,435	120,261	77,371
Street Sweeper	165,075	210,000	42,000	165,075
Total	\$ 737,162	\$ 961,241	\$ 319,445	\$ 526,402

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Capital Leases (Continued)

Future minimum lease obligations as of December 31, 2019, are:

Year Ending December 31,	Governmental Activities	Business-type Activities
2020	\$ 876,962	\$ 193,241
2021	890,984	169,720
2022	698,120	93,544
2023	533,128	-
2024	379,862	-
2025-2028	805,320	-
Total Minimum Lease Payments	4,184,376	550,049
Less: Amount representing interest	(341,896)	(23,647)
Present Value of Minimum Lease Payments	\$ 3,842,480	\$ 526,402

Amortization on these assets acquired through capital leases totaled \$516,850 for governmental activities and \$136,828 for business-type activities in 2019 and has been included in depreciation expense.

State Revolving Loans

Kansas Department of Health and Environment Wastewater Loans

During 2001, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement enabled the City to borrow up to \$6,411,155 on a low-interest loan with a 20-year repayment period to finance improvements to the wastewater system. The interest rate on the loan is 3.14%. The City completed the draw-down process in 2004 and drew down a total of \$6,175,678. This loan was amended in 2007 and 2009 to allow the City to borrow an additional \$2,510,637 to finance the cost of designing the wastewater treatment plant upgrade and expansion project. Principal in the amount of \$527,150 was paid in 2019. The balance on the loan as of December 31, 2019, is \$1,683,671 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$ 543,832	\$ 48,631	\$ 592,463
2021	561,042	31,421	592,463
2022	578,797	13,666	592,463
Totals	\$ 1,683,671	\$ 93,718	\$ 1,777,389

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Kansas Department of Health and Environment Wastewater Loans (Continued)

During 2009, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow up to \$39,506,000 on a low-interest loan with a 20-year repayment period to finance the construction phase of the wastewater treatment plant upgrade and expansion project. The interest rate on the loan is 2.72%. The City completed the draw-down process in 2014 and drew down a total of \$36,732,684. Principal in the amount of \$1,631,656 was paid in 2019. The balance on the loan as of December 31, 2019, is \$23,440,278 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$1,676,339	\$626,253	\$2,302,592
2021	1,722,245	580,347	2,302,592
2022	1,769,409	533,183	2,302,592
2023	1,817,864	484,728	2,302,592
2024	1,867,646	434,946	2,302,592
2025-2029	10,134,007	1,378,956	11,512,963
2030-2031	4,452,768	152,416	4,605,184
Totals	\$23,440,278	\$4,190,829	\$27,631,107

During 2010, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement enabled the City to borrow up to \$1,537,000 on a low-interest loan with a 20-year repayment period to finance the City's share of the cost of connecting the Pottawatomie County Blue Township Sewer District service area and adjacent tributary areas to the City's wastewater treatment facilities. The interest rate on the loan is 2.55%. The City started the draw-down process in 2010. The loan was amended to allow a total borrowing of \$1,642,258, with principal forgiveness of \$246,339. The balance on the loan as of December 31, 2019, is \$924,249 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. Principal in the amount of \$65,076 was paid in 2019. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$66,746	\$23,146	\$89,892
2021	68,459	21,433	89,892
2022	70,215	19,676	89,891
2023	72,017	17,874	89,891
2024	73,865	16,026	89,891
2025-2029	398,752	50,704	449,456
2030-2031	174,195	5,587	179,782
Totals	\$924,249	\$154,446	\$1,078,695

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Kansas Department of Health and Environment Water Loans

In 2018, the City entered into a loan agreement with the Kansas Department of Health and Environment to borrow up to \$3,350,000 on a low-interest loan with a 20-year repayment period to finance the cost of wastewater treatment plant improvements. Drawdowns totaling \$984,933 have been made on this loan. The balance of this loan is \$984,933. This loan is payable from the revenues of the Wastewater Fund. The annual amounts to amortize the loan are as follows if the full amount of the loan was borrowed:

Years Ending December 31,	Principal	Interest	Total
2020	\$132,546	\$78,946	\$211,492
2021	135,719	75,773	211,492
2022	138,969	72,523	211,492
2023	142,296	69,196	211,492
2024	145,703	65,789	211,492
2025-2029	782,539	274,921	1,057,460
2030-2034	880,809	176,650	1,057,459
2035-2039	991,420	66,040	1,057,460
Totals	<u>\$3,350,000</u>	<u>\$879,839</u>	<u>\$4,229,839</u>

During 2007, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds on a low-interest loan with a 20-year repayment period to finance the design and construction of the water treatment plant and wellfield improvements. During 2010 the loan was amended to increase the maximum loan amount to \$17,975,861. The interest rate on the loan is 3.63%. The City started the draw-down process in 2010. The balance on the loan as of December 31, 2019, is \$12,659,742 and is shown as a liability to the Water Fund in the accompanying financial statements. Payments on the loan began in 2012. Principal in the amount of \$787,819 was paid in 2019. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$816,676	\$452,204	\$1,268,880
2021	846,591	422,290	1,268,881
2022	877,601	391,279	1,268,880
2023	909,747	359,133	1,268,880
2024	943,070	325,810	1,268,880
2025-2029	5,259,525	1,084,875	6,344,400
2030-2032	3,006,532	165,668	3,172,200
Totals	<u>\$12,659,742</u>	<u>\$3,201,259</u>	<u>\$15,861,001</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Kansas Department of Health and Environment Water Loans (Continued)

During 2011, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds up to \$1,395,461 on a low-interest loan with a 20-year repayment period to finance the extension of the Konza water main. The interest rate on the loan is 2.62%. This project is eligible for 20% principal forgiveness on the construction costs and an additional 20% principal forgiveness for any qualifying green infrastructure component, or energy or water efficiency component. The City completed the draw-down process in 2013. Draws in the amount of \$506,899 were made during 2013, with principal forgiveness of \$126,725. The balance on the loan as of December 31, 2019, is \$283,169 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$16,548 was paid in 2019. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$16,984	\$7,309	\$24,293
2021	17,432	6,861	24,293
2022	17,892	6,401	24,293
2023	18,364	5,929	24,293
2024	18,848	5,445	24,293
2025-2029	101,964	19,502	121,466
2030-2033	91,685	5,487	97,172
Totals	<u>\$283,169</u>	<u>\$56,934</u>	<u>\$340,103</u>

During 2013, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds up to \$3,091,960 on a low-interest loan with a 10-year repayment period to finance the replacement and upgrade of water meters. The interest rate on the loan is 2.08%. This project is eligible for up to 40% principal forgiveness for any qualifying green infrastructure component, or energy or water efficiency component. The estimated principal forgiven amount is \$1,233,700. The City started the draw-down process in 2013. The balance on the loan as of December 31, 2019, is \$842,106 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$141,450 was paid in 2019. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2020	\$144,909	\$19,588	\$164,497
2021	148,451	16,046	164,497
2022	152,080	12,416	164,496
2023	155,798	8,698	164,496
2024	159,607	4,889	164,496
2025	81,261	987	82,248
Totals	<u>\$842,106</u>	<u>\$62,624</u>	<u>\$904,730</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Kansas Department of Health and Environment Water Loans (Continued)

In 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment to borrow up to \$7,326,270 on a low-interest loan with a 20-year repayment period to finance the cost of the construction phase of the water treatment plant improvements. Drawdowns totaling \$4,528,589 have been made on this loan, with payments of \$196,349. The balance of this loan is \$4,332,240. This loan is payable from the revenues of the Water Fund. The annual amounts to amortize the loan are as follows if the full amount of the loan was borrowed:

Years Ending December 31,	Principal	Interest	Total
2020	\$187,165	\$91,285	\$278,450
2021	191,173	87,277	278,450
2022	195,266	83,184	278,450
2023	199,448	79,003	278,451
2024	203,719	74,732	278,451
2025-2029	1,085,927	306,325	1,392,252
2030-2034	1,207,281	184,971	1,392,252
2035-2039	1,062,263	51,539	1,113,802
Totals	\$4,332,242	\$958,316	\$5,290,558

Kansas Department of Transportation Loan

During 2005, the City entered into a loan agreement with the Kansas Department of Transportation. This agreement enabled the City to borrow up to \$4,608,000 on a low-interest loan with a 20-year repayment period to finance various street improvements within the City. The interest rate on the loan is 3.72%. The City completed the draw-down process in 2007 and drew down a total of \$4,607,872. The balance as of December 31, 2019, is \$1,547,270. The annual amounts to amortize the loan are as follows:

December 31,	Principal	Interest	Total
2020	\$298,208	\$57,558	\$355,766
2021	309,301	46,465	355,766
2022	320,807	34,959	355,766
2023	332,741	23,025	355,766
2024	286,214	10,647	296,861
Totals	\$1,547,270	\$172,655	\$1,719,925

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2019, Industrial Revenue Bonds relating to nine entities were outstanding with a total balance of \$78,829,433.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information

A. Risk Management

General

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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

Self-Insured Health Care Fund

During the fiscal year 1990, the City established a Health Care Fund (an Internal Service Fund) to account for and finance its medical health insurance program. Under this program, the Health Care Fund provides health insurance coverage for all full-time employees. The City purchases commercial insurance for claims in excess of an aggregate total provided by the Fund, and a specific amount for each claim. The City contracts with Trustmark to provide administrative services. Stop loss insurance has been obtained to cover the claims of individuals that exceed \$100,000 for the benefit period.

The internal service fund accrues the required amounts for the payment of these claims by rate charges to various City departments. These rate charges are reported as expenditures in the applicable funds. The Health Care Fund net position was \$390,706 at December 31, 2019. The claims liability of \$1,273,340 reported in the Fund at December 31, 2019 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimated claims are based on historical data. Changes in the Fund's claims expected liability amount in fiscal years 2019, 2018, and 2017 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	Balance at Fiscal Year End
2018-2019	\$ 421,148	\$ 7,876,032	\$ 7,023,840	\$ 1,273,340
2017-2018	\$ 335,346	\$ 5,071,612	\$ 4,985,809	\$ 421,148

Self-Insured Workers' Compensation Fund

On May 9, 1994 the City created a partially self-funded Workers' Compensation Fund to account for and finance its workers' compensation program. Under this program, the Fund provides workers' compensation coverage for all regular employees and volunteers.

Thomas McGee, L.C., serves as the third party administrator and the reinsurer. The deductible is \$250,000 per occurrence and an annual aggregate of \$250,000. Estimated claims are based on historical data. Changes in the Fund's claims expected liability amount in fiscal years 2019, 2018, and 2017 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	Balance at Fiscal Year End
2018-2019	\$ 340,031	\$ 265,786	\$ 200,400	\$ 405,417
2017-2018	\$ 409,014	\$ 22,718	\$ 91,701	\$ 340,031

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

B. Contingent Liabilities

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Grantors have yet to conduct audits on some of these programs; accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed is not determinable although the City expects such amounts, if any, to be immaterial.

There are a number of claims and/or lawsuits to which the City is a party as a result of the ordinary course of City activities. The City management and legal counsel anticipate that the potential claims against the City not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the City.

C. Defined Benefit Pension Plan

Plan Description

The City of Manhattan participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. 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, article 49:

- 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 of Manhattan are included in the Local and Police and Firemen employee groups.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (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 an employee'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 MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

C. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees 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.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee'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 retirement 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

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS 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. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2017, and beyond.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

C. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.89% for the Local Group and 22.13% for the Police and Firemen Group for the year ended December 31, 2019. Contributions to the Pension Plan from the City of Manhattan were \$1,484,140 for the Local Group and \$1,118,987 for the Police and Firemen Group for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the City of Manhattan reported a liability of \$12,184,032 for the Local Group and \$9,333,256 for the Police and Firemen Group for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City of Manhattan's proportion of the collective net pension liability was based on the ratio of the City of Manhattan's actual contributions to the Local Group and the Police and Firemen Group, relative to the total employer and nonemployer contributions of the Local Group and Police and Firemen Group within KPERS for the KPERS fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the City of Manhattan's proportion and change from its proportion measured as of June 30, 2018 were as follows:

	Net Pension Liability as of December 31, 2019	Proportion as of June 30, 2019	Decrease in Proportion From June 30, 2018
Local Group	\$ 12,184,032	0.871924%	-0.009076%
Police and Firemen Group	9,333,256	0.922149%	-0.040215%
	<u>\$ 21,517,288</u>		

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

C. Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended December 31, 2019, the City of Manhattan recognized pension expense of \$1,741,475 for the Local Group and \$1,666,883 for the Police and Firemen Group. At December 31, 2019, the City of Manhattan 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
Difference between expected and actual experience	\$ 553,940	\$ 324,143
Net difference between projected and actual earnings on pension plan investments	474,508	-
Changes of assumptions	703,010	35,029
Changes in proportionate share	565,647	467,143
City of Manhattan's contributions subsequent to measurement date	1,353,679	-
Total	<u>\$ 3,650,784</u>	<u>\$ 826,315</u>

The \$1,353,679 reported as deferred outflows of resources related to pensions resulting from the City of Manhattan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2020	\$ 909,952
2021	131,248
2022	308,080
2023	129,106
2024	<u>(7,596)</u>
	<u><u>\$ 1,470,790</u></u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

C. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability for KPERS in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including inflation
Long-term rate of return net of investment expense including price inflation	7.75 percent

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

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016. The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.85%
Fixed income	13%	1.25%
Yield driven	8%	6.55%
Real return	11%	1.71%
Real estate	11%	5.05%
Private Equity	8%	9.85%
Cash equivalents	2%	(0.25%)
Total	100%	

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

C. Defined Benefit Pension Plan (Continued)

Discount rate

The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for the Police and Firemen Group. Future employer contribution rates were also modeled for the Police and Firemen Group, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Manhattan's proportionate share of the collective net pension liability to changes in the discount rate

The following presents the City of Manhattan's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the City of Manhattan's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City of Manhattan's Local Group proportionate share of the collective net pension liability	\$ 18,197,096	\$ 12,184,032	\$ 7,154,200
City of Manhattan's Police and Firemen Group proportionate share of the collective net pension liability	13,244,573	9,333,256	6,058,741
	<u>\$ 31,441,669</u>	<u>\$ 21,517,288</u>	<u>\$ 13,212,941</u>

Pension plan fiduciary net position

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

Information related to the Manhattan Public Library's Defined Benefit Pension Plan can be found in the financial statements of the Manhattan Public Library, which may be obtained at the entity's administrative offices.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits

Health Insurance

Plan Description, Benefits Provided and Contributions

The City offers postemployment health, dental and vision benefits to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. The other postemployment benefit (OPEB) plan (the Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue a standalone financial report.

Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the blended premium cost of active employees to maintain coverage.

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2019 totaled \$ 54,169.

Employees Covered by Benefit Terms

As of the reporting date of December 31, 2019, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	7
Active plan members	<u>453</u>
	<u><u>460</u></u>

Total OPEB Liability

The City's total OPEB liability of \$ 1,803,205 was measured as of December 31, 2018 and was determined by an actuarial valuation performed as of December 31, 2017 updated to December 31, 2019 for year-end measurements.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Health Insurance (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs.

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

Discount rate as of measurement date	4.10 percent
Inflation rate	2.75 percent
Mortality table	RP-2014 Mortality Tables projected back to 2006 base year using Projection Scale MP-2014 with generational projection using Projection Scale MP-2017
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Healthcare cost trend rates	
Current rate	6.50 percent
Ultimate rate	4.00 percent
Year ultimate rate is reached	2074
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date.

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

1. The demographic assumptions have been updated based upon the most recent KPERS experience study.
2. The discount rate selected is in accordance with GASB 74/75.
3. The medical trend rates were updated to reflect anticipated experience under the most recent Getzen model application.
4. The estimated claim costs were updated to reflect anticipated experience pursuant to a review of the medical provisions and current premiums.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)
D. Other Postemployment Healthcare Benefits (Continued)
Health Insurance (Continued)
Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2018	\$ 1,749,036
Changes for the year:	
Service cost	162,220
Interest cost	65,032
Changes in assumptions and inputs	(131,158)
Benefit payments	(41,925)
Net changes	54,169
Balance at December 31, 2019	\$ 1,803,205

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 2,005,608	\$ 1,803,205	\$ 1,621,863

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,542,196	\$ 1,803,205	\$ 2,123,374

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Health Insurance (Continued)

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$219,819.

At December 31, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 48,560	\$ (117,100)

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

<u>Year Ended December 31,</u>	
2020	\$ (7,433)
2021	(7,433)
2022	(7,433)
2023	(7,433)
2024	(7,433)
2025 and Thereafter	<u>(31,375)</u>
	<u>\$ (68,540)</u>

Disability Benefits and Life Insurance

Plan Description, Benefits Provided and Contributions

The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit 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. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Plan Description, Benefits Provided and Contributions (Continued)

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2019 totaled \$ 15,490.

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 percent (prior to January 1, 2006, 66 2/3 percent) 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 of premium provision.

The monthly long-term disability benefit is 60 percent 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, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five 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 shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit 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 insurance policy.

Employees Covered by Benefit Terms

As of the valuation date of December 31, 2018, the following employees were covered by the benefit terms.

Active members	304
Disabled members	<u>4</u>
	<u><u>308</u></u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Total OPEB Liability

The City's total OPEB liability of \$ 632,194 was measured as of June 30, 2019 and was determined by an actuarial valuation performed as of December 31, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.50 percent
Implicit inflation rate	2.75 percent
Mortality rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2019.
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	3.00 percent
Actuarial cost method	Entry Age Normal

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013 through December 31, 2015.

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2018	\$ 385,091
Changes for the year:	
Service cost	56,168
Interest	16,780
Effect of economic/demographic gains or losses	177,739
Effect of assumptions changes or inputs	11,906
Benefit payments	<u>(15,490)</u>
Net changes	<u>247,103</u>
Balance at December 31, 2019	<u><u>\$ 632,194</u></u>

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 or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	\$ 664,973	\$ 632,194	\$ 600,140

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 632,194	\$ 632,194	\$ 632,194

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$85,063. At December 31, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,473	\$ 42,376
Changes of assumptions	10,682	13,017
Benefit payments subsequent to the measurement date	7,745	-
	<u>\$ 177,899</u>	<u>\$ 55,393</u>

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 7,745 consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>December 31,</u>	
2020	\$ 12,115
2021	12,115
2022	12,115
2023	12,115
2024	12,115
2025 and Thereafter	54,186
	<u>\$ 114,761</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Note 4: Other Information (Continued)

D. Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)

A reconciliation of the Total OPEB Liability, deferred outflows of resources for OPEB and deferred inflows of resources for OPEB reported at December 31, 2019 is as follows:

	Deferred Outflows of Resources	Total OPEB Liability	Deferred Inflows of Resources
Retiree Medical Plan	\$ 48,560	\$(1,803,205)	\$(117,100)
Disability Benefits and Life Insurance	<u>177,899</u>	<u>(632,194)</u>	<u>(55,393)</u>
	<u><u>\$ 226,459</u></u>	<u><u>\$(2,435,399)</u></u>	<u><u>\$(172,493)</u></u>

E. Tax Abatements

The City of Manhattan enters into tax abatement agreements with local businesses for the purpose of attracting businesses within its jurisdiction. For the fiscal year ended December 31, 2019, abated property taxes that impacted the City totaled \$8,865,857 which included the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement for expansion of a facility. The City's portion of the abatement amounted to \$1,923,940.
- A property tax abatement for constructing a commercial office building. The City's portion of the abatement amounted to \$6,941,917.

Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City. While management cannot quantify the financial and other impacts to the City, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

On March 13, 2020, the City issued \$21,320,000 in Series 2020-01 General Obligation Temporary Notes. The principal maturity of the \$21,320,000 is due on June 15, 2023.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

Note 4: Other Information (Continued)

E. Tax Abatements (Continued)

Subsequent Events (Continued)

On March 13, 2020, the City issued \$5,090,000 in Series 2020-02 Taxable General Obligation Temporary Notes. The principal maturity of the \$5,090,000 is due on June 15, 2023.

On June 15, 2020, the City issued \$18,670,000 in Series 2020-A General Obligation Bonds. Principal maturities ranging from \$290,000 to \$1,965,000 are due through November 1, 2040. The interest rate is 2.85%.

On September 15, 2020, the City issued \$28,325,000 in Series 2020-03 General Obligation Temporary Notes. The principal maturity of the \$4,010,000 is due on June 15, 2023, with \$24,315,000 due on June 15, 2024.

On September 15, 2020, the City issued \$1,690,000 in Series 2020-B General Obligation Refunding Bonds. Principal maturities ranging from \$140,000 to \$185,000 are due through November 1, 2030. The interest rate is 3.00%.

CITY OF MANHATTAN, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the City of Manhattan's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Five Fiscal Years

	2019	2018	2017	2016	2015
City of Manhattan's proportion of the collective net pension liability					
KPERS	0.871924%	0.881000%	0.842342%	0.829237%	0.821215%
KP&F	0.922149%	0.962364%	0.970094%	0.949823%	0.978480%
City of Manhattan's proportionate share of the collective net pension liability	\$ 21,517,288	\$ 21,539,173	\$ 21,298,396	\$ 21,650,150	\$ 17,887,831
City of Manhattan's covered payroll	\$ 21,485,915	\$ 20,760,475	\$ 19,780,545	\$ 18,727,868	\$ 18,132,433
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered payroll	100%	104%	108%	116%	99%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%

The pension schedules in the required supplementary information are intended to show information for ten years and additional years' information will be displayed as it becomes available.

CITY OF MANHATTAN, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of City of Manhattan's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
KPERS/Ret Contractually required contributions	\$ 1,484,140	\$ 1,512,939	\$ 1,321,717	\$ 1,382,451	\$ 1,454,056	\$ 1,304,973	\$ 1,145,040	\$ 1,026,736	\$ 893,886	\$ 815,626
KP&F Contractually required contributions	1,118,987	991,873	919,706	962,890	952,624	874,519	730,347	623,028	512,620	467,903
Contributions in relation to the contractually required contributions	(2,602,827)	(2,504,704)	(2,243,904)	(2,345,299)	(2,406,680)	(2,179,492)	(1,875,387)	(1,648,729)	(1,406,571)	(1,284,499)
Contribution deficiency (excess)	\$ 300	\$ 108	\$ (2,481)	\$ 42	\$ -	\$ -	\$ -	\$ 1,035	\$ (65)	\$ (970)
City of Manhattan's covered payroll	\$ 21,681,883	\$ 21,019,746	\$ 20,047,821	\$ 19,410,097	\$ 18,422,768	\$ 18,016,283	\$ 17,139,649	\$ 16,232,981	\$ 15,167,579	\$ 15,098,217
Contributions as a percentage of covered payroll	12.0%	11.9%	11.2%	12.1%	13.1%	12.1%	10.9%	10.2%	9.3%	8.5%

The data is presented on a calendar year end basis.

CITY OF MANHATTAN, KANSAS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Retiree Medical Plan

Last Two Fiscal Years¹

	2019	2018
Total OPEB liability:		
Service cost	\$ 162,220	\$ 146,086
Interest cost	65,032	62,814
Changes of assumptions and inputs	(131,158)	61,810
Benefit payments	(41,925)	(74,000)
Net change in total OPEB liability	54,169	196,710
Total OPEB liability, beginning	1,749,036	1,552,326
Total OPEB liability, ending	<u>\$ 1,803,205</u>	<u>\$ 1,749,036</u>
Covered payroll	\$ 20,372,888	\$ 19,501,470
City's total OPEB liability as a percentage of covered payroll	8.85%	8.97%

¹ GASB 75 requires the presentation of ten years. Data was not available prior to fiscal year 2018; therefore, ten years of data is unavailable.

CITY OF MANHATTAN, KANSAS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Disability Benefits and Life Insurance

Last Three Fiscal Years¹

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 56,168	\$ 55,817	\$ 56,189
Interest on total OPEB liability	16,780	15,626	11,363
Effect of economic/demographic gains or losses	177,739	(53,396)	-
Effect of assumptions changes or inputs	11,906	(5,263)	(12,809)
Benefit payments	<u>(15,490)</u>	<u>(16,600)</u>	<u>(16,600)</u>
Net change in total OPEB liability	247,103	(3,816)	38,143
Total OPEB liability, beginning	<u>385,091</u>	<u>388,907</u>	<u>350,764</u>
Total OPEB liability, ending	<u><u>\$ 632,194</u></u>	<u><u>\$ 385,091</u></u>	<u><u>\$ 388,907</u></u>
Covered payroll	\$ 14,785,584	\$ 14,915,895	\$ 13,852,617
City's total OPEB liability as a percentage of covered payroll	4.28%	2.58%	2.81%

¹ GASB 75 requires the presentation of ten years. Data was not available prior to fiscal year 2017; therefore, ten years of data is unavailable.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Nonmajor Governmental Funds

**For the Year Ended
December 31, 2019**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action and are grouped by budgeted and non-budgeted funds.

BUDGETED SPECIAL REVENUE FUNDS:

City/University Projects

An agreement with Kansas State University for special joint projects.

Business Improvement Districts

Funds the beautification of business districts.

Economic Development

Special fund for a five-year sales tax to promote new industrial development.

Library

Funds the operation of the municipal library.

Sales Tax

Receives sales tax and transfers it to the General Fund and other funds.

Special Alcohol Programs

Special alcohol liquor tax for the prevention or treatment of alcohol and substance abuse.

Special Parks and Recreation

Special alcohol liquor tax for recreation.

Special Street and Highway

State gasoline tax monies for streets and highways.

Tourism and Convention Promotion

Special hotel guest tax for tourism.

Recreation and Trails Sales Tax

A special ten-year, one-fourth cent sales tax (.25) that will be dedicated for identified indoor and outdoor recreation and trail improvements.

Special Street Maintenance

A special ten-year, two-tenths cents sales tax (.20) that will be dedicated for street maintenance across the community.

SPECIAL REVENUE FUNDS

NON-BUDGETED SPECIAL REVENUE FUNDS:

Sunset Cemetery

This fund is used to account for bequests received from individual citizens, the interest income from which is used for the upkeep of lots designated by the donor and also for flowers for these lots each Memorial Day at Sunset Cemetery.

CID Sales Tax

This fund was established to account for the Manhattan Town Center (MTC) Community Improvement District sales tax revenue, which will be used to pay for costs of MTC grounds exterior and building exterior/interior.

State and Federal Grants

This fund was established to account for all State and Federal grants received by the City of Manhattan.

DEBT SERVICE FUNDS

Debt service funds are used to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Downtown Redevelopment Senior Lien TIF Bonds

This fund accounts for the resources accumulated and payments made for principal and interest on the Senior Lien Tax Increment Financing (TIF) Bonds issued for the North Downtown Redevelopment District.

Combined TDD

This fund was established to account for the payment of the principal and interest on the various Transportation Development District Sales Tax Revenue Bonds and the excise/sales tax revenues collected from within the various Transportation Development Districts. These revenues are pledged as security on the bonds and will be used to retire the bonds.

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Sunrise Cemetery Perpetual Care

Twenty-five percent of the purchase price of the lots in Sunrise Cemetery is put directly into this fund for the upkeep and perpetual care of such lots.

CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	City/ University Projects	Business Improvement Districts	Economic Development	Library
Assets				
Cash	\$ 220,925	\$ 12,003	\$ 8,861,731	\$ 5
Cash with fiscal agent	-	-	-	-
Investment in joint venture	-	-	131,766	-
Receivables	-	4,469	-	-
Loans receivable	-	-	5,037,083	-
Intergovernmental receivables	-	-	-	-
Sales tax receivable	-	-	362,661	-
Transient guest tax receivable	-	-	-	-
Property tax receivable	-	-	-	3,248,350
Total Assets	\$ 220,925	\$ 16,472	\$ 14,393,241	\$ 3,248,355
Liabilities				
Accounts payable	\$ -	\$ 11,159	\$ 9,793	\$ -
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
Interfund payable	-	-	-	-
Total Liabilities	-	11,159	9,793	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	3,248,350
Unavailable revenue - receivables	-	4,469	5,037,083	-
Total Deferred Inflows of Resources	-	4,469	5,037,083	3,248,350
Fund Balance				
Nonspendable - perpetual care	-	-	-	-
Restricted:				
Urban development & housing	220,925	844	9,346,365	-
General government	-	-	-	-
Capital projects	-	-	-	-
Public safety	-	-	-	-
Culture & recreation	-	-	-	5
Public works	-	-	-	-
Debt service	-	-	-	-
Committed - urban development	-	-	-	-
Assigned - purchases on order	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	220,925	844	9,346,365	5
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 220,925	\$ 16,472	\$ 14,393,241	\$ 3,248,355

(Continued)

Special Revenue					
Sales Tax	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Promotion	Recreation and Trails Sales Tax
\$ 48,225	\$ 8,283	\$ 889,389	\$ 289,432	\$ 11,202	\$ 4,989,291
-	-	205,774	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	851,224	-	-
1,074,047	-	-	-	-	583,257
-	-	-	-	552,893	-
-	-	-	-	-	-
<u>\$ 1,122,272</u>	<u>\$ 8,283</u>	<u>\$ 1,095,163</u>	<u>\$ 1,140,656</u>	<u>\$ 564,095</u>	<u>\$ 5,572,548</u>
\$ -	\$ -	\$ 28,323	\$ 12,882	\$ -	\$ -
-	-	-	2,166	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>28,323</u>	<u>15,048</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	564,095	-
1,122,272	8,283	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,066,840	-	-	5,572,548
-	-	-	1,125,608	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,122,272</u>	<u>8,283</u>	<u>1,066,840</u>	<u>1,125,608</u>	<u>564,095</u>	<u>5,572,548</u>
<u>\$ 1,122,272</u>	<u>\$ 8,283</u>	<u>\$ 1,095,163</u>	<u>\$ 1,140,656</u>	<u>\$ 564,095</u>	<u>\$ 5,572,548</u>

CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2019

Special Revenue

	Special Street Maintenance	Sunset Cemetery	CID Sales Tax	State and Federal Grants
Assets				
Cash	\$ 1,695,269	\$ 88,800	\$ 126,421	\$ 10,709
Cash with fiscal agent	-	-	-	-
Investment in joint venture	-	-	-	-
Receivables	-	-	-	-
Loans receivable	-	-	-	-
Intergovernmental receivables	-	-	-	65,103
Sales tax receivable	456,262	-	88,331	-
Transient guest tax receivable	-	-	-	-
Property tax receivable	-	-	-	-
Total Assets	\$ 2,151,531	\$ 88,800	\$ 214,752	\$ 75,812
Liabilities				
Accounts payable	\$ 281,552	\$ -	\$ -	\$ 62,266
Accrued payroll	-	-	-	5,291
Unearned revenue	-	-	-	-
Interfund payable	-	-	-	-
Total Liabilities	281,552	-	-	67,557
Deferred Inflows of Resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - receivables	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance				
Nonspendable - perpetual care	-	-	-	-
Restricted:				
Urban development & housing	-	88,800	214,752	-
General government	-	-	-	-
Capital projects	-	-	-	-
Public safety	-	-	-	9,349
Culture & recreation	-	-	-	6,687
Public works	1,869,979	-	-	-
Debt service	-	-	-	-
Committed - general government	-	-	-	-
Assigned - purchases on order	-	-	-	-
Unassigned	-	-	-	(7,781)
Total Fund Balance	1,869,979	88,800	214,752	8,255
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,151,531	\$ 88,800	\$ 214,752	\$ 75,812

(Continued)

Special Revenue	Debt Service			Permanent	Total
	Downtown Redevelopment Senior Lien TIF Bonds	Combined TDD		Sunrise Cemetery Perpetual Care	Nonmajor Governmental Funds
Total			Total		
\$ 17,251,685	\$ 72,450	\$ 878,105	\$ 950,555	\$ 233,358	\$ 18,435,598
205,774	3,853,956	-	3,853,956	-	4,059,730
131,766	-	-	-	-	131,766
4,469	-	-	-	-	4,469
5,037,083	-	-	-	-	5,037,083
916,327	-	-	-	-	916,327
2,564,558	165,601	76,463	242,064	-	2,806,622
552,893	-	-	-	-	552,893
3,248,350	-	-	-	-	3,248,350
<u>\$ 29,912,905</u>	<u>\$ 4,092,007</u>	<u>\$ 954,568</u>	<u>\$ 5,046,575</u>	<u>\$ 233,358</u>	<u>\$ 35,192,838</u>
\$ 405,975	\$ -	\$ -	\$ -	\$ -	\$ 405,975
7,457	-	-	-	-	7,457
-	-	-	-	-	-
-	-	-	-	-	-
<u>413,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,432</u>
3,248,350	-	-	-	-	3,248,350
5,041,552	-	-	-	-	5,041,552
<u>8,289,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,289,902</u>
-	-	-	-	233,358	233,358
10,435,781	-	-	-	-	10,435,781
1,130,555	-	-	-	-	1,130,555
-	-	-	-	-	-
9,349	-	-	-	-	9,349
6,646,080	-	-	-	-	6,646,080
2,995,587	-	-	-	-	2,995,587
-	4,092,007	954,568	5,046,575	-	5,046,575
-	-	-	-	-	-
-	-	-	-	-	-
(7,781)	-	-	-	-	(7,781)
<u>21,209,571</u>	<u>4,092,007</u>	<u>954,568</u>	<u>5,046,575</u>	<u>233,358</u>	<u>26,489,504</u>
<u>\$ 29,912,905</u>	<u>\$ 4,092,007</u>	<u>\$ 954,568</u>	<u>\$ 5,046,575</u>	<u>\$ 233,358</u>	<u>\$ 35,192,838</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	<u>City/ University Projects</u>	<u>Business Improvement Districts</u>
REVENUES		
Taxes	\$ 557,769	\$ -
Intergovernmental	-	-
Charges for services	-	143,674
Investment income	-	-
Miscellaneous	-	-
Total Revenue	<u>557,769</u>	<u>143,674</u>
EXPENDITURES		
Current		
General government	-	-
Public safety	-	-
Public works	-	-
Urban development and housing	-	143,426
Culture/recreation	-	-
Culture/recreation-payments to Library	-	-
Capital outlay	40,402	-
Debt service		
Principal	-	-
Interest and fiscal charges	-	-
Total Expenditures	<u>40,402</u>	<u>143,426</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>517,367</u>	<u>248</u>
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	-	-
Capital leases	-	-
Sales of capital assets	-	-
Transfers in	145,668	-
Transfers out	(718,356)	-
Total Other Financing Sources (Uses)	<u>(572,688)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(55,321)</u>	<u>248</u>
FUND BALANCE-BEGINNING OF PERIOD	276,246	596
PRIOR PERIOD ADJUSTMENT	-	-
FUND BALANCE-BEGINNING OF PERIOD - RESTATED	<u>276,246</u>	<u>596</u>
FUND BALANCE - END OF PERIOD	<u>\$ 220,925</u>	<u>\$ 844</u>

(Continued)

Special Revenue

Economic Development	Library	Sales Tax	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway
\$ 1,987,442	\$ 3,299,383	\$ 5,902,371	\$ -	\$ -	\$ -
-	-	-	490,660	491,948	2,544,855
-	-	-	-	-	-
128,124	7,466	-	147	14,514	23,566
458,817	-	-	2,493	57,731	146,718
<u>2,574,383</u>	<u>3,306,849</u>	<u>5,902,371</u>	<u>493,300</u>	<u>564,193</u>	<u>2,715,139</u>
-	-	-	490,000	-	-
-	-	-	-	-	-
-	-	-	-	-	34,108
499,191	-	-	-	-	-
-	-	-	-	15,393	-
-	3,175,616	-	-	-	-
-	-	-	-	106,346	2,313,976
-	-	-	-	77,688	-
-	-	-	-	6,628	-
<u>499,191</u>	<u>3,175,616</u>	<u>-</u>	<u>490,000</u>	<u>206,055</u>	<u>2,348,084</u>
<u>2,075,192</u>	<u>131,233</u>	<u>5,902,371</u>	<u>3,300</u>	<u>358,138</u>	<u>367,055</u>
-	-	-	-	-	-
-	-	-	-	205,774	-
-	-	-	-	-	-
-	-	-	-	37,530	-
(1,085,469)	(132,250)	(5,855,000)	-	(316,525)	(316,127)
<u>(1,085,469)</u>	<u>(132,250)</u>	<u>(5,855,000)</u>	<u>-</u>	<u>(73,221)</u>	<u>(316,127)</u>
<u>989,723</u>	<u>(1,017)</u>	<u>47,371</u>	<u>3,300</u>	<u>284,917</u>	<u>50,928</u>
8,356,642	1,022	1,074,901	4,983	781,923	1,074,680
-	-	-	-	-	-
<u>8,356,642</u>	<u>1,022</u>	<u>1,074,901</u>	<u>4,983</u>	<u>781,923</u>	<u>1,074,680</u>
<u>\$ 9,346,365</u>	<u>\$ 5</u>	<u>\$ 1,122,272</u>	<u>\$ 8,283</u>	<u>\$ 1,066,840</u>	<u>\$ 1,125,608</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2019

	Tourism and Convention Promotion	Recreation and Trails Sales Tax
REVENUES		
Taxes	\$ 1,699,542	\$ 3,179,900
Intergovernmental	-	-
Charges for services	-	-
Investment income	-	-
Miscellaneous	-	-
Total Revenue	1,699,542	3,179,900
EXPENDITURES		
Current		
General government	-	-
Public safety	-	-
Public works	-	-
Urban development and housing	1,425,904	-
Culture/recreation	-	-
Culture/recreation-payments to Library	-	-
Capital outlay	-	-
Debt service		
Principal	-	-
Interest and fiscal charges	-	-
Total Expenditures	1,425,904	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	273,638	3,179,900
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	-	-
Capital leases	-	-
Sales of capital assets	-	-
Transfers in	-	-
Transfers out	(321,534)	(110)
Total Other Financing Sources (Uses)	(321,534)	(110)
NET CHANGE IN FUND BALANCES	(47,896)	3,179,790
FUND BALANCE-BEGINNING OF PERIOD	611,991	2,392,758
PRIOR PERIOD ADJUSTMENT	-	-
FUND BALANCE-BEGINNING OF PERIOD - RESTATED	611,991	2,392,758
FUND BALANCE - END OF PERIOD	\$ 564,095	\$ 5,572,548

(Continued)

Special Revenue

Special Street Maintenance	Sunset Cemetery	CID Sales Tax	State and Federal Grants	Flint Hills MPO	Total
\$ 2,493,472	\$ -	\$ 275,746	\$ -	\$ -	\$ 19,395,625
-	-	-	502,678	-	4,030,141
-	-	-	-	-	143,674
-	1,570	-	-	-	175,387
-	-	-	79,455	-	745,214
<u>2,493,472</u>	<u>1,570</u>	<u>275,746</u>	<u>582,133</u>	<u>-</u>	<u>24,490,041</u>
-	259	-	17,280	-	507,539
-	-	-	21,537	-	21,537
2,638,261	-	-	-	-	2,672,369
-	-	60,994	568,489	-	2,698,004
-	-	-	31,813	-	47,206
-	-	-	-	-	3,175,616
-	-	-	1,856	-	2,462,580
-	-	-	-	-	77,688
-	-	-	-	-	6,628
<u>2,638,261</u>	<u>259</u>	<u>60,994</u>	<u>640,975</u>	<u>-</u>	<u>11,669,167</u>
<u>(144,789)</u>	<u>1,311</u>	<u>214,752</u>	<u>(58,842)</u>	<u>-</u>	<u>12,820,874</u>
-	-	-	-	-	-
-	-	-	-	-	205,774
-	-	-	-	-	-
-	-	-	4,100	-	187,298
(178,178)	-	-	(992)	-	(8,924,541)
(178,178)	-	-	3,108	-	(8,531,469)
<u>(322,967)</u>	<u>1,311</u>	<u>214,752</u>	<u>(55,734)</u>	<u>-</u>	<u>4,289,405</u>
2,192,946	-	-	63,989	39,878	16,872,555
-	87,489	-	-	(39,878)	47,611
<u>2,192,946</u>	<u>87,489</u>	<u>-</u>	<u>63,989</u>	<u>-</u>	<u>16,920,166</u>
<u>\$ 1,869,979</u>	<u>\$ 88,800</u>	<u>\$ 214,752</u>	<u>\$ 8,255</u>	<u>\$ -</u>	<u>\$ 21,209,571</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended December 31, 2019

	Debt Service	
	Downtown Redevelopment Senior Lien TIF Bonds	Combined TDD
REVENUES		
Taxes	\$ 8,441,019	\$ 411,115
Intergovernmental	-	-
Charges for services	-	-
Investment income	135,243	12,553
Miscellaneous	-	-
Total Revenue	8,576,262	423,668
EXPENDITURES		
Current		
General government	-	-
Public safety	-	-
Public works	-	-
Urban development and housing	-	-
Culture/recreation	-	-
Culture/recreation-payments to Library	-	-
Capital outlay	-	-
Debt service		
Principal	6,240,000	185,000
Interest and fiscal charges	1,755,391	220,400
Total Expenditures	7,995,391	405,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	580,871	18,268
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	-	-
Capital leases	-	-
Sales of capital assets	-	-
Transfers in	-	-
Transfers out	(258,752)	-
Total Other Financing Sources (Uses)	(258,752)	-
NET CHANGE IN FUND BALANCES	322,119	18,268
FUND BALANCE-BEGINNING OF PERIOD	3,769,888	936,300
PRIOR PERIOD ADJUSTMENT	-	-
FUND BALANCE-BEGINNING OF PERIOD - RESTATED	3,769,888	936,300
FUND BALANCE - END OF PERIOD	\$ 4,092,007	\$ 954,568

(Continued)

<u>Debt Service</u>	<u>Permanent</u>	<u>Total</u>
<u>Total</u>	<u>Sunrise Cemetery</u>	<u>Nonmajor Governmental Funds</u>
\$ 8,852,134	\$ -	\$ 28,247,759
-	-	4,030,141
-	10,050	153,724
147,796	9,285	332,468
-	-	745,214
<u>8,999,930</u>	<u>19,335</u>	<u>33,509,306</u>
-	-	507,539
-	-	21,537
-	-	2,672,369
-	-	2,698,004
-	306	47,512
-	-	3,175,616
-	-	2,462,580
6,425,000	-	6,502,688
1,975,791	-	1,982,419
<u>8,400,791</u>	<u>306</u>	<u>20,070,264</u>
599,139	19,029	13,439,042
-	-	-
-	-	205,774
-	-	-
-	-	187,298
(258,752)	(297,025)	(9,480,318)
<u>(258,752)</u>	<u>(297,025)</u>	<u>(9,087,246)</u>
340,387	(277,996)	4,351,796
4,706,188	511,354	22,090,097
-	-	47,611
<u>4,706,188</u>	<u>511,354</u>	<u>22,137,708</u>
\$ 5,046,575	\$ 233,358	\$ 26,489,504



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Budgetary Schedules Section

**For the Year Ended
December 31, 2019**

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEPARATELY BUDGETED FUNDS INCLUDED WITH THE GENERAL FUND

For The Year Ended December 31, 2019

Employee Benefit Contribution				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,885,000	\$ 1,885,000	\$ 1,873,195	\$ (11,805)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>1,885,000</u>	<u>1,885,000</u>	<u>1,873,195</u>	<u>(11,805)</u>
EXPENDITURES				
Current				
General government	5,590,000	5,590,000	3,865,738	1,724,262
Public safety	-	-	227,857	(227,857)
Public works	-	-	464,632	(464,632)
Urban development and housing	-	-	96,111	(96,111)
Culture/recreation	-	-	830,118	(830,118)
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>5,590,000</u>	<u>5,590,000</u>	<u>5,484,456</u>	<u>105,544</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,705,000)</u>	<u>(3,705,000)</u>	<u>(3,611,261)</u>	<u>93,739</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	3,405,000	3,405,000	3,405,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,405,000</u>	<u>3,405,000</u>	<u>3,405,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>(206,261)</u>	<u>\$ 93,739</u>
FUND BALANCE - BEGINNING OF PERIOD			206,261	
FUND BALANCE - END OF PERIOD			-	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ -</u>	

(Continued)

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEPARATELY BUDGETED FUNDS INCLUDED WITH THE GENERAL FUND
(CONTINUED)

For The Year Ended December 31, 2019

	General Improvement			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	847	847
Miscellaneous	-	-	16,646	16,646
Total Revenue	<u>-</u>	<u>-</u>	<u>17,493</u>	<u>17,493</u>
EXPENDITURES				
Current				
General government	-	-	1,889	(1,889)
Public safety	-	-	-	-
Public works	-	-	29,890	(29,890)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	50,000	50,000	-	50,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>31,779</u>	<u>18,221</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(50,000)</u>	<u>(50,000)</u>	<u>(14,286)</u>	<u>35,714</u>
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	-	-	-	-
Transfers in	48,600	48,600	48,600	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>48,600</u>	<u>48,600</u>	<u>48,600</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,400)</u>	<u>\$ (1,400)</u>	<u>34,314</u>	<u>\$ 35,714</u>
FUND BALANCE - BEGINNING OF PERIOD			39,309	
FUND BALANCE - END OF PERIOD			73,623	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 73,623</u>	

(Continued)

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEPARATELY BUDGETED FUNDS INCLUDED WITH THE GENERAL FUND
(CONTINUED)

For The Year Ended December 31, 2019

	Special Sunset Zoo			
	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	602,500	602,500	477,172	(125,328)
Investment income	150	150	2,559	2,409
Miscellaneous	15,000	15,000	6,540	(8,460)
Total Revenue	<u>617,650</u>	<u>617,650</u>	<u>486,271</u>	<u>(131,379)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	681,250	681,250	517,334	163,916
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>681,250</u>	<u>681,250</u>	<u>517,334</u>	<u>163,916</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(63,600)</u>	<u>(63,600)</u>	<u>(31,063)</u>	<u>32,537</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(26,400)	(26,400)	(26,400)	-
Total Other Financing Sources (Uses)	<u>(26,400)</u>	<u>(26,400)</u>	<u>(26,400)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (90,000)</u>	<u>\$ (90,000)</u>	<u>(57,463)</u>	<u>\$ 32,537</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>103,395</u>	
FUND BALANCE - END OF PERIOD			45,932	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 45,932</u>	

(Continued)

Fire Equipment Reserve				Fire Pension KP&F			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final			Original	Final		
\$ 404,377	\$ 404,377	\$ 402,780	\$ (1,597)	\$ 520,000	\$ 520,000	\$ 522,329	\$ 2,329
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	16	16	-	-	-	-
-	-	-	-	-	-	-	-
404,377	404,377	402,796	(1,581)	520,000	520,000	522,329	2,329
-	-	-	-	-	-	-	-
-	-	-	-	1,100,000	1,100,000	1,098,517	1,483
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,191,914	(1,191,914)	-	-	-	-
328,677	328,677	219,706	108,971	-	-	-	-
75,700	75,700	29,325	46,375	-	-	-	-
404,377	404,377	1,440,945	(1,036,568)	1,100,000	1,100,000	1,098,517	1,483
-	-	(1,038,149)	(1,038,149)	(580,000)	(580,000)	(576,188)	3,812
-	-	1,037,775	1,037,775	-	-	-	-
-	-	-	-	180,000	180,000	180,000	-
-	-	-	-	-	-	-	-
-	-	1,037,775	1,037,775	180,000	180,000	180,000	-
\$ -	\$ -	(374)	\$ (374)	\$ (400,000)	\$ (400,000)	(396,188)	\$ 3,812
		13,591				475,755	
		13,217				79,567	
		-				-	
		\$ 13,217				\$ 79,567	

Industrial Promotion				Park Development			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000	40,000	5,507	(34,493)	-	-	871	871
42,750	42,750	111,859	69,109	-	-	-	-
82,750	82,750	117,369	34,619	-	-	871	871
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
162,750	162,750	124,160	38,590	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	19,000	19,000	-	19,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
162,750	162,750	124,160	38,590	19,000	19,000	-	19,000
(80,000)	(80,000)	(6,791)	73,209	(19,000)	(19,000)	871	19,871
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ (80,000)	\$ (80,000)	(6,791)	\$ 73,209	\$ (19,000)	\$ (19,000)	871	\$ 19,871
		325,845				48,441	
		319,054				49,312	
		-				-	
		\$ 319,054				\$ 49,312	

Risk Management Reserve			
Budgeted Amounts		Actual	Variance with Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
60,000	60,000	30,936	29,064
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
60,000	60,000	30,936	29,064
(60,000)	(60,000)	(30,936)	29,064
60,000	60,000	69,221	9,221
-	-	-	-
60,000	60,000	69,221	9,221
\$ -	\$ -	38,285	\$ 38,285
		63,103	
		101,388	
		-	
		\$ 101,388	

CITY OF MANHATTAN, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
DEBT SERVICE FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
REVENUES				
Taxes	\$ 4,149,539	\$ 4,149,539	\$ 4,095,409	\$ (54,130)
Special assessments	6,760,000	6,760,000	7,048,909	288,909
Investment income	61,769	61,769	21,045	(40,724)
Miscellaneous revenues	6,780,915	6,780,915	640,351	(6,140,564)
Total Revenues	<u>17,752,223</u>	<u>17,752,223</u>	<u>11,805,714</u>	<u>(5,946,509)</u>
EXPENDITURES				
Current				
General government	151,366	151,366	122,902	28,464
Debt service				
Bonds to be issued	3,569,101	3,569,101	-	3,569,101
Principal	12,472,000	12,472,000	10,637,512	1,834,488
Interest and fiscal charges	4,129,450	4,129,450	3,838,754	290,696
Bond issuance costs			320,646	(320,646)
Other	6,240,915	6,240,915	-	6,240,915
Total Expenditures	<u>26,562,832</u>	<u>26,562,832</u>	<u>14,919,814</u>	<u>11,643,018</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,810,609)</u>	<u>(8,810,609)</u>	<u>(3,114,100)</u>	<u>5,696,509</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	270,000	270,000
Premium on refunding bonds	-	-	12,668	12,668
Payment to bond refunding escrow	-	-	(270,000)	(270,000)
Transfers in	3,322,158	3,322,158	2,031,309	(1,290,849)
Transfers out	-	-	(429,550)	(429,550)
Total Other Financing Sources (Uses)	<u>3,322,158</u>	<u>3,322,158</u>	<u>1,614,427</u>	<u>(1,707,731)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (5,488,451)</u>	<u>\$ (5,488,451)</u>	<u>(1,499,673)</u>	<u>\$ 3,988,778</u>
FUND BALANCE-BEGINNING OF YEAR			<u>7,746,663</u>	
FUND BALANCE - END OF YEAR			6,246,990	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE - GAAP BASIS			<u>\$ 6,246,990</u>	

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

City/University Projects				
	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 600,000	\$ 600,000	\$ 557,769	\$ (42,231)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>600,000</u>	<u>600,000</u>	<u>557,769</u>	<u>(42,231)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	50,000	50,000	-	50,000
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	40,402	(40,402)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>40,402</u>	<u>9,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>550,000</u>	<u>550,000</u>	<u>517,367</u>	<u>(32,633)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	135,000	135,000	145,668	10,668
Transfers out	(850,000)	(850,000)	(718,356)	131,644
Total Other Financing Sources (Uses)	<u>(715,000)</u>	<u>(715,000)</u>	<u>(572,688)</u>	<u>142,312</u>
NET CHANGE IN FUND BALANCES	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>	<u>(55,321)</u>	<u>\$ 109,679</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>276,246</u>	
FUND BALANCE - END OF PERIOD			<u>220,925</u>	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 220,925</u>	

(Continued)

Aggieville Business Improvement District				Downtown Business Improvement District			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
71,300	71,300	60,307	(10,993)	91,000	91,000	83,367	(7,633)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
71,300	71,300	60,307	(10,993)	91,000	91,000	83,367	(7,633)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
71,000	71,000	60,307	10,693	88,000	88,000	83,119	4,881
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
71,000	71,000	60,307	10,693	88,000	88,000	83,119	4,881
300	300	-	(300)	3,000	3,000	248	(2,752)
-	-	-	-	-	-	-	-
(2,000)	(2,000)	-	2,000	(3,500)	(3,500)	-	3,500
(2,000)	(2,000)	-	2,000	(3,500)	(3,500)	-	3,500
\$ (1,700)	\$ (1,700)	-	\$ 1,700	\$ (500)	\$ (500)	248	\$ 748
		250				346	
		250				594	
		-				-	
		\$ 250				\$ 594	

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)

For The Year Ended December 31, 2019

Economic Development				
REVENUES	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Taxes	\$ 1,940,000	\$ 1,940,000	\$ 1,987,442	\$ 47,442
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	55,100	55,100	128,124	73,024
Miscellaneous	457,917	457,917	458,817	900
Total Revenue	2,453,017	2,453,017	2,574,383	121,366
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	6,667,647	6,667,647	499,191	6,168,456
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	6,667,647	6,667,647	499,191	6,168,456
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(4,214,630)	(4,214,630)	2,075,192	6,289,822
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,205,370)	(1,205,370)	(1,085,469)	119,901
Total Other Financing Sources (Uses)	(1,205,370)	(1,205,370)	(1,085,469)	119,901
NET CHANGE IN FUND BALANCES	\$ (5,420,000)	\$ (5,420,000)	989,723	\$ 6,409,723
FUND BALANCE - BEGINNING OF PERIOD			8,356,642	
FUND BALANCE - END OF PERIOD			9,346,365	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 9,346,365	

(Continued)

Library				Library Employee Benefit Contribution			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final			Original	Final		
\$ 2,687,800	\$ 2,687,800	\$ 2,657,110	\$ (30,690)	\$ 647,800	\$ 647,800	\$ 642,273	\$ (5,527)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,434	6,434	-	-	1,032	1,032
-	-	-	-	-	-	-	-
2,687,800	2,687,800	2,663,544	(24,256)	647,800	647,800	643,305	(4,495)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,687,800	2,687,800	2,531,798	156,002	647,800	647,800	643,818	3,982
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,687,800	2,687,800	2,531,798	156,002	647,800	647,800	643,818	3,982
-	-	131,746	131,746	-	-	(513)	(513)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(132,250)	(132,250)	-	-	-	-
-	-	(132,250)	(132,250)	-	-	-	-
\$ -	\$ -	(504)	\$ (504)	\$ -	\$ -	(513)	\$ (513)
		508				514	
		4				1	
		-				-	
		\$ 4				\$ 1	

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)

For The Year Ended December 31, 2019

Sales Tax				
	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 5,855,000	\$ 5,855,000	\$ 5,902,371	\$ 47,371
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>5,855,000</u>	<u>5,855,000</u>	<u>5,902,371</u>	<u>47,371</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,855,000</u>	<u>5,855,000</u>	<u>5,902,371</u>	<u>47,371</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(5,855,000)	(5,855,000)	(5,855,000)	-
Total Other Financing Sources (Uses)	<u>(5,855,000)</u>	<u>(5,855,000)</u>	<u>(5,855,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>47,371</u>	<u>\$ 47,371</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,074,901</u>	
FUND BALANCE - END OF PERIOD			1,122,272	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 1,122,272</u>	

(Continued)

Special Alcohol				Special Parks and Recreation			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final			Original	Final		
\$ 480,000	\$ 480,000	\$ -	\$ (480,000)	\$ 482,000	\$ 482,000	\$ -	\$ (482,000)
-	-	490,660	490,660	-	-	491,948	491,948
-	-	-	-	-	-	-	-
300	300	147	(153)	4,300	4,300	14,514	10,214
500	500	2,493	1,993	-	-	57,731	57,731
480,800	480,800	493,300	12,500	486,300	486,300	564,193	77,893
490,800	490,800	490,000	800	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	811,300	811,300	-	811,300
-	-	-	-	-	-	15,393	(15,393)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	106,346	(106,346)
-	-	-	-	-	-	77,688	(77,688)
-	-	-	-	-	-	6,628	(6,628)
490,800	490,800	490,000	800	811,300	811,300	206,055	605,245
(10,000)	(10,000)	3,300	13,300	(325,000)	(325,000)	358,138	683,138
-	-	-	-	-	-	205,774	205,774
-	-	-	-	-	-	37,530	37,530
-	-	-	-	(270,000)	(270,000)	(316,525)	(46,525)
-	-	-	-	(270,000)	(270,000)	(73,221)	196,779
\$ (10,000)	\$ (10,000)	3,300	\$ 13,300	\$ (595,000)	\$ (595,000)	284,917	\$ 879,917
		4,983				781,923	
		8,283				1,066,840	
		-				-	
		\$ 8,283				\$ 1,066,840	

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)

For The Year Ended December 31, 2019

	Special Street and Highway			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,658,000	1,658,000	2,544,855	886,855
Charges for services	-	-	-	-
Investment income	2,500	2,500	23,566	21,066
Miscellaneous	-	-	146,718	146,718
Total Revenue	<u>1,660,500</u>	<u>1,660,500</u>	<u>2,715,139</u>	<u>1,054,639</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	204,800	204,800	34,108	170,692
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	1,234,150	1,234,150	2,313,976	(1,079,826)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,438,950</u>	<u>1,438,950</u>	<u>2,348,084</u>	<u>(909,134)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	<u>221,550</u>	<u>221,550</u>	<u>367,055</u>	<u>145,505</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(221,550)	(221,550)	(316,127)	(94,577)
Total Other Financing Sources (Uses)	<u>(221,550)</u>	<u>(221,550)</u>	<u>(316,127)</u>	<u>(94,577)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>50,928</u>	<u>\$ 50,928</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,074,680</u>	
FUND BALANCE - END OF PERIOD			<u>1,125,608</u>	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 1,125,608</u>	

(Continued)

Tourism and Convention Promotion				Recreation and Trails Sales Tax			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final			Original	Final		
\$ 1,840,000	\$ 1,840,000	\$ 1,699,542	\$ (140,458)	\$ 3,000,000	\$ 3,000,000	\$ 3,179,900	\$ 179,900
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,840,000	1,840,000	1,699,542	(140,458)	3,000,000	3,000,000	3,179,900	179,900
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,518,466	1,518,466	1,425,904	92,562	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,518,466	1,518,466	1,425,904	92,562	-	-	-	-
321,534	321,534	273,638	(47,896)	3,000,000	3,000,000	3,179,900	179,900
-	-	-	-	-	-	-	-
(321,534)	(321,534)	(321,534)	-	(4,750,000)	(4,750,000)	(110)	4,749,890
(321,534)	(321,534)	(321,534)	-	(4,750,000)	(4,750,000)	(110)	4,749,890
\$ -	\$ -	(47,896)	\$ (47,896)	\$ (1,750,000)	\$ (1,750,000)	3,179,790	\$ 4,929,790
		611,991				2,392,758	
		564,095				5,572,548	
		-				-	
		\$ 564,095				\$ 5,572,548	

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)

For The Year Ended December 31, 2019

	Special Street Maintenance			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 2,200,000	\$ 2,200,000	\$ 2,493,472	\$ 293,472
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,493,472</u>	<u>293,472</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	2,638,261	(2,638,261)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	2,024,200	2,024,200	-	2,024,200
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,024,200</u>	<u>2,024,200</u>	<u>2,638,261</u>	<u>(614,061)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>175,800</u>	<u>175,800</u>	<u>(144,789)</u>	<u>(320,589)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(175,800)	(175,800)	(178,178)	(2,378)
Total Other Financing Sources (Uses)	<u>(175,800)</u>	<u>(175,800)</u>	<u>(178,178)</u>	<u>(2,378)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>(322,967)</u>	<u>\$ (322,967)</u>
FUND BALANCE - BEGINNING OF PERIOD			2,192,946	
FUND BALANCE - END OF PERIOD			1,869,979	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 1,869,979</u>	

(Continued)

Downtown Redevelopment Senior Lien TIF Bonds

Budgeted Amounts		Actual	Variance with
Original	Final		Final Budget
\$ 3,145,000	\$ 3,145,000	\$ 8,441,019	\$ 5,296,019
-	-	-	-
-	-	-	-
-	-	135,243	135,243
-	-	-	-
3,145,000	3,145,000	8,576,262	5,431,262
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,215,000	3,215,000	6,240,000	(3,025,000)
-	-	1,755,391	(1,755,391)
3,215,000	3,215,000	7,995,391	(4,780,391)
(70,000)	(70,000)	580,871	650,871
-	-	-	-
-	-	-	-
-	-	(258,752)	(258,752)
-	-	(258,752)	(258,752)
\$ (70,000)	\$ (70,000)	322,119	\$ 392,119
		3,769,888	
		4,092,007	
		-	
		\$ 4,092,007	



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Internal Service Funds

**For the Year Ended
December 31, 2019**

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services performed by one government organization or department for others. The City uses the funds to purchase and account for photocopy and motor pool supplies, employee health care and workers' compensation.

Motor Pool Fund

This fund serves as a central clearinghouse for the City garage. All fuel, oil, motor vehicle parts, supplies and tools are paid from this fund.

Health Care Fund

This fund serves as the central clearinghouse for all City, Library, and Housing Authority employee health care costs under the City's partially self-funded program.

Workers' Compensation Fund

The City has a partially self-funded workers' compensation program. All claims and administrative expenses are paid from this fund and money is transferred from the budgeted funds.

Photocopy Services Fund

This fund serves as the central clearinghouse for all photocopy related expenses.

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
December 31, 2019

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers'</u> <u>Compensation</u>	<u>Photocopy</u> <u>Services</u>	<u>Total</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ 1,633,077	\$ 1,380,097	\$ 7,351	\$ 3,020,525
Accounts receivable	-	52,771	-	-	52,771
Inventories	30,615	-	-	1,046	31,661
Total Current Assets	<u>30,615</u>	<u>1,685,848</u>	<u>1,380,097</u>	<u>8,397</u>	<u>3,104,957</u>
Capital Assets					
Equipment and improvements	-	19,673	-	-	19,673
Less accumulated depreciation	-	(19,673)	-	-	(19,673)
Net Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>30,615</u>	<u>1,685,848</u>	<u>1,380,097</u>	<u>8,397</u>	<u>3,104,957</u>
LIABILITIES					
Current Liabilities					
Accounts payable	76,050	21,802	-	5,288	103,140
Interfund payable	18,714	-	-	-	18,714
Estimated insurance claims payable	-	1,273,340	405,417	-	1,678,757
TOTAL LIABILITIES	<u>94,764</u>	<u>1,295,142</u>	<u>405,417</u>	<u>5,288</u>	<u>1,800,611</u>
NET POSITION					
Unrestricted	(64,149)	390,706	974,680	3,109	1,304,346
TOTAL NET POSITION	<u>\$ (64,149)</u>	<u>\$ 390,706</u>	<u>\$ 974,680</u>	<u>\$ 3,109</u>	<u>\$ 1,304,346</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2019

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers'</u> <u>Compensation</u>	<u>Photocopy</u> <u>Services</u>	<u>Total</u>
OPERATING REVENUES					
Service charges	\$ 43,824	\$ 7,674,954	\$ -	\$ 57,613	\$ 7,776,391
Miscellaneous	75	59,284	503	-	59,862
Total Operating Revenues	<u>43,899</u>	<u>7,734,238</u>	<u>503</u>	<u>57,613</u>	<u>7,836,253</u>
 OPERATING EXPENSES					
Commodities	32,693	-	-	5,458	38,151
Contractual services	10,705	8,789,030	369,077	51,730	9,220,542
Total Operating Expenses	<u>43,398</u>	<u>8,789,030</u>	<u>369,077</u>	<u>57,188</u>	<u>9,258,693</u>
OPERATING INCOME (LOSS)	<u>501</u>	<u>(1,054,792)</u>	<u>(368,574)</u>	<u>425</u>	<u>(1,422,440)</u>
 NON-OPERATING REVENUE					
Investment income	-	36,545	26,341	-	62,886
INCOME (LOSS) BEFORE TRANSFERS	<u>501</u>	<u>(1,018,247)</u>	<u>(342,233)</u>	<u>425</u>	<u>(1,359,554)</u>
Transfers in	-	-	270,000	-	270,000
Transfers (out)	-	-	-	-	-
CHANGE IN NET POSITION	<u>501</u>	<u>(1,018,247)</u>	<u>(72,233)</u>	<u>425</u>	<u>(1,089,554)</u>
TOTAL NET POSITION - BEGINNING	<u>(64,650)</u>	<u>1,408,953</u>	<u>1,046,913</u>	<u>2,684</u>	<u>2,393,900</u>
TOTAL NET POSITION - ENDING	<u>\$ (64,149)</u>	<u>\$ 390,706</u>	<u>\$ 974,680</u>	<u>\$ 3,109</u>	<u>\$ 1,304,346</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2019

	Motor Pool	Health Care	Workers' Compensation	Photocopy Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 43,899	\$ 7,822,994	\$ 503	\$ 57,613	\$ 7,925,009
Payments to suppliers	(34,770)	(7,945,462)	(303,988)	(62,014)	(8,346,234)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>9,129</u>	<u>(122,468)</u>	<u>(303,485)</u>	<u>(4,401)</u>	<u>(421,225)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from other funds	-	-	270,000	-	270,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	-	36,545	26,341	-	62,886
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>9,129</u>	<u>(85,923)</u>	<u>(7,144)</u>	<u>(4,401)</u>	<u>(88,339)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>(9,129)</u>	<u>1,719,000</u>	<u>1,387,241</u>	<u>11,752</u>	<u>3,108,864</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 1,633,077</u>	<u>\$ 1,380,097</u>	<u>\$ 7,351</u>	<u>\$ 3,020,525</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 501	\$ (1,054,792)	\$ (368,574)	\$ 425	\$ (1,422,440)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	-	-	-	-	-
(Increase) decrease in receivables	-	88,756	-	-	88,756
(Increase) decrease in inventory	7,653	-	-	(424)	7,229
Increase (decrease) in interfund payable	18,714	-	-	-	18,714
Increase (decrease) in accounts payable and accrued expenses	(17,739)	843,568	65,089	(4,402)	886,516
Total Adjustments	<u>8,628</u>	<u>932,324</u>	<u>65,089</u>	<u>(4,826)</u>	<u>1,001,215</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 9,129</u>	<u>\$ (122,468)</u>	<u>\$ (303,485)</u>	<u>\$ (4,401)</u>	<u>\$ (421,225)</u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Statistical Section

**For the Year Ended
December 31, 2019**

STATISTICAL SECTION

This part of the City of Manhattan'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 says about the City's overall financial health.

Contents	Page
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.	130
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales tax.	139
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.	150
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.	157
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 government provides and the activities it performs.	159

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

CITY OF MANHATTAN, KANSAS

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 4,933,739	\$ 11,604,164	\$ (7,750,318)	\$ 17,482,048
Restricted	115,871,934	110,959,126	117,628,046	81,794,527
Unrestricted	(27,721,787)	(18,098,318)	3,904,246	11,065,220
Total governmental activities Net Position	<u>\$ 93,083,886</u>	<u>\$ 104,464,972</u>	<u>\$ 113,781,974</u>	<u>\$ 110,341,795</u>
Business-type activities				
Net investment in capital assets	\$ 79,402,336	\$ 79,345,330	\$ 87,379,688	\$ 88,798,571
Restricted	-	-	-	-
Unrestricted	10,716,663	10,986,068	2,633,077	3,436,268
Total business-type activities Net Position	<u>\$ 90,118,999</u>	<u>\$ 90,331,398</u>	<u>\$ 90,012,765</u>	<u>\$ 92,234,839</u>
Primary government				
Net investment in capital assets	\$ 84,336,075	\$ 90,949,494	\$ 79,629,370	\$ 106,280,619
Restricted	115,871,934	110,959,126	117,628,046	81,794,527
Unrestricted	(17,005,124)	(7,112,250)	6,537,323	14,501,488
Total primary government Net Position	<u>\$ 183,202,885</u>	<u>\$ 194,796,370</u>	<u>\$ 203,794,739</u>	<u>\$ 202,576,634</u>

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 22,478,602	\$ 15,153,617	\$ 20,803,629	\$ 37,942,390	\$ 57,166,499	\$ 43,228,374
87,708,105	104,518,014	112,486,099	105,323,230	100,169,248	44,397,630
10,109,991	(8,104,652)	(9,171,110)	(11,806,406)	(9,248,223)	73,257,800
<u>\$ 120,296,698</u>	<u>\$ 111,566,979</u>	<u>\$ 124,118,618</u>	<u>\$ 131,459,214</u>	<u>\$ 148,087,524</u>	<u>\$ 160,883,804</u>
\$ 95,208,986	\$ 101,071,661	\$ 110,296,275	\$ 115,893,744	\$ 116,897,628	\$ 121,429,692
-	-	-	-	-	-
6,209,185	(37,872)	(4,012,674)	(7,875,942)	(1,700,482)	2,359,971
<u>\$ 101,418,171</u>	<u>\$ 101,033,789</u>	<u>\$ 106,283,601</u>	<u>\$ 108,017,802</u>	<u>\$ 115,197,146</u>	<u>\$ 123,789,663</u>
\$ 117,687,588	\$ 116,225,278	\$ 131,099,904	\$ 153,836,134	\$ 174,064,127	\$ 164,658,066
87,708,105	104,518,014	112,486,099	105,323,230	100,169,248	44,397,630
16,319,176	(8,142,524)	(13,183,784)	(19,682,348)	(10,948,705)	75,617,771
<u>\$ 221,714,869</u>	<u>\$ 212,600,768</u>	<u>\$ 230,402,219</u>	<u>\$ 239,477,016</u>	<u>\$ 263,284,670</u>	<u>\$ 284,673,467</u>

CITY OF MANHATTAN, KANSAS

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 20,972,740	\$ 12,783,282	\$ 14,150,646	\$ 12,184,815
Public safety	17,638,865	18,221,529	20,038,497	21,870,430
Public works	8,833,653	8,820,381	9,611,675	9,855,929
Urban development and housing	3,805,938	3,668,229	3,831,509	4,246,269
Culture and recreation	5,672,709	6,350,056	7,954,509	8,898,223
Culture and recreation (payments to Library)	2,419,344	2,439,394	2,481,954	2,710,583
Interest on long-term debt	7,748,900	8,240,975	8,103,115	7,368,568
Total governmental activities expenses	67,092,149	60,523,846	66,171,905	67,134,817
Business-type activities:				
Water	7,203,256	8,068,281	7,828,021	7,486,394
Wastewater	5,710,774	6,258,103	6,502,206	7,783,979
Storm water management	869,211	1,111,373	1,127,681	1,001,630
Total business-type activities expenses	13,783,241	15,437,757	15,457,908	16,272,003
Total primary government expenses	\$ 80,875,390	\$ 75,961,603	\$ 81,629,813	\$ 83,406,820
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 5,131,309	\$ 5,073,680	\$ 2,881,010	\$ 2,801,355
Public safety	909,505	711,309	547,626	629,877
Public works	178,967	108,039	86,761	226,856
Urban development and housing	103,065	108,209	127,966	126,973
Culture and recreation	1,165,866	1,281,595	1,897,490	1,828,343
Operating grants and contributions	4,494,839	4,586,011	3,667,084	4,066,771
Capital grants and contributions	11,975,164	4,248,884	5,597,801	2,186,597
Total governmental activities program revenues	23,958,715	16,117,727	14,805,738	11,866,772
Business-type activities:				
Charges for services:				
Water	6,898,082	8,057,214	9,639,695	8,331,963
Wastewater	6,148,740	7,621,553	8,859,560	8,957,234
Storm water management	1,284,632	1,354,542	1,471,039	1,549,749
Operating grants and contributions	-	-	-	-
Capital grants and contributions	780,026	80,000	-	-
Total business-type activities program revenues	15,111,480	17,113,309	19,970,294	18,838,946
Total primary government program revenues	\$ 39,070,195	\$ 33,231,036	\$ 34,776,032	\$ 30,705,718
Net (expense)/revenue				
Governmental activities	\$ (43,133,434)	\$ (44,406,119)	\$ (51,366,167)	\$ (55,268,045)
Business-type activities	1,328,239	1,675,552	4,512,386	2,566,943
Total primary government net expense	\$ (41,805,195)	\$ (42,730,567)	\$ (46,853,781)	\$ (52,701,102)

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 11,875,764	\$ 13,303,797	\$ 14,881,392	\$ 15,369,275	\$ 15,317,764	\$ 16,910,290
21,882,904	24,016,656	23,944,176	25,386,999	25,027,060	26,035,561
10,836,220	10,673,143	11,208,494	11,251,329	13,345,811	14,503,573
4,866,173	3,830,335	3,709,900	3,328,870	4,420,801	3,503,009
9,304,434	10,273,507	10,520,660	10,971,984	11,624,634	11,079,958
2,758,804	2,903,361	2,935,903	3,061,813	3,114,184	3,175,616
7,112,471	7,012,106	7,574,049	7,128,980	6,645,379	6,773,123
68,636,770	72,012,905	74,774,574	76,499,250	79,495,633	81,981,130
8,080,052	7,861,973	8,086,542	8,973,382	9,170,427	9,741,586
8,994,204	7,649,478	8,210,933	8,250,515	8,910,992	8,240,083
1,092,027	1,122,262	1,219,045	1,674,389	1,864,030	1,813,706
18,166,283	16,633,713	17,516,520	18,898,286	19,945,449	19,795,375
\$ 86,803,053	\$ 88,646,618	\$ 92,291,094	\$ 95,397,536	\$ 99,441,082	\$ 101,776,505
\$ 2,927,581	\$ 2,968,749	\$ 3,022,281	\$ 3,046,897	\$ 3,057,784	\$ 3,016,544
678,543	651,670	750,769	558,026	512,507	575,131
219,547	129,254	385,735	70,981	610,768	476,757
133,669	144,190	159,778	144,106	165,443	408,459
2,161,901	1,967,670	2,531,162	2,275,533	2,499,610	2,546,516
3,926,624	4,226,572	3,408,120	3,353,714	3,773,771	3,328,159
18,102,297	7,435,992	13,401,984	5,358,486	18,159,186	15,184,495
28,150,162	17,524,097	23,659,829	14,807,743	28,779,069	25,536,061
9,025,858	9,374,774	10,176,576	10,808,239	10,721,533	10,218,726
9,191,695	9,645,758	9,885,370	10,273,901	10,035,169	10,411,754
1,610,773	1,691,371	1,727,191	1,864,770	2,027,065	2,516,881
-	-	-	-	-	-
19,828,326	20,711,903	21,789,137	22,946,910	22,783,767	23,147,361
\$ 47,978,488	\$ 38,236,000	\$ 45,448,966	\$ 37,754,653	\$ 51,562,836	\$ 48,683,422
\$ (40,486,608)	\$ (54,488,808)	\$ (51,114,745)	\$ (61,691,507)	\$ (50,716,564)	\$ (56,445,069)
1,662,043	4,078,190	4,272,617	4,048,624	2,838,318	3,351,986
\$ (38,824,565)	\$ (50,410,618)	\$ (46,842,128)	\$ (57,642,883)	\$ (47,878,246)	\$ (53,093,083)

CITY OF MANHATTAN, KANSAS
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 16,619,713	\$ 17,541,340	\$ 18,247,779	\$ 20,102,584
Property taxes, levied for debt service	939,686	2,442,504	2,583,453	2,725,834
Franchise taxes	3,216,639	3,279,897	3,329,606	3,571,175
Sales taxes	19,823,920	27,194,560	26,653,421	24,902,090
Transient guest taxes	976,839	1,035,636	1,172,953	1,242,054
Unrestricted grants and contributions	393,862	408,281	880,440	1,479,566
Investment earnings	180,576	185,320	711,726	105,672
Miscellaneous	1,152,817	1,982,385	1,994,784	2,095,510
Transfers	(6,020,007)	1,717,282	1,820,836	856,597
Gain on sales of capital assets	-	-	-	-
Total governmental activities	37,284,045	55,787,205	57,394,998	57,081,082
Business-type activities:				
Investment earnings	27,991	33,182	35,617	8,001
Miscellaneous	297,653	220,947	242,371	503,727
Transfers	6,020,007	(1,717,282)	(1,820,836)	(856,597)
Total business-type activities	6,345,651	(1,463,153)	(1,542,848)	(344,869)
Total primary government	\$ 43,629,696	\$ 54,324,052	\$ 55,852,150	\$ 56,736,213
Change in Net Position				
Governmental activities	\$ (5,849,389)	\$ 11,381,086	\$ 6,028,831	\$ 1,813,037
Business-type activities	7,673,890	212,399	2,969,538	2,222,074
Total primary government	\$ 1,824,501	\$ 11,593,485	\$ 8,998,369	\$ 4,035,111

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 21,794,957	\$ 22,821,549	\$ 26,671,105	\$ 30,026,900	\$ 31,103,915	\$ 29,362,667
2,089,846	2,448,114	3,003,296	2,355,563	2,796,007	3,023,652
3,845,886	3,662,022	3,728,027	3,702,504	3,755,173	3,637,274
26,895,621	26,797,630	27,786,733	26,852,223	27,803,821	30,906,060
1,336,815	1,516,102	1,536,416	1,580,364	1,962,504	1,879,542
488,471	478,102	478,150	454,166	484,028	490,660
373,923	23,023	300,749	197,813	388,817	901,575
729,315	1,197,877	740,592	1,013,450	1,701,877	2,787,371
(7,113,323)	2,554,154	(578,684)	2,759,428	(3,761,889)	(4,666,101)
-	-	-	-	-	725,937
50,441,511	61,498,573	63,666,384	68,942,411	66,234,253	69,048,637
18,830	21,960	48,734	73,882	147,319	234,475
389,136	363,504	349,777	371,123	431,818	339,955
7,113,323	(2,554,154)	578,684	(2,759,428)	3,761,889	4,666,101
7,521,289	(2,168,690)	977,195	(2,314,423)	4,341,026	5,240,531
\$ 57,962,800	\$ 59,329,883	\$ 64,643,579	\$ 66,627,988	\$ 70,575,279	\$ 74,289,168
\$ 9,954,903	\$ 7,009,765	\$ 12,551,639	\$ 7,250,904	\$ 15,517,689	\$ 12,603,568
9,183,332	1,909,500	5,249,812	1,734,201	7,179,344	8,592,517
\$ 19,138,235	\$ 8,919,265	\$ 17,801,451	\$ 8,985,105	\$ 22,697,033	\$ 21,196,085

CITY OF MANHATTAN, KANSAS
Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year		Fiscal Year									
2010											
		2011	2012	2013	2014	2015	2016	2017	2018	2019	
General fund											General fund
Reserved	\$ 179,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Nonspendable
Unreserved	5,024,683	1,555,085	1,799,177	1,573,139	1,696,660	1,900,129	2,698,680	2,173,044	1,303,743	1,153,739	Restricted
Total general fund	<u>\$ 5,204,049</u>	-	-	-	-	-	-	-	-	-	Committed
		2,358,505	2,645,765	2,084,997	2,023,100	2,073,337	67,945	129,023	-	-	Assigned
All other governmental funds		1,224,557	39,152	354,488	573,403	(144,413)	788,329	958,513	3,088,115	4,721,370	Unassigned
Reserved	\$ 3,785,479	\$ 5,138,147	\$ 4,484,094	\$ 4,012,624	\$ 4,293,163	\$ 3,829,053	\$ 3,554,954	\$ 3,260,580	\$ 4,391,858	\$ 5,875,109	Total general fund
Unreserved, reported in:											
Special revenue funds	14,547,330	442,420	453,499	463,401	469,235	479,857	482,105	495,336	511,353	233,358	All other governmental funds
Debt service funds	15,306,276	26,877,922	31,327,467	25,824,272	36,005,251	53,939,156	62,958,652	60,941,391	47,976,736	45,062,596	Nonspendable
Capital projects funds	18,073,855	54,977	57,936	54,677	100,226	26,425	100,785	165,296	339,349	-	Restricted
Total all other governmental funds	<u>\$ 51,712,940</u>	8,462,306	12,655,430	15,063,270	7,957,147	8,514,095	892,909	-	-	-	Committed
		(14,391)	-	-	(232,595)	(24,191)	(464,500)	(4,617)	(31,646)	(7,781)	Assigned
											Unassigned
		\$ 35,823,234	\$ 44,494,332	\$ 41,405,620	\$ 44,299,264	\$ 62,935,342	\$ 63,969,951	\$ 61,597,406	\$ 48,795,792	\$ 45,288,173	Total all other governmental funds

NOTE: Due to the City's implementation of GASB Statement No. 54 in 2011, only nine years of information is available in the new format.

CITY OF MANHATTAN, KANSAS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 41,576,796	\$ 51,493,936	\$ 51,992,408	\$ 52,543,737
Special assessments	6,045,853	6,634,031	6,908,756	6,601,450
Licenses and permits	1,013,462	824,265	662,517	736,026
Intergovernmental revenues	8,946,214	6,203,331	7,542,013	6,342,587
Charges for services	4,048,310	4,188,845	2,715,993	2,595,552
Fines and forfeitures	1,473,418	1,507,722	1,694,334	1,461,807
Investment income	169,013	174,483	684,688	309,980
Miscellaneous revenues	1,373,777	2,399,167	2,660,000	2,592,512
Total revenues	64,646,843	73,425,780	74,860,709	73,183,651
Expenditures				
General government	11,519,118	10,268,174	10,743,369	9,814,354
Public safety	17,468,437	17,939,802	19,446,303	20,956,458
Public works	4,157,760	3,981,450	4,218,770	4,049,467
Urban development and housing	3,778,991	3,647,493	3,506,316	3,943,368
Culture/recreation	4,916,228	5,364,066	6,243,829	6,913,056
Culture/recreation-payments to Library	2,419,344	2,439,394	2,481,954	2,620,658
Capital outlay	33,561,639	56,571,545	20,298,332	14,907,497
Debt service				
Principal	11,356,963	16,879,662	14,647,648	14,845,930
Bond issuance costs	397,910	191,318	419,151	167,325
Interest and fiscal charges	7,696,664	8,270,760	7,600,910	7,521,046
Refunding costs	-	-	-	-
Total expenditures	97,273,054	125,553,664	89,606,582	85,739,159
Excess of revenues over (under) expenditures	(32,626,211)	(52,127,884)	(14,745,873)	(12,555,508)
Other financing sources (uses)				
General obligation bonds issued	15,640,000	8,290,000	14,350,000	5,305,000
Premium on general obligation bonds	343,748	183,103	738,219	500,825
Proceeds from sales of capital assets	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Special obligation bonds issued	5,610,000	-	-	-
Discount on special obligation bonds	(174,704)	-	-	-
Temporary notes issued	15,460,000	28,475,000	7,265,000	14,735,000
Temporary notes retired	(22,640,000)	(8,825,000)	(11,385,000)	(13,420,000)
Transportation revolving fund loan	-	-	-	-
Capital leases	33,335	1,053,802	443,597	56,384
Transfers in	11,344,279	19,110,266	13,919,505	15,851,315
Transfers out	(11,429,507)	(14,971,014)	(11,272,654)	(13,077,801)
Land sales	-	-	-	-
Insurance recoveries	175,019	-	-	-
Refunding bonds issued	-	2,790,000	4,895,000	-
Premium on refunding bonds	-	66,119	521,080	-
Refunding special obligation bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	14,362,170	36,172,276	19,474,747	9,950,723
Net change in fund balances	\$ (18,264,041)	\$ (15,955,608)	\$ 4,728,874	\$ (2,604,785)
Debt service as a percentage of noncapital expenditures	31.4%	32.7%	31.1%	31.0%

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 55,963,123	\$ 57,245,417	\$ 62,725,576	\$ 64,517,555	\$ 67,421,419	\$ 68,719,195
6,423,571	6,423,035	6,502,769	6,892,085	7,507,901	7,487,741
669,088	688,324	781,313	583,770	515,092	592,783
14,142,519	7,910,181	8,963,061	7,179,108	5,849,869	6,922,984
3,447,684	3,397,834	3,991,901	3,557,776	4,318,771	4,162,301
1,520,408	1,395,059	1,586,113	1,473,458	1,399,950	1,282,693
369,467	15,447	287,371	178,277	351,173	502,744
2,310,729	2,437,227	2,497,104	1,832,782	2,343,626	2,409,964
84,846,589	79,512,524	87,335,208	86,214,812	89,707,801	92,080,405
10,376,834	10,843,137	12,030,741	12,268,918	12,703,746	12,881,258
21,414,073	22,980,982	24,339,265	24,281,854	24,028,318	25,239,775
4,767,198	4,210,621	4,790,370	4,592,146	6,324,392	7,426,865
4,578,877	3,439,663	3,440,261	3,205,836	4,300,921	3,527,319
7,418,491	8,094,979	8,537,445	8,716,617	9,145,366	9,064,276
2,708,169	2,756,181	2,907,615	2,990,500	3,053,743	3,175,616
28,418,348	20,900,705	25,560,489	18,842,377	19,344,081	29,678,342
15,574,605	18,512,788	23,408,250	34,797,151	44,769,505	34,250,702
657,434	449,799	549,015	459,434	338,234	448,325
7,486,127	7,621,319	7,179,688	6,736,870	6,463,009	6,501,308
-	-	-	-	-	-
103,400,156	99,810,174	112,743,139	116,891,703	130,471,315	132,193,786
(18,553,567)	(20,297,650)	(25,407,931)	(30,676,891)	(40,763,514)	(40,113,381)
23,085,000	10,280,000	20,115,000	10,115,000	15,250,000	12,790,000
447,854	1,042,461	2,468,854	1,186,355	1,723,353	1,119,823
14,189	-	-	-	181,570	799,729
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,970,000	27,215,000	25,330,000	9,220,000	4,535,000	13,960,000
(19,970,000)	(3,635,000)	(9,445,000)	-	-	-
-	-	-	-	-	-
398,605	577,825	1,229,128	39,257	1,402,320	1,447,611
14,009,272	18,153,584	12,341,019	19,280,171	18,149,066	18,805,152
(11,227,170)	(15,164,252)	(9,464,446)	(11,413,424)	(12,148,131)	(10,705,536)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(16,406,114)	(507,080)	-	(270,000)
21,727,750	38,469,618	26,168,441	27,920,279	29,093,178	37,946,779
\$ 3,174,183	\$ 18,171,968	\$ 760,510	\$ (2,756,612)	\$ (11,670,336)	\$ (2,166,602)
27.1%	32.2%	33.7%	40.2%	42.2%	35.9%

CITY OF MANHATTAN, KANSAS
Tax Revenues by Source, Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Transient Guest Tax	Total
2010	17,559,399	19,823,920	3,216,639	976,839	41,576,797
2011	19,983,844	27,194,560	3,279,897	1,035,636	51,493,937
2012	20,831,232	26,653,421	3,329,606	1,172,953	51,987,212
2013	22,828,418	24,902,090	3,571,175	1,242,054	52,543,737
2014	23,884,803	26,895,621	3,845,886	1,336,815	55,963,125
2015	25,269,663	26,797,630	3,662,022	1,516,102	57,245,417
2016	29,674,401	27,786,733	3,728,027	1,536,416	62,725,577
2017	32,382,463	26,852,223	3,702,504	1,580,364	64,517,554
2018	33,899,921	27,803,821	3,755,173	1,962,504	67,421,419
2019	32,386,319	30,906,060	3,637,274	1,879,542	68,809,195

CITY OF MANHATTAN, KANSAS
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	REAL		PERSONAL		UTILITIES	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$406,989,077	\$2,986,485,074	\$ 14,200,634	\$ 63,678,519	\$ 10,655,599	\$ 32,289,694
2011	413,087,980	3,029,945,127	12,624,975	56,687,231	10,789,293	32,694,827
2012	426,359,106	3,216,392,575	11,373,002	49,322,708	11,344,925	34,378,561
2013	440,075,747	3,349,740,850	10,562,955	48,883,363	12,343,351	37,404,094
2014	461,230,951	3,474,962,883	10,365,196	43,182,777	13,543,233	41,040,100
2015	478,344,105	4,854,407,500	7,980,226	35,560,133	14,359,041	43,512,245
2016	497,836,343	5,017,538,169	6,943,650	34,297,855	15,900,217	48,182,476
2017	514,992,295	5,176,618,672	6,661,219	28,399,909	16,579,402	50,240,612
2018	537,579,254	5,273,583,913	5,437,976	23,166,026	16,999,512	51,513,673
2019	551,802,033	5,312,493,639	5,286,887	20,408,200	18,049,806	54,696,382

The numbers above do not include incremental valuation or actual incremental value of the tax increment financing district.

Residential real estate is assessed at 11.5% of its fair market value, commercial property at 25%, and all other property at rates between 12% and 33%.

Source: Riley and Pottawatomie County Clerks' Offices

Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Assessed Value as a Percentage of Actual Value
\$431,845,310	\$ 37.289	\$ 3,082,453,287	14.01%
436,502,248	41.917	3,119,327,185	13.99%
449,077,033	42.156	3,300,093,844	13.61%
462,982,053	43.439	3,436,028,307	13.47%
485,139,380	43.424	3,559,185,760	13.63%
500,683,372	43.963	4,933,479,878	10.15%
520,680,210	46.951	5,100,018,500	10.21%
538,232,916	48.023	5,255,259,193	10.24%
560,016,742	48.357	5,348,263,612	10.47%
575,138,726	49.355	5,387,598,221	10.68%

CITY OF MANHATTAN, KANSAS
City Mill Rates
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Fund Levies In Mills</u>										
General Operating	2.721	2.692	2.445	2.372	3.669	3.936	4.146	5.356	5.817	6.570
Bond & Interest	2.096	5.497	5.409	5.412	3.881	4.108	4.719	4.006	4.688	4.939
Employment Benefit Contribution	0.737	1.439	1.533	1.487	2.039	2.529	2.761	3.053	2.830	3.058
Fire Equipment Reserve	0.116	0.115	0.111	0.108	0.451	0.266	0.250	0.720	0.454	0.668
Fire Pension KP&F	0.347	0.172	0.167	0.162	1.069	1.263	1.309	1.574	1.573	0.786
General Improvement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Industrial Promotion	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Library	4.247	4.175	4.238	4.309	4.215	4.098	4.120	4.107	4.291	4.319
Library-Employee Benefit Contribution	0.932	0.916	0.891	0.932	0.941	0.977	1.078	1.037	0.999	1.046
Park Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Riley County Health Department	0.531	0.612	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Riley County Police Department	25.562	26.299	27.362	28.657	27.159	26.786	28.568	28.170	27.705	27.969
TOTAL: City Mill Rate	37.289	41.917	42.156	43.439	43.424	43.963	46.951	48.023	48.357	49.355

One mill is \$1 of property tax for each \$1,000 of assessed valuation.

CITY OF MANHATTAN, KANSAS
Direct and Overlapping Property Tax Rates
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Manhattan City</u>	<u>Riley County</u>	<u>Pottawatomie County</u>	<u>School Dist. 383</u>
2010	37.289	31.268	26.137	47.847
2011	41.917	32.281	25.976	49.283
2012	42.156	34.782	25.986	51.637
2013	43.439	35.401	25.975	50.396
2014	43.424	37.327	26.001	52.453
2015	43.963	37.532	25.729	52.507
2016	46.951	38.267	26.409	55.960
2017	48.023	38.975	28.518	55.372
2018	48.357	38.886	29.250	56.268
2019	49.355	40.914	29.983	56.789

Overlapping rates are those of local and county governments that apply to property owners within the City of Manhattan. Not all overlapping rates apply to all City of Manhattan property owners. Only one county rate applies to each property owner.

Source: City of Manhattan Finance Department

CITY OF MANHATTAN, KANSAS
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	2019			2010		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Westar Energy	Utility	\$ 15,033,287	1	2.61%	\$ 5,256,172	2	1.20%
Manhattan Town Center Mall	Retail	9,009,165	2	1.57%	13,193,186	1	3.02%
Individuals	Residential	6,315,801	3	1.10%			0.00%
Centro Bradley Spe 3 LLC	Shopping Center	5,728,676	4	1.00%	3,637,150	3	0.83%
Manhattan Marketplace	Shopping Center	5,232,505	5	0.91%			0.00%
Manhattan Medical Center	Medical Complex	5,025,384	6	0.87%			0.00%
The Links at Manhattan	Apartments	4,785,276	7	0.83%			0.00%
HCW-Manhattan LLC	Hotel	3,566,655	8	0.62%			0.00%
Kansas Gas Service	Utility	3,500,343	9	0.61%	2,503,259	8	0.57%
Menards Inc.	Retail	3,468,824	10	0.60%			0.00%
Wal-Mart Stores Inc.	Retail			0.00%	3,520,818	4	0.81%
Kansas Farm Bureau	Insurance			0.00%	2,562,501	7	0.59%
Southwestern Bell	Utility			0.00%	2,356,036	9	0.54%
Professional Center Medical Complex	Real Estate/Commercial			0.00%	3,127,395	5	0.72%
University Commons	Real Estate-Residential			0.00%	2,667,241	6	0.61%
S&B Motels	Motels			0.00%	2,355,012	10	0.54%
Total		<u>\$ 61,665,916</u>		<u>10.72%</u>	<u>\$ 41,178,770</u>		<u>9.43%</u>

Source: Riley and Pottawatomie County Clerks' Offices

CITY OF MANHATTAN, KANSAS
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Current Collections to Current Levy	Delinquent Property Taxes Collected	Total Tax Collections	Percentage of Total Collections to Current Levy
2010	\$16,102,722	\$15,600,136	96.88%	\$ 269,384	\$15,869,520	98.55%
2011	18,296,294	17,881,828	97.73%	372,646	18,254,474	99.77%
2012	18,932,078	18,479,520	97.61%	284,710	18,764,230	99.11%
2013	19,850,805	19,858,991	100.04%	402,304	20,261,295	102.07%
2014	21,067,088	20,733,876	98.42%	197,250	20,931,126	99.35%
2015	22,011,724	21,858,471	99.30%	342,194	22,200,666	100.86%
2016	24,154,696	24,370,245	100.89%	313,795	24,684,040	102.19%
2017	25,549,960	25,773,004	100.87%	306,740	26,079,744	102.07%
2018	26,776,704	26,602,344	99.35%	300,232	26,902,576	100.47%
2019	28,070,404	27,902,407	99.40%	274,828	28,177,235	100.38%

Historically, the City has budgeted varying delinquency rates for property tax revenues. However, since 2010 the RCPD fund is the only fund in which a delinquency rate has actually been assessed. Delinquent taxes are reported in the year that they are collected.

Source: City of Manhattan Finance Department

CITY OF MANHATTAN, KANSAS
Taxable Sales by Category
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Utilities	\$ 50,673,215	\$ 49,737,744	\$ 53,105,248	\$ 59,160,213
Construction	20,305,980	19,572,141	19,221,222	18,792,852
Manufacturing	21,007,993	20,396,696	24,082,264	19,095,534
Wholesale	43,156,462	41,275,002	42,171,041	43,037,782
Retail	592,012,033	611,319,978	628,543,906	650,912,056
Information	46,731,108	46,388,328	48,616,262	47,853,827
Accommodation and food services	100,134,295	108,208,474	133,925,014	128,203,960
Services	19,026,101	20,137,517	18,045,652	18,934,268
Other	51,569,986	53,666,722	67,031,028	61,851,086
Total	\$ 944,617,173	\$ 970,702,602	\$ 1,034,741,637	\$ 1,047,841,578
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%

- (1) Effective November 8, 2016, the City increased its sales tax rate by 0.20%. This additional 0.20% will be dedicated for street maintenance across the community.
- (2) Effective November 7, 2017, the City increased its sales tax rate by 0.25%. This additional 0.25% will be dedicated for the indoor and outdoor recreation and trail improvements across the community.

Source: Kansas Department of Revenue

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 67,926,637	\$ 62,227,642	\$ 60,245,559	\$ 69,976,164	\$ 74,573,293	\$ 54,048,806
20,482,710	18,478,493	21,746,657	28,212,217	28,600,546	23,708,446
22,658,540	21,211,828	24,135,901	24,269,500	18,359,219	14,332,214
36,234,135	38,289,992	43,061,694	43,572,521	56,155,583	52,605,472
687,840,138	663,013,103	664,876,484	728,693,080	722,501,149	668,333,195
57,795,367	59,867,107	55,903,722	61,151,299	58,191,216	48,485,986
137,239,162	143,335,204	148,791,089	164,575,564	167,236,574	155,566,597
18,901,220	18,285,879	19,233,312	20,314,363	20,935,081	29,462,008
62,817,264	69,590,002	79,357,148	82,217,908	83,268,006	75,457,953
<u>\$ 1,111,895,173</u>	<u>\$ 1,094,299,250</u>	<u>\$ 1,117,351,566</u>	<u>\$ 1,222,982,616</u>	<u>\$ 1,229,820,667</u>	<u>\$ 1,122,000,677</u>
1.25%	1.25%	1.25%	1.45% (1)	1.45% (2)	1.45%

CITY OF MANHATTAN, KANSAS
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Manhattan City</u>	<u>Riley County</u>	<u>Pottawatomie County</u>
2010	1.25%	1.00%	1.00%
2011	1.25%	1.00%	1.00%
2012	1.25%	1.00%	1.00%
2013	1.25%	1.00%	1.00%
2014	1.25%	1.00%	1.00%
2015	1.25%	1.00%	1.00%
2016	1.25%	1.00%	1.00%
2017	1.45% (1)	1.00%	1.00%
2018	1.45% (2)	1.00%	1.00%
2019	1.45%	1.00%	1.00%

(1) Effective November 8, 2016, the City increased its sales tax rate by 0.20%.
This additional 0.20% will be dedicated for street maintenance
across the community.

(2) Effective November 7, 2017, the City increased its sales tax rate by 0.25%.
This additional 0.25% will be dedicated for the indoor and outdoor
recreation and trail improvements across the community.

Overlapping rates are those of local and county governments that apply to
purchases of goods and services made within the City of Manhattan.

Not all overlapping rates apply to all purchases.

Only one county rate applies to each purchase.

Source: City of Manhattan Finance Department

CITY OF MANHATTAN, KANSAS
Sales Tax Revenue Payers by Industry
Fiscal Years 2019 and 2010

	2019				2010			
	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail	1,647	35.91%	\$ 9,689,239	59.57%	700	28.55%	\$ 7,395,605	62.67%
Accommodation and food services	219	4.77%	2,255,345	13.87%	154	6.28%	1,250,910	10.60%
Other	807	17.59%	1,093,961	6.73%	449	18.31%	644,229	5.46%
Utilities	11	0.24%	783,579	4.82%	18	0.73%	633,026	5.37%
Information	234	5.10%	702,931	4.32%	127	5.18%	583,780	4.95%
Wholesale	553	12.06%	762,654	4.69%	318	12.97%	539,124	4.57%
Manufacturing	400	8.72%	207,783	1.28%	172	7.02%	262,439	2.22%
Construction	395	8.61%	343,716	2.11%	320	13.05%	253,669	2.15%
Services	321	7.00%	427,129	2.63%	194	7.91%	237,680	2.01%
Total	<u>4,587</u>	<u>100.00%</u>	<u>\$ 16,266,337</u>	<u>100.00%</u>	<u>2,452</u>	<u>100.00%</u>	<u>\$ 11,800,462</u>	<u>100.00%</u>

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: Kansas Department of Revenue

CITY OF MANHATTAN, KANSAS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Special Assessment Bonds	Special Obligation Bonds	Temporary Notes	Notes Payable	Sales Tax Revenue Bonds	Transportation Revolving Fund Loan	Capital Leases
2010	\$29,305,246	\$67,149,754	\$75,380,000	\$22,930,000	\$240,000	\$6,050,000	\$ 3,793,106	\$ 687,229
2011	31,393,273	64,321,727	76,585,000	41,135,000	180,000	5,980,000	3,578,444	1,555,084
2012	45,350,577	60,124,423	65,800,000	36,120,000	120,000	5,845,000	3,355,796	1,799,176
2013	43,476,781	56,778,219	61,890,000	34,560,000	60,000	5,665,000	3,124,866	1,573,138
2014	56,220,206	56,999,794	57,185,000	29,560,000	-	5,490,000	2,885,345	1,696,660
2015	52,298,515	57,701,485	52,950,000	53,140,000	-	5,335,000	2,636,913	1,900,129
2016	57,032,675	43,327,325	46,530,000	68,045,000	-	4,970,000	2,379,240	2,698,680
2017	59,616,496	35,883,504	40,785,000	64,340,000	-	4,810,000	2,111,982	2,173,044
2018	55,394,698	42,055,302	34,890,000	45,290,000	-	4,640,000	1,834,782	3,048,060
2019	54,618,890	45,001,110	28,650,000	41,940,000	-	4,455,000	1,547,270	3,842,480

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Demographic and Economic Statistics on page 157 for personal income and population data.

Business-type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
General Obligation Bonds	State Revolving Loans	Capital Leases			
\$ 5,485,000	\$ 16,308,285	\$ 75,188	\$ 227,403,808	14.6%	\$ 4,350
7,000,000	43,885,556	160,449	275,774,533	15.5%	5,219
6,090,000	50,637,614	109,157	275,351,743	8.0%	4,911
6,345,000	55,264,202	56,141	268,793,347	13.4%	5,008
8,295,000	55,222,769	141,429	273,696,203	13.3%	4,881
7,155,000	52,831,275	84,672	286,032,989	14.2%	5,080
5,960,000	49,060,876	147,200	280,150,996	13.9%	4,975
9,390,000	46,079,689	388,059	265,577,774	12.2%	4,830
10,355,000	47,166,862	265,253	244,939,957	11.5%	4,457
11,550,000	45,150,394	526,402	237,281,546	10.5%	4,345

CITY OF MANHATTAN, KANSAS
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities General Obligation Bonds¹	Business-Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Value³ of Property	Per Capita⁴
2010	\$ 96,455,000	\$ 5,485,000	\$ 6,692,149	\$ 95,247,851	3.1%	\$1,821.84
2011	95,715,000	7,000,000	8,052,900	94,662,100	3.0%	\$1,791.62
2012	105,475,000	6,090,000	14,677,973	96,887,027	2.9%	\$1,728.00
2013	100,255,000	6,345,000	8,387,441	98,212,559	2.9%	\$1,749.33
2014	113,220,000	8,295,000	14,153,611	107,361,389	3.0%	\$1,914.50
2015	110,000,000	7,155,000	19,974,970	97,180,030	2.0%	\$1,725.87
2016	100,360,000	5,960,000	14,071,235	92,248,765	1.8%	\$1,638.29
2017	95,500,000	9,390,000	12,166,875	92,723,125	1.8%	\$1,686.40
2018	97,450,000	10,355,000	13,796,470	94,008,530	1.8%	\$1,710.52
2019	99,620,000	11,550,000	6,246,990	104,923,010	2.0%	\$1,921.53

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

¹Includes special assessment debt, as special assessment debt is also secured by the full faith and credit of the City.

²Special assessment revenues are accounted for in the Debt Service Fund.

³See the Schedule of Assessed and Estimated Actual Value of Taxable Property on page 140 for property value data.

⁴Population data can be found in the Schedule of Demographic and Economic Statistics on page 157.

CITY OF MANHATTAN, KANSAS
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt			
Unified School Dist. #383	\$ 216,937,000	83.60%	\$ 181,359,332
Unified School Dist. #378	-	0.00%	-
Riley County	1,840,000	80.70%	1,484,880
Pottawatomie County	14,215,000	8.20%	1,165,630
Total overlapping debt			184,009,842
Direct debt			
Bonded debt:			
General obligation debt			\$ 54,618,890
Special assessment debt			45,001,110
Total general obligation bonded debt			99,620,000
Special obligation bonded debt			28,650,000
Sales tax revenue bonded debt			4,455,000
Temporary note debt			41,940,000
Notes payable			-
Transportation revolving fund loan			1,547,270
Capital leases			3,842,480
Total direct debt			180,054,750
Total Direct and Overlapping Debt			\$ 364,064,592

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Manhattan. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's assessed value that is within the City's boundaries and dividing it by the governmental unit's total taxable assessed value.

Source: Springsted, Inc., the City's Financial Advisor, and the City of Manhattan Finance Department

CITY OF MANHATTAN, KANSAS
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Debt limit ¹	\$140,952,445	\$142,176,832	\$146,043,310	\$150,315,801
Total net debt applicable to limit	<u>72,739,910</u>	<u>90,779,021</u>	<u>92,945,516</u>	<u>96,958,394</u>
Legal debt margin	<u>\$68,212,535</u>	<u>\$51,397,811</u>	<u>\$53,097,794</u>	<u>\$53,357,407</u>
Total net debt applicable to the limit as a percentage of debt limit	51.61%	63.85%	63.64%	64.50%

¹ According to Kansas law, the debt limitation is 30% of assessed valuation.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$157,111,561	\$161,970,200	\$168,166,947	\$174,177,993	\$180,701,141	\$185,455,922
97,436,828	106,666,447	100,788,268	90,290,113	83,795,695	89,397,367
<u>\$59,674,733</u>	<u>\$55,303,753</u>	<u>\$67,378,679</u>	<u>\$83,887,880</u>	<u>\$96,905,446</u>	<u>\$96,058,555</u>
62.02%	65.86%	59.93%	51.84%	46.37%	48.20%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Valuation of Taxable Tangible Property	\$ 573,770,509
Motor Vehicle Valuation	<u>44,415,897</u>
Total Valuation	<u>618,186,406</u>
Debt Limit Ratio	<u>30%</u>
December 31, 2019 Debt Limit	<u>\$185,455,922</u>
Outstanding Debt Subject to Debt Limit	<u>89,397,367</u>
Debt Authority Remaining December 31, 2019	<u>\$ 96,058,555</u>

CITY OF MANHATTAN, KANSAS
Pledged Revenue Coverage

<u>Fiscal Year</u>	<u>Special Assessment Collections</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2010	\$ 6,045,853	\$ 3,959,785	\$ 2,157,724	0.99
2011	6,634,031	3,650,057	2,200,261	1.13
2012	6,908,756	3,907,420	2,264,366	1.12
2013	6,601,450	4,236,204	1,944,640	1.07
2014	6,423,571	4,098,425	2,080,865	1.04
2015	6,423,035	4,378,295	2,141,928	0.99
2016	6,502,769	4,581,308	2,104,156	0.97
2017	6,892,085	4,513,821	1,487,005	1.15
2018	7,507,901	4,498,202	1,386,093	1.28
2019	7,487,741	4,709,192	1,669,426	1.17

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: In years where the coverage ratio is greater than 1.00, it is due to the refunding of special assessment bonds. When special assessment bonds are refunded, the annual debt service payments are adjusted, however the special assessment collections are not.

CITY OF MANHATTAN, KANSAS
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population¹	Public School Enrollment²	Personal Income	Per Capita Income	Average Wage per Job³	Unemployment Rate⁴
2010	52,281	6,375	\$ 1,915,312,162	\$ 36,635	\$ 37,272	5.0%
2011	53,678	6,552	2,011,265,355	37,469	39,414	4.8%
2012	56,069	6,385	2,065,432,738	36,837	40,241	4.4%
2013	56,143	6,562	2,017,786,991	35,940	40,576	4.2%
2014	56,078	6,571	2,096,945,723	37,393	41,534	3.7%
2015	56,308	6,579	2,181,035,588	38,734	43,097	3.3%
2016	54,983	6,620	2,176,948,872	39,593	44,217	3.3%
2017	54,832	6,667	2,138,725,937	39,005	41,842	3.0%
2018	54,959	8,081	2,339,432,411	42,567	43,075	2.9%
2019	54,604	8,158	2,265,346,036	41,487	42,459	2.8%

¹U.S. Bureau of the Census estimates, except for 2010 and 2011 (actual)

²Kansas State Department of Education (organization level headcount)

³U.S. Bureau of Economic Analysis (Riley County)

⁴U.S. Bureau of Labor Statistics (annual average - Riley County)

CITY OF MANHATTAN, KANSAS
Personal Income
Last Ten Fiscal Years

Fiscal Year	Riley County Personal Income^{1,2}	Riley County Population³	City of Manhattan Population	Population as a Percentage of Riley County	City of Manhattan Personal Income
2010	\$ 2,605,158,000	71,115	52,281	73.52%	\$1,915,312,162
2011	2,735,299,000	72,997	53,678	73.53%	2,011,265,355
2012	2,781,353,000	75,508	56,069	74.26%	2,065,432,738
2013	2,709,530,000	75,394	56,143	74.47%	2,017,786,991
2014	2,811,673,000	75,194	56,078	74.58%	2,096,945,723
2015	3,027,320,000	75,247	56,308	74.83%	2,181,035,588
2016	2,995,570,000	73,343	54,983	74.97%	2,176,948,872
2017	3,021,949,000	74,172	54,832	73.93%	2,138,725,937
2018	3,137,230,000	73,703	54,959	74.57%	2,339,432,411
2019	3,079,589,500	74,232	54,604	73.56%	2,265,346,036

¹U.S. Bureau of Economic Analysis

²2012 Riley County Personal Income is estimated based on prior year growth.

³U.S. Bureau of the Census estimates

CITY OF MANHATTAN, KANSAS
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Riley County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Riley County Employment</u>
Fort Riley Military Base (military) ¹	15,009	1		18,553	1	
Kansas State University	5,865	2	16.74%	6,263	3	16.99%
Fort Riley Military Base (civilian) ¹	5,625	3		8,337	2	
U.S.D. No. 383 - Manhattan Schools	1,895	4	5.41%	2,086	4	5.66%
Via Christi Hospital	800	5	2.28%	785	6	2.13%
Champion Teamwear	500	6	1.43%	800	5	2.17%
Wal-Mart	425	7	1.21%	475	7	1.29%
City of Manhattan	418	8	1.19%	320	9	0.87%
Meadowlark Hill Retirement Community	413	9	1.18%	352	8	0.95%
Manko Window Systems, Inc.	297	10	0.85%			
Big Lakes Developmental Center				240	10	0.65%
Total	<u>31,247</u>		<u>30.29%</u>	<u>38,211</u>		<u>30.71%</u>

¹Not included in the official labor force statistics.

Note: Employment statistics for Riley County have been used as statistics for just the City of Manhattan are not available.

CITY OF MANHATTAN, KANSAS
City Government Employees by Function
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Full-time	57	56	53	52	56	54	60	68	71	65
Part-time	4	5	4	3	8	9	9	7	7	7
Seasonal/temporary	15	16	15	14	8	10	9	8	8	8
Public safety										
Full-time	83	85	96	98	99	98	102	95	96	96
Part-time	3	3	3	4	5	5	4	-	-	-
Seasonal/temporary	11	11	6	6	6	6	8	9	9	9
Public works										
Full-time	47	49.5	55	55	51	52	62	65	69	54.83
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	9	7	2	2	2	2	5	3	3	3
Urban development and housing										
Full-time	9	10	10	10	10	10	8	8	8	8
Part-time	-	-	-	-	-	1	-	-	-	-
Seasonal/temporary	4	3	3	3	1	1	2	1	2	2
Culture and recreation										
Full-time	75	76.5	88.5	87.5	87	90	92	93	100	113
Part-time	7	7	12	12	11	10	10	11	12	12
Seasonal/temporary	849	871	893	892	726	723	741	740	744	740
Water										
Full-time	25	25.5	29.5	29.5	29.3	30.3	25.9	32	32	37.08
Part-time	-	1	1	-	-	-	-	-	-	-
Seasonal/temporary	7	3	5	5	5	5	4	6	6	6
Wastewater										
Full-time	24	25.5	26.5	27.5	29.8	30.8	27.8	27	28	37.58
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	1	3	2	2	2	2	3	4	4	4
Storm Water Management										
Full-time	2	2	2	2	2	2.3	4.3	2	2	10.5
Totals										
Full-time	322	330	361	362	364	367	382	390	406	422
Part-time	14	16	20	19	24	25	23	18	19	19
Seasonal/temporary	896	914	926	924	750	749	772	771	776	772

Source: City of Manhattan Finance Department

CITY OF MANHATTAN, KANSAS
Operating Indicators by Function
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety										
Incident responses	2,334	2,345	2,672	2,385	2,392	2,581	2,563	2,503	2,425	2,667
Fire inspections	2,786	1,763	1,969	1,855	1,897	2,397	2,527	3,395	3,070	3,270
Construction inspections	7,094	7,108	6,129	5,053	5,876	5,121	5,210	5,031	3,920	3,721
Public works										
Road added (square yards)	35,267	21,948	52,354	33,690	73,169	52,406	47,099	45,000	64,134	N/A*
Asphalt placed for street repairs (tons)	822	350	299	457	798	1,020	1,068	370	363	1,175
Call backs for signal problems	40	49	52	68	89	73	62	57	75	51
Urban development and housing										
Annexations	2	2	1	1	6	3	6	5	2	2
Rezoning	8	8	5	13	16	15	20	11	9	6
Culture and recreation										
Annual swimming pool attendance ¹	87,674	96,528	128,602	108,050	131,876	123,160	135,912	131,306	112,869	168,850
Annual zoo attendance	62,668	63,066	71,936	74,542	79,269	85,772	82,043	102,732	71,040	69,626
Annual registrations in recreation programs ²	11,206	9,022	10,579	11,144	12,122	9,887	12,146	10,631	13,052	20,396
Water										
New taps	420	383	342	209	266	205	189	179	106	88
Total water metered in distribution system (MG)	2,448	2,597	2,800	2,481	2,468	2,417	2,514	2,565	2,573	2,153
Wastewater										
Total influent flow (MG)	1,779	1,734	1,695	1,763	1,757	1,853	1,886	1,787	1,510	2,222

N/A - Data is not available for this year.

¹The new City Park Aquatics Center opened July 4, 2010.

²In 2019, the method of counting P&R registrations changed with the implementation of a new software program.

*Operating indicator not available at the time of report.

Sources: Various City of Manhattan departments

CITY OF MANHATTAN, KANSAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety										
Fire stations	4	4	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	204.09	206.27	218.79	217.47	218	222	226	231	240	229
Traffic signals	66	68	68	68	68	73	74	77	78	78
Culture and recreation										
Park acreage (developed)	561	580	580	600	600	600	600	620	620	660
Parks (developed)	17	25	25	28	28	28	28	28	28	30
Swimming pools	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (lineal feet)	1,302,613	1,440,818	1,447,307	1,501,115	1,474,935	1,483,053	1,506,989	1,571,285	1,578,402	1,583,290
Maximum daily capacity (millions of gallons)	20	20	20	15	16	12	16	16	16	13
Wastewater										
Sewer lines (lineal feet)	1,164,187	1,319,407	1,234,648	1,304,271	1,349,568	1,265,760	1,296,384	1,318,856	1,320,544	1,322,871
Maximum daily treatment capacity (millions of gallons)	8.7	8.7	8.7	8.5	8.7	9.5	10.4	8.8	14.3	15.4

Sources: Various City of Manhattan departments



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Single Audit Section

**For the Year Ended
December 31, 2019**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members of the City Commission
City of Manhattan, Kansas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manhattan, Kansas (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 25, 2020. Our report includes a reference to other auditors who audited the financial statements of Manhattan Public Library (the Library), as described in our report on the City's financial statements. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2019-001, that we consider to be a significant deficiency.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT+ Co., P.A.

September 25, 2020
Topeka, Kansas



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Honorable Mayor and Members of the City Commission
City of Manhattan, Kansas:

Report on Compliance for Each Major Federal Program

We have audited the City of Manhattan, Kansas's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2019. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BT & Co., P.A.

September 25, 2020
Topeka, Kansas

CITY OF MANHATTAN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2019

Federal Grantor/Program Title	Federal CFDA Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Department of Housing and Urban Development:</u>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC20-0009	\$ 20,090	\$ -
Community Development Block Grants/Entitlement Grants		B-18-MC20-0009	317,680	44,999
Community Development Block Grants/Entitlement Grants		B-19-MC20-0009	115,212	42,907
			<u>452,982</u>	<u>87,906</u>
Passed through the Kansas Housing Resources Corp.:				
Emergency Solutions Grants Program	14.231	ESG-FFY2018	<u>206,426</u>	<u>206,426</u>
Total U.S. Department of Housing and Urban Development			<u>659,408</u>	<u>294,332</u>
<u>U.S. Department of the Interior:</u>				
Passed through the Kansas Historical Society State Historic Preservation Office:				
Aggieville Commercial District Historic Survey	15.904	HPF 2019-005	<u>1,614</u>	<u>-</u>
<u>U.S. Department of Transportation:</u>				
Airport Improvement Program	20.106	3-20-0052-049-2018	227,004	-
Passed through the Kansas Department of Transportation:				
Passed through the Flint Hills Area Metropolitan Planning Organization:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	None	<u>333,111</u>	<u>-</u>
Total U.S. Department of Transportation			<u>560,115</u>	<u>-</u>
<u>National Aeronautics and Space Administration</u>				
Passed through the Pacific Science Center				
Partner Libraries	43.001	2018-1033E	<u>\$ 6,165</u>	<u>\$ -</u>

(Continued)

CITY OF MANHATTAN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Year Ended December 31, 2019

Federal Grantor/Program Title	Federal CFDA Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Department of Homeland Security:</u>				
Passed through the State of Kansas Adjutant General's Department:				
Disaster Public Assistance Program	97.036	FEMA-4403DR-KS-4403DR	\$ 114,347	\$ -
Hazard Mitigation Grant	97.039	FEMA 4319-DR-KS-0015	427,414	-
Hazard Mitigation Grant		FEMA 4347-DR-KS-0005	502,423	-
Hazard Mitigation Grant		FEMA 4403-DR-KS-0001	326,619	-
			<u>1,256,456</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>1,370,803</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 2,598,105</u>	<u>\$ 294,332</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF MANHATTAN, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2019

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Manhattan, Kansas (the City) under programs of the federal government for the year ended December 31, 2019. The City's reporting entity is defined in Note 1 to the City's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or, where applicable, cash flows of the City. All federal awards passed through other government agencies are included on the schedule.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The expenditures are recognized following, as applicable, the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF MANHATTAN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2019

Section I – Summary of Independent Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	Finding 2019-001
Noncompliance material to financial statements:	None

Federal Awards

Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiency identified that is not considered to be material weakness:	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a):	None
Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program</u>
97.039	Hazard Mitigation Grant

CITY OF MANHATTAN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Dollar threshold used to distinguish between Type A and
Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee: No

Section II – Financial Statement Findings

Finding 2019-001 Significant Deficiency

Prior Reference Number – 2018-002

Condition – The following issues were identified in relation to the City’s payroll process. 1) Employees with supervisor approval rights for their departments could approve of their own timesheets, and employees with the administrator log-on to the payroll processing module had the capability of approving their own time and other employees’ time. 2) While outstanding supervisor approvals were investigated for full-time employees prior to processing, outstanding supervisor approvals for seasonal employees were not followed up on. 3) There was no documentation of review of the payroll register prior to processing. 4) Multiple employees, including the employee responsible for payroll processing, had access to both the human resources and payroll systems.

Criteria – Payroll expenditures are significant expenditures for the City, and payroll processing is necessary for the continued delivery of the City’s services and programs.

Cause – The controls in place failed to ensure that payroll was processed as required due to payroll system settings and lack of documentation of review.

Effect – The City is at higher risk of failing to detect an error in payroll processing or a misappropriation of cash.

Recommendation – The City should follow policies and procedures to ensure payroll activity is properly approved prior to processing.

CITY OF MANHATTAN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management's Response/Corrective Action Plan (Unaudited) – As part of the restructuring of the Finance Department, the payroll function was transferred to the Human Resource Department. The Human Resource Department began implementation of the Paylocity Human Capital Management System in July 2020. Payroll was also outsourced to Paylocity at the time of implementation. The Paylocity System does not allow individuals to approve their own timesheets. Additionally, outstanding supervisor approvals for time are addressed proactively prior to processing payroll. Any outstanding

approvals that remain after payroll is processed will be followed up by e-mail and the documentation will be attached to the electronic employee record. The payroll register is reviewed by the Payroll Clerk and the Administrative Assistant prior to processing. Paylocity has two system administrators that have access to payroll and human resources records, otherwise roles are distinctly separated for division of duties. In addition, there is greater oversight of the payroll process by the Assistant Director of Human Resources.

Section III – Federal Award Findings and Questioned Costs

None