



**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

CITY OF MANHATTAN, KANSAS

Annual Comprehensive Financial Report

**Year Ended
December 31, 2020**

Prepared by:

Department of Finance

CITY OF MANHATTAN, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2020

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Introductory Section

**For the Year Ended
December 31, 2020**



October 4, 2021

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

RE: 2020 Annual Comprehensive Financial Report

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

The Finance Department is pleased to submit the Annual Comprehensive Financial Report of the City of Manhattan, Kansas (the "City") for the fiscal year ended December 31, 2020. 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, 2020, 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, 2020 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 Annual Comprehensive 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 population of 54,100 persons.

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) and Manhattan Housing Authority (MHA) are reported separately within the City's financial statements. Additional information on MPL and MHA 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 20,854 in the fall of 2020. Fort Riley has a military strength of approximately 14,998 soldiers and 15,703 family members. In addition to the military personnel at Fort Riley, approximately 5,488 civilians work at the installation and 4,810 military retirees along with 26,533 veterans live in the region. Fort Riley's direct fiscal year (FY) 2020 economic impact to the State of Kansas was \$1,814,894,123.

The City continues to grow and construction marks the landscape throughout the community. The construction of the 574,000 square feet, \$1.25 Billion National Bio and Agro-Defense Facility is estimated to be completed in 2022 and anticipated to bring about 400 personnel to the community in the North Campus Corridor/Edge Collaboration District of Kansas State University. The Aggieville Business District is currently undergoing significant construction and redevelopment with a new hotel with internal parking garage and a new 5 story public parking garage in the center of town adjacent to K-State. A Tax Increment Financing District has been established as part of the Aggieville Vision with additional public infrastructure and streetscape along with higher density mixed used redevelopment.

The economy is varied and diverse, producing a wide variety of products and services. Approximately 64% of the sales taxes generated in the City come from retail sales. About 14% comes from accommodation and food services. In December 2020, the City's unemployment rate was 3.8% compared to the 3.3% for Riley County, 4.7% for the State of Kansas and the national rate of 6.7%.

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 ACFR for a Certificate of Achievement Award for fiscal year ending December 31, 2021.

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. 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 2020 financial records.

Respectfully submitted,

A handwritten signature in black ink, reading "Ron R. Fehr". The signature is written in a cursive style with a large, stylized "R" and "F".

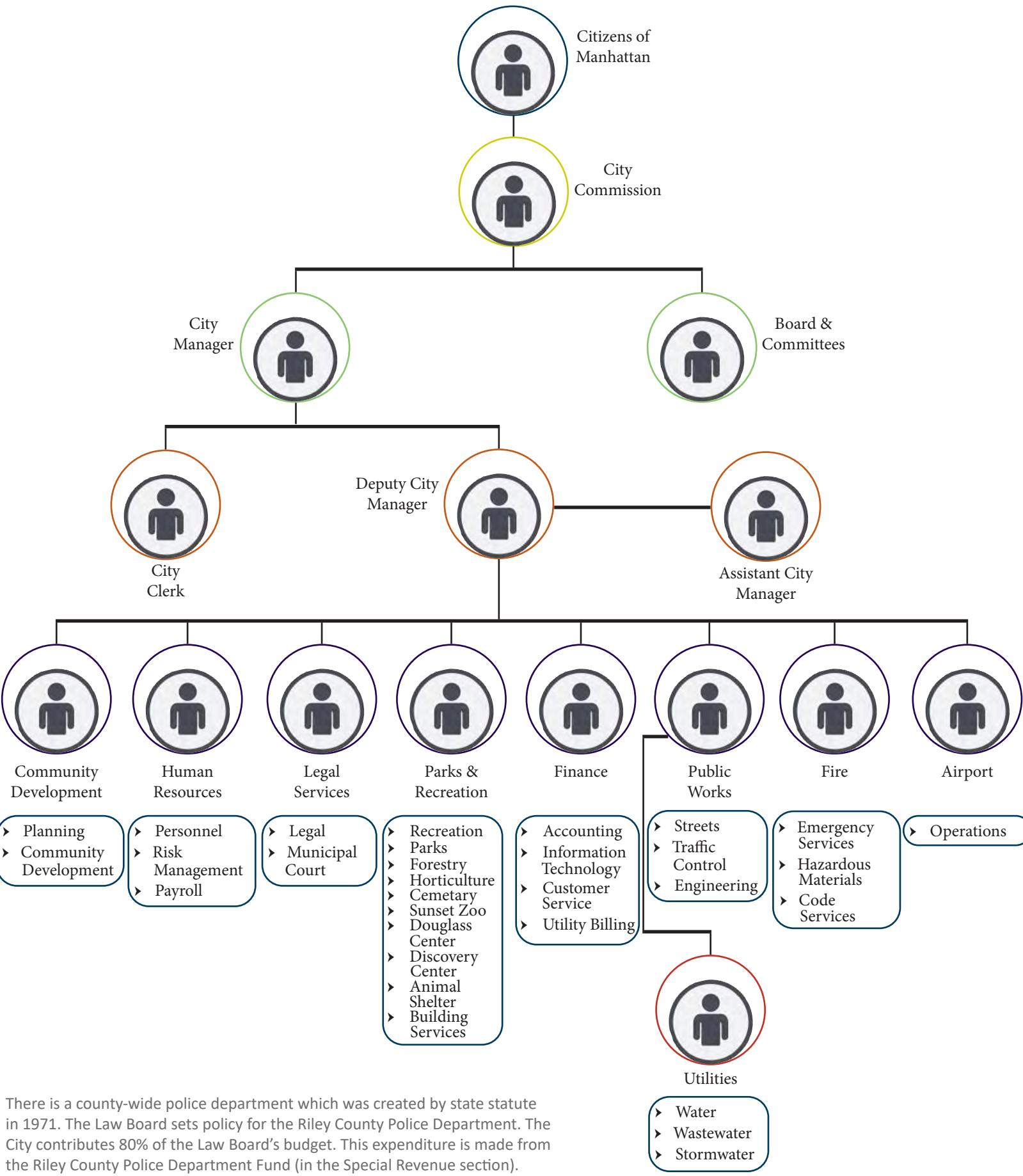
Ron R. Fehr
City Manager

A handwritten signature in black ink, reading "Rina D. Neal". The signature is written in a cursive style with a large, stylized "R" and "N".

Rina D. Neal
Director of Finance

Organization Chart

November 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).

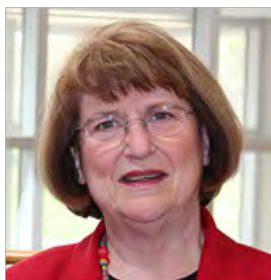


List of Principal Officials

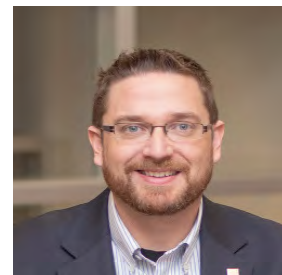
Elected Officials



Mayor Usha Reddi



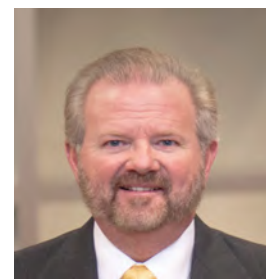
Commissioner Linda Morse



Commissioner Aaron Estabrook



Commissioner Wynn Butler



Commissioner Mark Hatesohl

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Financial Section

**For the Year Ended
December 31, 2020**



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 aggregate discretely presented component units, 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, 2020, 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 or the Manhattan Housing Authority discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Manhattan Public Library and Manhattan Housing Authority, is based solely on the reports 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 reports 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, 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.

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 October 4, 2021 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.

October 4, 2021
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, 2020. 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 2020 by \$298,971,328. Of this amount, \$75,295,910 in governmental activities is unrestricted.
- The City's total net position increased by \$14,297,861 over the course of this year's operations. The net position of our governmental activities increased by \$14,436,059 (9 percent) and the net position of our business-type activities decreased by \$138,198 (.1 percent).
- As of the end of 2020, the City of Manhattan's governmental funds reported combined ending fund balances of \$60,674,170, an increase of \$9,510,888 in comparison with the prior year. Approximately 15 percent of this total amount, \$8,899,215, is unassigned and related to the general fund.
- The City's total debt increased by \$31,345,498 during 2020. General obligation bonds outstanding increased by \$4,920,000 in 2020. General obligation bonds in the amount of \$20,360,000 were issued in 2020, while \$15,440,000 was retired. The balance of temporary notes increased by \$34,940,000 from 2019 to 2020. The commencement of several construction projects contributed to the increase in temporary notes issued.

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 and housing authority for which the City is financially accountable. Financial information for these two component units are 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. Separately issued audited financial statements for the Manhattan Housing Authority may be obtained at 300 N. 5th Street, 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 21 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 17 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 \$298,971,328 at the close of 2020.

A large portion of the City of Manhattan's net position (59 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 192,120,898	177,277,206	\$ 1,211,677	\$ 7,186,846	\$ 193,332,575	\$ 184,464,052
Capital assets	259,980,134	226,855,073	187,897,408	179,155,852	447,877,542	406,010,925
Total assets	452,101,032	404,132,279	189,109,085	186,342,698	641,210,117	590,474,977
Deferred outflows	7,649,139	4,336,653	1,124,883	456,668	8,774,022	4,793,321
Long-term liabilities outstanding	242,422,754	209,601,906	64,825,292	61,073,697	307,248,046	270,675,603
Other liabilities	11,289,846	8,023,001	1,481,524	1,837,663	12,771,370	9,860,664
Total liabilities	253,712,600	217,624,907	66,306,816	62,911,360	320,019,416	280,536,267
Deferred inflows	30,717,708	29,960,221	275,687	98,343	30,993,395	30,058,564
Net position:						
Net investment in capital assets	50,090,759	43,228,374	127,758,321	121,429,692	177,849,080	164,658,066
Restricted	49,933,194	44,397,630	-	-	49,933,194	44,397,630
Unrestricted	75,295,910	73,257,800	(4,106,856)	2,359,971	71,189,054	75,617,771
Total net position	\$ 175,319,863	160,883,804	\$ 123,651,465	\$ 123,789,663	\$ 298,971,328	\$ 284,673,467

An additional portion of the City's net position (17 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 increased in 2020, while investment in capital assets net position increased by 8 percent since the end of 2019. In 2020, the City's net position, for governmental and business activities, increased by \$14,297,861.

Governmental activities. Governmental activities increased the City's net position by \$14,436,059. Key elements of this increase are as follows:

CITY OF MANHATTAN'S CHANGES IN NET POSITION

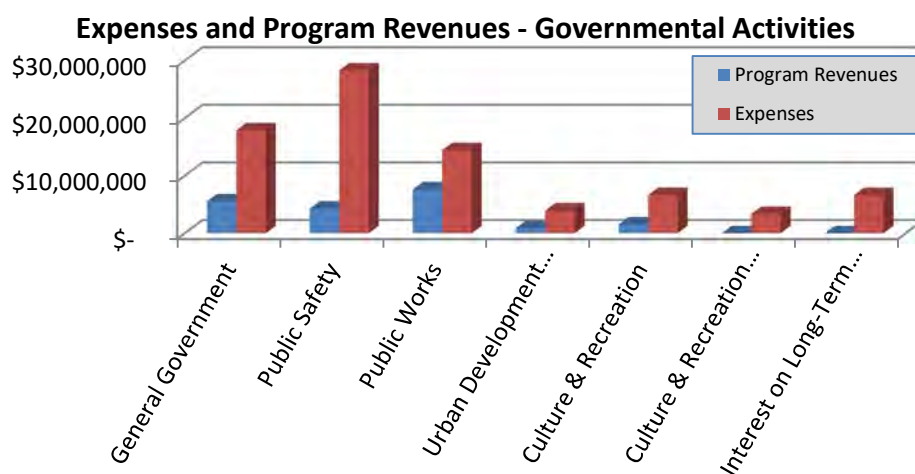
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,348,590	\$ 7,023,407	\$ 25,655,619	\$ 23,147,361	\$ 30,004,209	\$ 30,170,768
Operating grants and contributions	6,885,189	3,328,159	-	-	6,885,189	3,328,159
Capital grants and contributions	8,612,937	15,184,495	-	-	8,612,937	15,184,495
General revenues:						
Property taxes	33,290,871	32,386,319	-	-	33,290,871	32,386,319
Other taxes	34,923,250	36,422,876	-	-	34,923,250	36,422,876
Other	3,179,416	4,905,543	517,211	574,430	3,696,627	5,479,973
Total revenues	91,240,253	99,250,799	26,172,830	23,721,791	117,413,083	122,972,590
Expenses:						
General government	17,869,773	16,910,290	-	-	17,869,773	16,910,290
Public safety	28,252,971	26,035,561	-	-	28,252,971	26,035,561
Public works	14,436,411	14,503,573	-	-	14,436,411	14,503,573
Urban development and housing	3,940,005	3,503,009	-	-	3,940,005	3,503,009
Culture and recreation	6,637,158	11,079,958	-	-	6,637,158	11,079,958
Culture and recreation (payments to Library)	3,335,074	3,175,616	-	-	3,335,074	3,175,616
Interest on long-term debt	6,613,536	6,773,123	-	-	6,613,536	6,773,123
Water	-	-	10,460,436	9,741,586	10,460,436	9,741,586
Wastewater	-	-	8,784,370	8,240,083	8,784,370	8,240,083
Storm water management	-	-	2,785,488	1,813,706	2,785,488	1,813,706
Total expenses	81,084,928	81,981,130	22,030,294	19,795,375	103,115,222	101,776,505
Increase in net assets before transfers	10,155,325	17,269,669	4,142,536	3,926,416	14,297,861	21,196,085
Transfers	4,280,734	(4,666,101)	(4,280,734)	4,666,101	-	-
Increase (decrease) in net assets	14,436,059	12,603,568	(138,198)	8,592,517	14,297,861	21,196,085
Net position - 01/01	160,883,804	148,087,524	123,789,663	115,197,146	284,673,467	263,284,670
Prior period adjustment	-	192,712	-	-	-	192,712
Net position, beginning as restated	160,883,804	148,280,236	123,789,663	115,197,146	284,673,467	263,477,382
Net position - 12/31	\$ 175,319,863	\$ 160,883,804	\$ 123,651,465	\$ 123,789,663	\$ 298,971,328	\$ 284,673,467

- Capital grants for governmental activities decreased by \$6,571,558 from 2019 to 2020. These decreases were primarily attributed to public works program revenues. General government capital grant revenues increased by \$2,293,261 while public works capital grant revenues decreased by \$8,864,819 from 2019 to 2020.
- Operating grants and contributions increased by \$3,557,030 from 2019 to 2020. This increase can be attributed to operating grants and contributions for public safety.

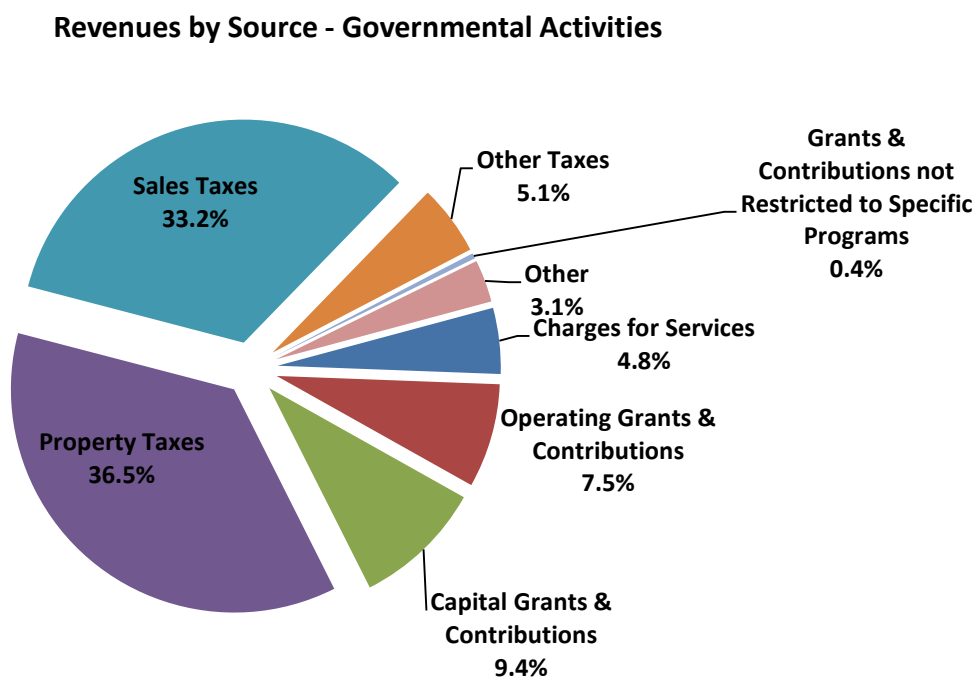
- Property taxes increased by \$904,552 from 2019 to 2020. Other taxes decreased by \$1,499,626 during 2020.
- Other general revenues decreased by \$1,726,127 from 2019 to 2020.

Total expenses decreased by \$896,202 from 2019 to 2020. In 2020, expenses for public safety, urban development and housing, and payments to library increased by \$2,813,864. The general government function increased expenses by \$959,483 (6 percent) from 2019 to 2020. Expenditures related to public works, culture and recreation, and interest on long-term debt decreased by \$4,669,549 (14 percent) from 2019 to 2020.

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



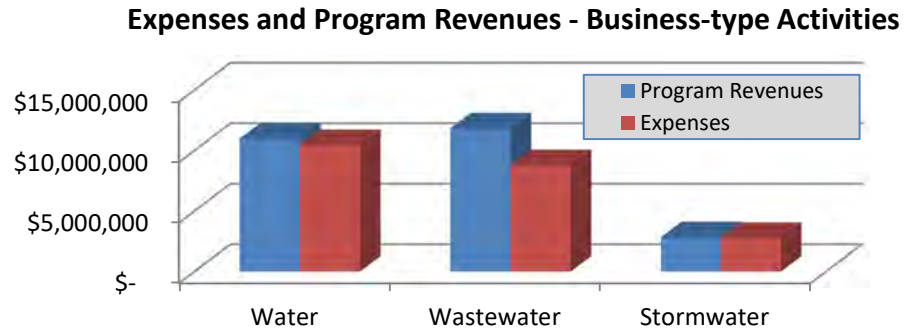
The following graph shows the composition of 2020 revenues for the governmental activities.



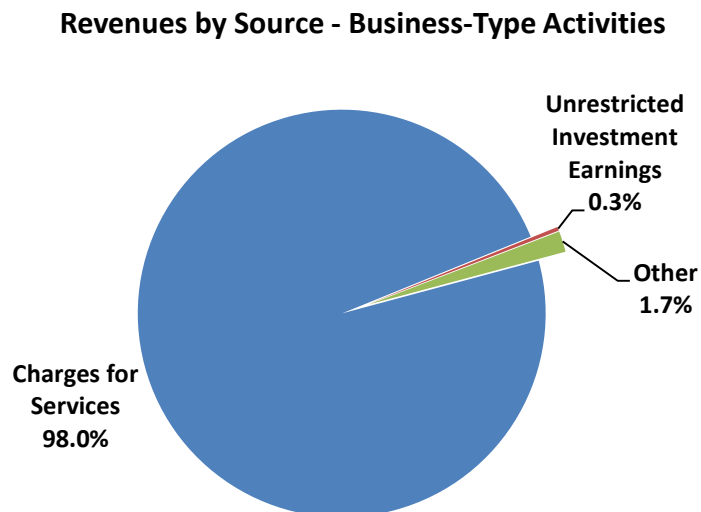
Business-type activities. Business-type activities decreased the City's net position by \$138,198 in 2020. Revenue received from service charges in 2020 totaled \$25,655,619 compared to \$23,147,361 in 2019. This is an increase of 2,508,258 (11 percent) from 2019 to 2020.

A rate increase of 3 percent went into effect January 1, 2020 for water, wastewater, and stormwater. Capital contributions received in 2020 totaled \$5,871,203 while these contributions totaled \$13,035,717 in 2019. Total expenses increased \$2,234,919 (11 percent) from 2019 to 2020.

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



The following graph shows the composition of 2020 revenues for the 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 2020, the City of Manhattan's governmental funds reported combined ending fund balances of \$60,674,170 an increase of \$9,510,888 in comparison with the prior year. The available unassigned balance for governmental funds was \$8,899,215 at the completion of the 2020 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 2020, unassigned/total fund balance of the general fund was \$8,899,215. 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 unassigned/total fund balance represents 25 percent of total general fund expenditures.

In 2020, the City's general fund balance increased by \$3,024,106. An increase of \$110,687 was shown in 2019. Key elements of this are as follows:

- Taxes increased by \$413,617 in 2020. The increase is attributable to an increase in compensating use taxes.
- Licenses and permits decreased by \$7,959 in 2020. Most of this decrease was related to building permits not being issued.
- Intergovernmental revenues increased by \$3,484,917 from 2019 to 2020. This change was primarily related to proceeds from various federal grants related to the COVID-19 pandemic.
- Charges for services decreased by \$2,030,320 from 2019 to 2020. This change was primarily related to not opening various Parks and Recreation facilities and not providing programs and services related to recreation due to the COVID-19 pandemic.
- Fine and forfeitures decreased by \$331,015 in 2020. This decrease of municipal court revenues continues to be the result of a significant change in community policing tactics by the Riley County Police Department (RCPD) in addition to the impacts of the COVID-19 pandemic on the court process.
- Investment income decreased by \$52,714 from 2019 to 2020. This decrease was due to investment interest rates being low in 2020 as a result of the COVID-19 pandemic. The City did not purchase any investments in 2020 as a result.
- Miscellaneous revenues decreased by \$411,194 from 2019 to 2020. The decrease is attributed to reimbursements of expenses for street maintenance not being received as the service was not provided in 2020.
- Expenditures decreased by \$1,646,358 in 2020. The decrease is primarily attributed to the City deciding to cut spending due to the unknowns of the COVID-19 pandemic.
- Net transfers increased by \$148,892 from 2019 to 2020. 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.

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 \$9,802 at the end of 2020.

The debt service fund has a total fund balance of \$5,610,932 at the end of 2020, which is restricted for future debt service payments. The net decrease in the debt service fund balance during the current year was \$636,058. Debt service expenditures were greater than revenues by \$2,635,486. 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 2020 was \$478,614 less than in 2019.

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 \$16,993,561 all of which all is restricted. The capital projects fund balance increased by \$4,969,653 during 2020.

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 2020 amounted to \$3,226,216; the Wastewater Fund amounted to negative \$2,247,960, and the Storm Water Management Fund amounted to negative \$5,085,112. The Water Fund reported a decrease of \$3,690,938 in net position; while the Wastewater, and Storm Water Management Funds each reported an increase in net position of \$1,650,741 and \$1,901,999, respectively. A key element of these changes is as follows:

- For the Water Fund, a decrease in capital contributions is the key element to the change in net position. The total capital contributions for 2020 were \$1,362,217 compared to \$4,634,919 in 2019.
- For the Wastewater Fund, charges for services was the key element for the change in net position. The total charges for services for 2020 were \$11,832,835 compared to \$10,411,754 in 2019.
- For the Storm Water Fund, contributions and transfers were the key element for the change in net position, which is \$1,785,581 of the changed in total net position of \$1,901,999.

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. In 2020, the City didn't invest due to the COVID-19 pandemic. The most significant variance from budget was in charges for services, which fell short of the budgeted amount by approximately \$1,294,910. The majority of this difference stemmed from parks and recreation programs and services not being available due to the COVID-19 pandemic. Total expenditures were less than budgetary estimates by \$5,544,708 (21 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, 2020, amounts to \$447,877,542 (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 10.3 percent.

Major capital asset events during 2020 included the following:

- Construction of the Anthony and Eisenhower Recreation Centers increased assets by \$11,045,020.
- Reconstruction of the Kimball Avenue and College Avenue Intersection increased assets by \$7,405,679.
- Expansion of the Downtown Conference Center increased assets by \$4,643,410.
- Stormwater improvements at 5th Street and Houston Street increased assets by \$3,700,270.
- Construction of the Airport Parking Lot increased assets by \$3,099,711.

CITY OF MANHATTAN'S CAPITAL ASSETS

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 22,844,881	\$ 20,728,184	\$ 505,833	\$ 505,833	\$ 23,350,714	\$ 21,234,017
Buildings and improvements	87,117,908	90,570,211	43,364,104	44,748,686	130,482,012	135,318,897
Contents and equipment	2,793,144	2,576,743	2,217,711	2,444,847	5,010,855	5,021,590
Vehicles	3,631,369	3,502,137	1,145,388	972,269	4,776,757	4,474,406
Infrastructure	81,040,987	79,199,013	109,912,781	111,862,367	190,953,768	191,061,380
Construction in progress	62,551,845	30,278,785	30,751,591	18,621,850	93,303,436	48,900,635
Total	\$ 259,980,134	\$226,855,073	\$ 187,897,408	\$ 179,155,852	\$ 447,877,542	\$ 406,010,925

Additional information on the City's capital assets can be found in Note 3 F on pages 50-53 of this report.

Long-term debt. At the end of 2020, the City had total bonded debt outstanding of \$141,335,000. Of this amount, \$46,413,890 comprises debt backed by the full faith and credit of the City and \$54,776,110 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 46,413,890	\$ 54,618,890	\$ 14,900,000	\$ 11,550,000	\$ 61,313,890	\$ 66,168,890
General obligation bonds (special assessment debt with governmental commitment)	54,776,110	45,001,110	-	-	54,776,110	45,001,110
Sales tax revenue bonds	4,255,000	4,455,000	-	-	4,255,000	4,455,000
Special obligation bonds	20,990,000	28,650,000	-	-	20,990,000	28,650,000
Total	\$ 126,435,000	\$ 132,725,000	\$ 14,900,000	\$ 11,550,000	\$ 141,335,000	\$ 144,275,000

The City's total outstanding debt decreased by \$2,940,000 during 2020. General obligation bonds outstanding increased by \$4,920,000 in 2020. General obligation bonds in the amount of \$20,360,000 were issued in 2020, while \$15,440,000 were retired. There was an increase of \$34,940,000 in temporary notes outstanding at the end of 2020 as compared to 2019. This increase was due to the commencement of several construction projects related to North Campus Corridor, the Conference Center Expansion, construction of three recreation facilities, and various stormwater improvements.

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 \$189,088,641 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 55-68 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Manhattan at the end of 2020 was 3.8 percent. This rate increased by 1.0 percent compared to the end of 2019. The increase is due to the impact of the COVID-19 pandemic. The City of Manhattan's unemployment rate remains very favorable compared to the state's average unemployment rate of 4.7 percent and the national average rate of 6.7 percent at the end of 2020.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the City's 2021 budget are as follows:

Due to the impacts of the COVID-19 pandemic, the mill levy was nearly flat for the 2021 budget. The mill levy rate had a slight increase of 0.037, with a total mill levy rate of 49.835 for 2021.

Capital improvements anticipated for 2021 and beyond are incorporated into the proposed 2021-2025 Capital Improvements Program. The plan has \$10,028,500 in program costs for 2021 and includes the following projects for 2021:

- ✓ Construction of the Aggieville Parking Garage
- ✓ Construction of Eisenhower Recreation Center
- ✓ Purchase of a Fire Hazardous Materials Operations Apparatus
- ✓ Design and Construction of the Levee Improvements Project

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.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Basic Financial Statements

**For the Year Ended
December 31, 2020**

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manhattan Public Library	Manhattan Housing Authority
ASSETS					
Cash and cash equivalents	\$ 53,750,389	\$ 13,105,296	\$ 66,855,685	\$ 1,992,979	\$ 170,495
Investments with fiscal agent	2,719,685	-	2,719,685	-	-
Investment in joint venture	111,869	-	111,869	-	-
Receivables:					
Accounts (net of allowance for uncollectibles)	816,333	2,735,676	3,552,009	155	100,797
Intergovernmental	1,242,192	-	1,242,192	-	-
Franchise tax	361,940	-	361,940	-	-
Sales tax	4,584,350	-	4,584,350	-	-
Transient guest tax	335,239	-	335,239	-	-
Property tax	29,578,136	-	29,578,136	3,499,850	-
Other loans	3,558,486	-	3,558,486	-	-
Notes:					
Current	90,000	-	90,000	-	-
Noncurrent	5,710,000	-	5,710,000	-	-
Inventories	42,535	58,411	100,946	-	4,188
Prepaid items	-	-	-	102,631	-
Internal balances	14,748,376	(14,748,376)	-	-	-
Restricted assets:					
Cash and investments					
Construction accounts	-	60,670	60,670	-	-
Other	-	-	-	-	109,228
Special assessments:					
Current	7,672,521	-	7,672,521	-	-
Noncurrent	66,798,847	-	66,798,847	-	-
Capital assets:					
Land	22,844,881	505,833	23,350,714	-	-
Infrastructure, net of accumulated depreciation	81,040,987	109,912,781	190,953,768	-	-
Other capital assets, net of accumulated depreciation	93,542,421	46,727,203	140,269,624	757,901	8,843,968
Construction in progress	62,551,845	30,751,591	93,303,436	-	-
TOTAL ASSETS	452,101,032	189,109,085	641,210,117	6,353,516	9,228,676
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	818,795	-	818,795	-	-
Deferred outflows - pension	6,478,327	1,015,522	7,493,849	537,358	94,508
Deferred outflows - OPEB	352,017	109,361	461,378	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 7,649,139	\$ 1,124,883	\$ 8,774,022	\$ 537,358	\$ 94,508

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
(Continued)
December 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manhattan Public Library	Manhattan Housing Authority
LIABILITIES					
Accounts payable	\$ 9,003,120	\$ 827,016	\$ 9,830,136	\$ 598	\$ 91,091
Accrued payroll	260,960	58,627	319,587	40,511	18,695
Estimated insurance claims payable	1,193,084	-	1,193,084	-	-
Unearned revenue	-	15,700	15,700	-	29,743
Accrued interest payable	832,682	580,181	1,412,863	-	905
Tenant security deposits	-	-	-	-	54,191
Long-term liabilities:					
Due within one year	22,232,773	6,146,192	28,378,965	25,471	119,370
Due in more than one year	220,189,981	58,679,100	278,869,081	2,114,076	2,917,432
TOTAL LIABILITIES	253,712,600	66,306,816	320,019,416	2,180,656	3,231,427
DEFERRED INFLOWS OF RESOURCES					
Deferred receivable - property taxes	29,578,136	-	29,578,136	3,499,850	-
Resources related to pensions	459,483	64,403	523,886	36,024	32,280
Resources related to OPEB	680,089	211,284	891,373	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	30,717,708	275,687	30,993,395	3,535,874	32,280
NET POSITION					
Net investment in capital assets	50,090,759	127,758,321	177,849,080	732,430	6,209,830
Restricted for:					
Perpetual care:					
Nonexpendable	248,471	-	248,471	-	-
Urban development and housing	8,724,794	-	8,724,794	-	30,578
Public safety	9,802	-	9,802	-	-
Culture and recreation	9,320,398	-	9,320,398	-	-
Public works	21,880,524	-	21,880,524	-	-
Debt service	8,615,679	-	8,615,679	-	-
Other purposes	1,133,526	-	1,133,526	-	-
Unrestricted	75,295,910	(4,106,856)	71,189,054	441,914	(180,931)
TOTAL NET POSITION	\$ 175,319,863	\$ 123,651,465	\$ 298,971,328	\$ 1,174,344	\$ 6,059,477

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 17,869,773	\$ 2,534,279	\$ 484,311	\$ 2,520,265
Public safety	28,252,971	527,283	3,765,873	-
Public works	14,436,411	-	1,517,829	6,092,672
Urban development and housing	3,940,005	153,682	705,971	-
Culture and recreation	6,637,158	1,133,346	411,205	-
Culture and recreation (payments to Library)	3,335,074	-	-	-
Interest on long-term debt	6,613,536	-	-	-
Total governmental activities	<u>81,084,928</u>	<u>4,348,590</u>	<u>6,885,189</u>	<u>8,612,937</u>
Business-type activities				
Water	10,460,436	10,979,584	-	-
Wastewater	8,784,370	11,832,835	-	-
Storm water management	2,785,488	2,843,200	-	-
Total business-type activities	<u>22,030,294</u>	<u>25,655,619</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 103,115,222</u>	<u>\$ 30,004,209</u>	<u>\$ 6,885,189</u>	<u>\$ 8,612,937</u>
Component units				
Manhattan Public Library	\$ 3,478,977	\$ 51,325	\$ 249,164	\$ -
Manhattan Housing Authority	<u>\$ 3,428,442</u>	<u>\$ 480,532</u>	<u>\$ 2,496,740</u>	<u>\$ 9,550</u>

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF ACTIVITIES
(Continued)
For the Year Ended December 31, 2020

	Net (Expense) Revenue and Changes in Net Position			Component Units	
	Primary Government			Manhattan	Manhattan
	Governmental Activities	Business-Type Activities	Total	Public Library	Housing Authority
FUNCTIONS/PROGRAMS					
Primary government					
Governmental activities					
General government	\$ (12,330,918)	\$ -	\$ (12,330,918)	\$ -	\$ -
Public safety	(23,959,815)	-	(23,959,815)	-	-
Public works	(6,825,910)	-	(6,825,910)	-	-
Urban development and housing	(3,080,352)	-	(3,080,352)	-	-
Culture and recreation	(5,092,607)	-	(5,092,607)	-	-
Culture and recreation (payments to Library)	(3,335,074)	-	(3,335,074)	-	-
Interest on long-term debt	(6,613,536)	-	(6,613,536)	-	-
Total governmental activities	(61,238,212)	-	(61,238,212)	-	-
Business-type activities					
Water	-	519,148	519,148	-	-
Wastewater	-	3,048,465	3,048,465	-	-
Storm water management	-	57,712	57,712	-	-
Total business-type activities	-	3,625,325	3,625,325	-	-
Total primary government	(61,238,212)	3,625,325	(57,612,887)	-	-
Component units					
Manhattan Public Library				(3,178,488)	
Manhattan Housing Authority					(441,620)
General revenues:					
Taxes:					
Property taxes, levied for general purposes	30,345,242	-	30,345,242	-	-
Property taxes, levied for debt service	2,945,629	-	2,945,629	-	-
Franchise taxes	3,371,782	-	3,371,782	-	-
Sales taxes	30,285,653	-	30,285,653	-	-
Transient guest taxes	1,265,815	-	1,265,815	-	-
Payments from the City of Manhattan	-	-	-	3,335,074	-
Grants and contributions not restricted to specific programs	361,134	-	361,134	-	-
Unrestricted investment earnings	396,169	78,755	474,924	13,560	551
Miscellaneous	2,311,499	438,456	2,749,955	-	98,712
Gain on sales of capital assets	110,614	-	110,614	-	-
Transfers-internal activities	4,280,734	(4,280,734)	-	-	-
Total general revenues and transfers	75,674,271	(3,763,523)	71,910,748	3,348,634	99,263
Change in net position	14,436,059	(138,198)	14,297,861	170,146	(342,357)
Net position-beginning	160,883,804	123,789,663	284,673,467	1,004,198	6,401,834
Net position-ending	\$ 175,319,863	\$ 123,651,465	\$ 298,971,328	\$ 1,174,344	\$ 6,059,477

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

	General	Riley County Police Department	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,081,182	\$ 9,802	\$ 5,423,416	\$ 12,687,779	\$ 23,543,278	\$ 49,745,457
Investments with fiscal agent	59,507	-	-	-	2,660,178	2,719,685
Investment in joint venture	-	-	-	-	111,869	111,869
Receivables:						
Accounts	657,939	-	95,147	10,000	14,763	777,849
Intergovernmental	-	-	-	1,080,579	150,012	1,230,591
Franchise tax	361,940	-	-	-	-	361,940
Sales tax	1,659,436	-	187,516	-	2,737,398	4,584,350
Transient guest tax	-	-	-	-	335,239	335,239
Property tax	7,147,299	16,143,949	3,038,538	-	3,248,350	29,578,136
Interfund	16,948	-	-	14,748,376	-	14,765,324
Other loans	-	-	-	-	4,579,166	4,579,166
Special assessments:						
Current	-	-	7,672,521	-	-	7,672,521
Noncurrent	-	-	66,798,847	-	-	66,798,847
TOTAL ASSETS	\$ 17,984,251	\$ 16,153,751	\$ 83,215,985	\$ 28,526,734	\$ 37,380,253	\$ 183,260,974
LIABILITIES						
Accounts payable	\$ 1,022,138	\$ -	\$ -	\$ 7,503,292	\$ 374,699	\$ 8,900,129
Accrued payroll	258,344	-	-	-	2,616	260,960
Temporary notes payable	-	-	-	3,860,000	-	3,860,000
TOTAL LIABILITIES	1,280,482	-	-	11,363,292	377,315	13,021,089
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	7,147,299	16,143,949	3,038,538	-	3,248,350	29,578,136
Unavailable revenue - receivables	657,255	-	95,147	169,881	4,593,928	5,516,211
Unavailable revenue - special assessments	-	-	74,471,368	-	-	74,471,368
TOTAL DEFERRED INFLOWS	7,804,554	16,143,949	77,605,053	169,881	7,842,278	109,565,715
FUND BALANCES						
Nonspendable:						
Perpetual care	-	-	-	-	248,471	248,471
Restricted:						
Urban development and housing	-	-	-	-	9,745,474	9,745,474
General government	-	-	-	-	1,133,526	1,133,526
Capital projects	-	-	-	16,993,561	-	16,993,561
Public safety	-	9,802	-	-	-	9,802
Culture and recreation	-	-	-	-	9,320,398	9,320,398
Public works	-	-	-	-	4,886,963	4,886,963
Debt service	-	-	5,610,932	-	3,825,828	9,436,760
Assigned:						
Purchases on order	-	-	-	-	-	-
Unassigned	8,899,215	-	-	-	-	8,899,215
TOTAL FUND BALANCES	8,899,215	9,802	5,610,932	16,993,561	29,160,660	60,674,170
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,984,251	\$ 16,153,751	\$ 83,215,985	\$ 28,526,734	\$ 37,380,253	\$ 183,260,974

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2020

Fund balances of governmental funds		\$ 60,674,170
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.		10,332,603
Capital assets net of depreciation are not financial resources and therefore have not been included in the funds.		259,980,134
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	\$ (101,190,000)	
Special obligation bonds payable	(25,245,000)	
Temporary notes payable	(73,020,000)	
Premium on bonds payable	(5,606,529)	
Transportation revolving fund loan payable	(1,249,062)	
Capital leases payable	(4,397,579)	
Compensated absences	(2,888,190)	(213,596,360)
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		818,795
Accrued interest payable on long-term debt has not been reported in the governmental funds.		(832,682)
Other long-term assets related to special assessments are not available to pay current period expenditures and therefore are deferred in the funds.		74,471,368
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	(1,526,059)	
Deferred outflows of resources - OPEB	352,017	
Deferred inflows of resources - OPEB	(680,089)	(1,854,131)
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	(23,440,335)	
Deferred outflows of resources - pension	6,478,327	
Deferred inflows of resources - pension	(459,483)	(17,421,491)
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.		2,747,457
Net position of governmental activities		\$ 175,319,863

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

		Riley County	
		Police	Debt
	General	Department	Service
REVENUES			
Taxes	\$ 19,570,233	\$ 17,160,533	\$ 3,985,758
Special assessments	11,485	-	7,934,630
Licenses and permits	584,824	-	-
Intergovernmental revenues	4,249,856	-	-
Charges for services	1,650,678	-	206,955
Fines and forfeitures	948,046	2,890	-
Investment income	96,517	-	8,751
Miscellaneous	308,813	-	-
Total Revenues	<u>27,420,452</u>	<u>17,163,423</u>	<u>12,136,094</u>
EXPENDITURES			
Current			
General government	15,598,952	-	11,645
Public safety	8,512,321	17,681,392	-
Public works	3,915,922	-	-
Urban development and housing	817,909	-	-
Culture/recreation	4,096,395	-	-
Culture/recreation-payments to Library	-	-	-
Capital outlay	1,407,936	-	-
Debt service			
Principal	720,317	-	10,678,208
Bond issuance costs	-	-	283,256
Interest and fiscal charges	72,682	-	3,798,471
Total Expenditures	<u>35,142,434</u>	<u>17,681,392</u>	<u>14,771,580</u>
EXCESS (DEFICIENCY) OF REVENUES OVER			
(UNDER) EXPENDITURES	<u>(7,721,982)</u>	<u>(517,969)</u>	<u>(2,635,486)</u>
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	3,677,962
Premium on general obligation bonds	-	-	217,680
Payment to bond refunding escrow agent	-	-	(3,495,000)
Temporary notes issued	-	-	-
Leases issued	1,089,777	-	-
Sales of capital assets	193,412	-	-
Transfers in	9,918,247	-	1,892,270
Transfers out	(455,348)	-	(293,484)
Total Other Financing Sources (Uses)	<u>10,746,088</u>	<u>-</u>	<u>1,999,428</u>
NET CHANGE IN FUND BALANCES	3,024,106	(517,969)	(636,058)
FUND BALANCE - BEGINNING OF YEAR	<u>5,875,109</u>	<u>527,771</u>	<u>6,246,990</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,899,215</u>	<u>\$ 9,802</u>	<u>\$ 5,610,932</u>

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

(Continued)

For the Year Ended December 31, 2020

	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ 27,497,596	\$ 68,214,120
Special assessments	253,625	-	8,199,740
Licenses and permits	-	-	584,824
Intergovernmental revenues	2,520,265	3,060,045	9,830,166
Charges for services	-	158,071	2,015,704
Fines and forfeitures	-	-	950,936
Investment income	-	80,090	185,358
Miscellaneous	2,185,988	511,080	3,005,881
Total Revenues	4,959,878	31,306,882	92,986,729
EXPENDITURES			
Current			
General government	6,290	394,707	16,011,594
Public safety	-	824	26,194,537
Public works	31,419	2,623,419	6,570,760
Urban development and housing	-	2,977,926	3,795,835
Culture/recreation	-	38,128	4,134,523
Culture/recreation-payments to Library	-	3,335,074	3,335,074
Capital outlay	51,336,870	383,244	53,128,050
Debt service			
Principal	18,565,000	7,931,508	37,895,033
Bond issuance costs	242,820	-	526,076
Interest and fiscal charges	781,071	1,699,153	6,351,377
Total Expenditures	70,963,470	19,383,983	157,942,859
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,003,592)	11,922,899	(64,956,130)
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	11,767,039	-	15,445,001
Premium on general obligation bonds	-	-	217,680
Payment to bond refunding escrow agent	-	-	(3,495,000)
Temporary notes issued	50,875,000	-	50,875,000
Leases issued	-	257,148	1,346,925
Sales of capital assets	-	-	193,412
Transfers in	8,511,001	158,145	20,479,663
Transfers out	(179,795)	(9,667,036)	(10,595,663)
Total Other Financing Sources (Uses)	70,973,245	(9,251,743)	74,467,018
NET CHANGE IN FUND BALANCES	4,969,653	2,671,156	9,510,888
FUND BALANCE - BEGINNING OF YEAR	12,023,908	26,489,504	51,163,282
FUND BALANCE - END OF YEAR	\$ 16,993,561	\$ 29,160,660	\$ 60,674,170

See accompanying notes to basic financial statements.

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, 2020

Net change in fund balances - total governmental funds \$ 9,510,888

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	\$ 46,264,296	
Less current year depreciation	(13,056,437)	33,207,859

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position. (82,798)

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	(67,666,925)	
Premium on debt issued	(217,680)	
Amortization of bond premium	329,178	
Amortization on deferred charge on refunding	(97,283)	
Principal reductions	41,390,034	(26,262,676)

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	(221,682)	
Other postemployment benefits other than pensions	527,302	
Net pension liability	(1,160,413)	
Accrued interest on bonds	32,017	(822,776)

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	(470,336)	
Special assessments	(2,087,213)	(2,557,549)

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.

	1,443,111	
Change in net position of governmental activities	\$ 14,436,059	

See accompanying notes to basic financial statements.

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, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
REVENUES				
Taxes	\$ 16,511,231	\$ 16,511,231	\$ 16,201,160	\$ (310,071)
Licenses and permits	651,000	651,000	584,824	(66,176)
Intergovernmental revenues	568,000	568,000	4,211,698	3,643,698
Charges for services	2,773,650	2,773,650	1,478,740	(1,294,910)
Fines and forfeitures	1,346,600	1,346,600	948,046	(398,554)
Investment income	487,110	487,110	92,092	(395,018)
Miscellaneous revenues	329,150	329,150	243,873	(85,277)
Total Revenues	22,666,741	22,666,741	23,760,433	1,093,692
EXPENDITURES				
Current				
General government				
Administration	955,400	955,400	860,710	94,690
Finance	1,498,920	1,498,920	1,413,965	84,955
Airport	1,508,424	1,508,424	1,314,763	193,661
Animal shelter	631,650	631,650	507,893	123,757
Human resources	469,725	469,725	381,653	88,072
Legal services	1,389,400	1,389,400	1,316,739	72,661
General services	2,961,659	2,961,659	2,318,716	642,943
Outside services	551,152	551,152	543,134	8,018
Municipal parking lots	46,550	46,550	20,838	25,712
Public safety				
Fire department				
Administration	628,905	628,905	879,422	(250,517)
Operations	5,825,840	5,825,840	5,605,233	220,607
Technical services	1,044,050	1,044,050	858,207	185,843
Municipal building maintenance	442,150	442,150	-	442,150
Public works				
Administration	206,950	206,950	206,483	467
Street	2,516,230	2,516,230	1,816,924	699,306
Engineering	1,150,715	1,150,715	938,617	212,098
Traffic control	814,716	814,716	610,886	203,830
Urban development and housing	704,725	704,725	596,725	108,000
Culture/recreation				
Administration	288,600	288,600	280,191	8,409
Douglass Center	236,700	236,700	150,965	85,735
City parks	2,805,225	2,805,225	2,175,163	630,062
Swimming pools	899,500	899,500	93,303	806,197
Sunset Zoo	1,225,800	1,225,800	1,150,319	75,481
Blue Earth Park	31,750	31,750	13,574	18,176
Recreation	1,733,530	1,733,530	1,226,934	506,596
Discovery Center	1,119,575	1,119,575	861,776	257,799
Total Expenditures	31,687,841	31,687,841	26,143,133	5,544,708
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	\$ (9,021,100)	\$ (9,021,100)	\$ (2,382,700)	\$ 6,638,400

(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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 6,010,000	\$ 6,010,000	\$ 6,087,897	\$ 77,897
Transfers out	(135,000)	(135,000)	(839,009)	(704,009)
Leases issued	-	-	136,767	136,767
Total Other Financing Sources (Uses)	<u>5,875,000</u>	<u>5,875,000</u>	<u>5,385,655</u>	<u>(489,345)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (3,146,100)</u>	<u>\$ (3,146,100)</u>	<u>3,002,955</u>	<u>\$ 6,149,055</u>
FUND BALANCE - BEGINNING OF YEAR			<u>4,999,567</u>	
FUND BALANCE - END OF YEAR			8,002,522	
Fund balance for separately budgeted funds included with the General Fund on GAAP basis financials:				
Employee Benefit Contribution			-	
Fire Equipment Reserve			102,414	
Fire Pension KP&F			-	
General Improvement			146,699	
Industrial Promotion			439,019	
Park Development			49,621	
Special Sunset Zoo			23,677	
Risk Management Reserve			146,110	
Fund balance (deficit) for non-budgeted funds included with the General Fund on GAAP basis financials:				
Capital Improvement Reserve			35,374	
Alcohol and Drug Safety			17,065	
Hail Storm Insurance - Airport			-	
Special Taxi			45,259	
Cafeteria Plan			(153,772)	
Employee Activity			-	
Equipment Reserve			45,227	
FUND BALANCE - GAAP BASIS			<u>\$ 8,899,215</u>	

See accompanying notes to basic financial statements.

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, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
REVENUES				
Taxes	\$ 17,255,486	\$ 17,255,486	\$ 17,160,533	\$ (94,953)
Fines and forfeitures	5,000	5,000	2,890	(2,110)
Total Revenues	<u>17,260,486</u>	<u>17,260,486</u>	<u>17,163,423</u>	<u>(97,063)</u>
EXPENDITURES				
Current				
Public safety	17,681,392	17,681,392	17,681,392	-
Total Expenditures	<u>17,681,392</u>	<u>17,681,392</u>	<u>17,681,392</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>(420,906)</u>	<u>(420,906)</u>	<u>(517,969)</u>	<u>(97,063)</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>\$ (420,906)</u>	<u>\$ (420,906)</u>	<u>(517,969)</u>	<u>\$ (97,063)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>527,771</u>	
FUND BALANCE - END OF YEAR			9,802	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE - GAAP BASIS			<u>\$ 9,802</u>	

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
December 31, 2020

	Business-Type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water	Wastewater	Storm Water Management	Total	
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 7,479,832	\$ 2,151,748	\$ 3,473,716	\$ 13,105,296	\$ 4,004,932
Accounts receivable (net of allowance for uncollectibles)	934,715	1,447,488	353,473	2,735,676	13,009
Inventories	54,974	3,437	-	58,411	42,535
Total Current Assets	8,469,521	3,602,673	3,827,189	15,899,383	4,060,476
Noncurrent Assets					
Restricted cash and cash equivalents	-	60,670	-	60,670	-
Capital assets:					
Land	281,430	217,842	6,561	505,833	-
Buildings and improvements	26,112,416	37,090,850	29,827	63,233,093	-
Equipment, contents and vehicles	3,326,308	4,065,369	1,314,661	8,706,338	-
Infrastructure	69,853,905	98,691,824	26,300,838	194,846,567	-
Construction in progress	3,583,246	9,035,304	18,133,041	30,751,591	-
Less accumulated depreciation	(38,150,136)	(64,391,323)	(7,604,555)	(110,146,014)	-
Total capital assets (net of accumulated depreciation)	65,007,169	84,709,866	38,180,373	187,897,408	-
Total Noncurrent Assets	65,007,169	84,770,536	38,180,373	187,958,078	-
TOTAL ASSETS	73,476,690	88,373,209	42,007,562	203,857,461	4,060,476
DEFERRED OUTFLOWS OF RESOURCES					
Resources related to pensions	453,348	447,604	114,570	1,015,522	-
Resources related to OPEB	48,821	48,202	12,338	109,361	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 502,169	\$ 495,806	\$ 126,908	\$ 1,124,883	\$ -

(Continued)

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
(Continued)
December 31, 2020

	Business-Type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water	Wastewater	Storm Water Management	Total	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 616,929	\$ 170,442	\$ 39,645	\$ 827,016	\$ 102,991
Accrued payroll	31,985	20,866	5,776	58,627	-
Estimated insurance claims payable	-	-	-	-	1,193,084
Unearned revenue	5,419	7,147	3,134	15,700	-
Interfund payable	2,579,070	3,738,529	8,430,777	14,748,376	16,948
Accrued interest payable	273,680	265,405	41,096	580,181	-
Current portion of compensated absences	188,156	182,164	15,656	385,976	-
Current portion of capital leases payable	17,178	58,383	115,012	190,573	-
Current portion of state revolving loan	1,203,647	2,510,996	-	3,714,643	-
Current portion of general obligation bonds payable	835,000	275,000	745,000	1,855,000	-
Total Current Liabilities	5,751,064	7,228,932	9,396,096	22,376,092	1,313,023
Noncurrent Liabilities					
Compensated absences	88,545	85,724	7,368	181,637	-
Net pension liability	1,626,969	1,606,353	411,166	3,644,488	-
Total OPEB liability	211,649	208,967	53,488	474,104	-
Capital leases payable	70,167	145,366	83,606	299,139	-
State revolving loan	15,747,880	24,813,169	-	40,561,049	-
General obligation bonds payable	6,726,126	1,680,000	5,112,557	13,518,683	-
Total Noncurrent Liabilities	24,471,336	28,539,579	5,668,185	58,679,100	-
Total Liabilities	30,222,400	35,768,511	15,064,281	81,055,192	1,313,023
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	28,751	28,386	7,266	64,403	-
Resources related to OPEB	94,321	93,126	23,837	211,284	-
TOTAL DEFERRED INFLOWS OF RESOURCES	123,072	121,512	31,103	275,687	-
NET POSITION					
Net investment in capital assets	40,407,171	55,226,952	32,124,198	127,758,321	-
Unrestricted	3,226,216	(2,247,960)	(5,085,112)	(4,106,856)	2,747,453
TOTAL NET POSITION	\$ 43,633,387	\$ 52,978,992	\$ 27,039,086	\$ 123,651,465	\$ 2,747,453

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Year Ended December 31, 2020

	Business-Type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Wastewater	Storm Water Management	Total	
OPERATING REVENUES					
Charges for services	\$ 10,979,584	\$ 11,832,835	\$ 2,843,200	\$ 25,655,619	\$ 6,291,209
Rent income	256,192	-	-	256,192	-
Miscellaneous revenue	49,800	98,755	33,709	182,264	204,875
Total Operating Revenues	11,285,576	11,931,590	2,876,909	26,094,075	6,496,084
OPERATING EXPENSES					
Personnel services	2,896,434	2,824,608	806,026	6,527,068	-
Commodities	1,544,932	418,262	157,761	2,120,955	2,905
Contractual services	2,721,057	1,611,490	761,717	5,094,264	5,342,335
Depreciation	2,503,250	3,082,646	843,725	6,429,621	-
Total Operating Expenses	9,665,673	7,937,006	2,569,229	20,171,908	5,345,240
OPERATING INCOME	1,619,903	3,994,584	307,680	5,922,167	1,150,844
NON-OPERATING REVENUE (EXPENSE)					
Investment income	42,692	11,066	24,997	78,755	24,326
Interest and fiscal charges	(794,763)	(847,364)	(216,259)	(1,858,386)	-
Total Non-Operating Revenue (Expense)	(752,071)	(836,298)	(191,262)	(1,779,631)	24,326
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	867,832	3,158,286	116,418	4,142,536	1,175,170
Capital contributions	1,362,217	855,470	3,653,516	5,871,203	-
Transfers in	30,724	27,093	6,350	64,167	270,000
Transfers (out)	(5,951,711)	(2,390,108)	(1,874,285)	(10,216,104)	(2,063)
CHANGE IN NET POSITION	(3,690,938)	1,650,741	1,901,999	(138,198)	1,443,107
TOTAL NET POSITION - BEGINNING OF YEAR	47,324,325	51,328,251	25,137,087	123,789,663	1,304,346
TOTAL NET POSITION - END OF YEAR	\$ 43,633,387	\$ 52,978,992	\$ 27,039,086	\$ 123,651,465	\$ 2,747,453

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	Business-Type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Wastewater	Storm Water Management	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 11,217,456	\$ 11,639,608	\$ 2,793,082	\$ 25,650,146	\$ 6,535,846
Cash paid to vendors and suppliers	(4,278,477)	(2,256,386)	(916,035)	(7,450,898)	(5,843,702)
Cash paid to employees	(2,595,387)	(2,555,796)	(642,993)	(5,794,176)	-
Cash received from miscellaneous sources	49,800	98,755	33,709	182,264	-
Net Cash Flows from Operating Activities	4,393,392	6,926,181	1,267,763	12,587,336	692,144
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from other funds	30,724	27,093	6,350	64,167	267,937
Cash paid to other funds	(5,951,711)	(2,153,200)	(1,874,285)	(9,979,196)	-
Net Cash Flows from Non-Capital Financing Activities	(5,920,987)	(2,126,107)	(1,867,935)	(9,915,029)	267,937
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from issuance of debt	3,692,345	2,842,020	1,310,000	7,844,365	-
Cash paid for purchase of capital assets	(329,705)	(3,151,012)	(86,339)	(3,567,056)	-
Cash paid for interest on long-term debt	(810,302)	(847,310)	(226,562)	(1,884,174)	-
Cash paid for principal on long-term debt	(1,715,734)	(2,952,659)	(737,364)	(5,405,757)	-
Net Cash Flows from Capital and Related Financing Activities	836,604	(4,108,961)	259,735	(3,012,622)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from investment of idle funds	42,692	11,066	24,997	78,755	24,326
Net Cash Flows from Investing Activities	42,692	11,066	24,997	78,755	24,326
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(648,299)	702,179	(315,440)	(261,560)	984,407
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR					
	8,128,131	1,510,239	3,789,156	13,427,526	3,020,525
CASH AND CASH EQUIVALENTS - END OF YEAR					
	\$ 7,479,832	\$ 2,212,418	\$ 3,473,716	\$ 13,165,966	\$ 4,004,932

(Continued)

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS
(Continued)

For the Year Ended December 31, 2020

	Business-Type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Wastewater	Storm Water Management	Total	
Reconciliation of operating income (loss) to net cash					
flows from operating activities:					
Operating income	\$ 1,619,903	\$ 3,994,584	\$ 307,680	\$ 5,922,167	\$ 1,150,844
Adjustments to reconcile operating income to net cash					
flows from operating activities:					
Depreciation	2,503,250	3,082,646	843,725	6,429,621	-
(Increase) decrease in accounts receivable	(20,633)	(200,374)	(42,713)	(263,720)	39,762
(Increase) decrease in inventory	9,001	(1,498)	-	7,503	(10,874)
(Increase) decrease in deferred outflows pension	(240,480)	(242,374)	(76,000)	(558,854)	-
(Increase) decrease in deferred outflows OPEB	(48,821)	(48,202)	(12,338)	(109,361)	-
Increase (decrease) in interfund payable	-	-	-	-	(1,766)
Increase (decrease) in accounts payable and accrued expenses	(46,448)	(304,510)	3,013	(347,945)	(485,822)
Increase (decrease) in unearned revenue	2,313	7,147	(7,405)	2,055	-
Increase (decrease) in net pension liability	326,427	352,479	175,516	854,422	-
Increase (decrease) in total OPEB liability	211,649	208,967	53,488	474,104	-
Increase (decrease) in deferred inflows pension	(17,090)	(15,810)	(1,040)	(33,940)	-
Increase (decrease) in deferred inflows OPEB	94,321	93,126	23,837	211,284	-
Total Adjustments	2,773,489	2,931,597	960,083	6,665,169	(458,700)
Net Cash Flows from Operating Activities	\$ 4,393,392	\$ 6,926,181	\$ 1,267,763	\$ 12,587,336	\$ 692,144
Noncash investing, capital, and financing activities:					
Capital assets acquired through contributions from governmental funds	\$ 1,362,217	\$ 855,470	\$ 3,653,516	\$ 5,871,203	\$ -

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS
December 31, 2020

		Custodial Funds
	ASSETS	
Cash and cash equivalents		\$ -
Receivables		-
		<hr/>
TOTAL ASSETS		<hr/> - <hr/>
	LIABILITIES	
Current Liabilities		
Accounts payable		-
TOTAL LIABILITIES		<hr/> - <hr/>
	NET POSITION	
Held in trust for various purposes		\$ -
		<hr/> <hr/>

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION-
FIDUCIARY FUNDS
For the Year Ended December 31, 2020

	Custodial Funds
ADDITIONS	
Intergovernmental	\$ 79,019
Miscellaneous	103,542
Total additions	<u>182,561</u>
DEDUCTIONS	
Personnel	110,679
Contractual services	15,823
Commodities	95,378
Total deductions	<u>221,880</u>
Change in net position	(39,319)
NET POSITION - BEGINNING	<u>39,319</u>
NET POSITION - ENDING	<u><u>\$ -</u></u>

See accompanying notes to basic financial statements.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Notes to the Financial Statements

**For the Year Ended
December 31, 2020**

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2020

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 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 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). The financial statements of the Manhattan Public Library and Manhattan Housing Authority have been discretely presented on the government-wide financial statements.

Manhattan Public Library

The Manhattan Public 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.

Complete financial statements for the Manhattan Housing Authority may be obtained at the entity's administrative offices, located at 300 North 5th Street.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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, 2020 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>12/31/20 Percent Interest</u>	<u>12/31/20 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, 2020 was \$111,869, which includes the City's share of the joint venture's net income from 1997 to 2020 less distributions of \$137,657, \$50,000, \$119,751, \$292,592, \$165,032, \$56,482, \$30,352, and \$15,284 in 2001, 2011, 2013, 2014, 2015, 2016, 2017, and 2020 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 BASIC FINANCIAL STATEMENTS
(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 BASIC FINANCIAL STATEMENTS
(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.

Storm Water Management Fund – The Storm Water Management Fund is used to account for revenues and expenditures related to the operation and maintenance of the storm water 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.

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 storm water 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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

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, 2020, investment earnings allocated to the various funds were \$288,439.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 BASIC FINANCIAL STATEMENTS
(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 outflows 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 for more information on the deferred inflows for pensions, and 4D for more information on the deferred inflows for OPEB.

Pensions

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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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, 2020, the City estimates the accumulated unpaid vacation amount to be \$1,605,432 for governmental funds and \$320,285 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, 2020, the City estimates the accumulated unpaid sick pay amount to be \$1,282,758 for governmental funds and \$247,328 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 \$2,888,190. 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 \$567,613. This liability is recorded in both the business-type activities column of the government-wide financial statements and the proprietary fund financial statements.

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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 \$362,894 were delinquent at December 31, 2020.

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.

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”

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

Pending Governmental Accounting Standards Board Statements

At December 31, 2020, 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. 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. 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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

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 included with the General Fund have legally adopted annual budgets:

- Employee Benefit Contribution
- Fire Equipment Reserve
- Fire Pension KP&F
- General Improvement
- Industrial Promotion
- Park Development
- Special Sunset Zoo
- Risk Management Reserve

Deficit Net Position - The Motor Pool Fund and the Photocopy Services Fund had deficit net position of \$ 36,164 and \$ 4,719, respectively, that will be recovered from future charges for services.

Excess of Expenditures Over Appropriations - Expenditures exceeded appropriations in the Fire Pension KP&F Fund by \$ 99,350.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

The following special revenue funds 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
- Storm Water Management

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

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 BASIC FINANCIAL STATEMENTS
(Continued)

Note 3: Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2020, the City's investment balances were:

	Reported Amount/ Fair Value
Investment Type:	
Repurchase Agreement	\$ 46,774,750
Investments with Fiscal Agent	2,719,685
Total Investments	49,494,435
Deposits	20,136,680
Cash on Hand	4,925
Total Deposits	20,141,605
TOTAL DEPOSITS AND INVESTMENTS	\$ 69,636,040
Reconciliation of Government-wide Statement of Net Position to Total Deposits and Investments:	
Cash and Cash Equivalents	\$ 66,855,685
Investments with Fiscal Agent	2,719,685
Restricted Construction Accounts	60,670
TOTAL DEPOSITS AND INVESTMENTS	\$ 69,636,040

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 BASIC FINANCIAL STATEMENTS
(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:

- 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.
- Money market mutual funds are valued using quoted market prices (level 1 inputs).

At December 31, 2020, the City had the following investments:

	<u>Investment Maturities (in Years)</u>			Fair Value Hierarchy
	Fair Value	Less Than One	1-5	
Repurchase agreements	\$ 46,774,750	\$ 46,774,750	\$ -	N/A
Assets held by trustee:				
Money market mutual funds	2,719,685	2,719,685	-	Level 1
Total Investments	\$ 49,494,435	\$ 49,494,435	\$ -	

Manhattan Public Library component unit cash and cash equivalents of \$1,992,979 are stated at cost which approximates fair value. The Manhattan Public Library is governed by the same Kansas statutes as the City, and their exposure to the various investment-related risks is similar to that of the City.

Manhattan Housing Authority component unit cash and cash equivalents of \$170,495 are stated at cost which approximates fair value. The Manhattan Housing Authority is governed by the same Kansas statutes as the City, and their exposure to the various investment-related risks is similar to that of the City.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

B. Receivables

Accounts receivable for the governmental activities are reported net of an allowance for uncollectible accounts in the amount of \$620,736.

Accounts receivable for the Enterprise Funds are reported net of allowances for uncollectible accounts. The allowances at December 31, 2020, are as follows:

Water Fund	\$91,564
Wastewater Fund	159,352
Storm Water Management Fund	<u>18,566</u>
Total	<u>\$269,482</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 \$1,011,726 at December 31, 2020, consist of loans to three 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, 2020. The loan balance is also presented net of \$1,001,702 of forgivable loans that will not be collected if specified terms are met.

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 2020, \$230,729 was forgiven. and \$90,000 was paid on the loan. A request to rebate the payment made in March 2021 was approved due to COVID. The repayable note shall now be repaid in annual installments of \$90,000 for 2021 and 2022; \$99,000 from 2023 to 2029; \$129,000 from 2030 to 2032 and \$120,000 from 2033 to 2046.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

The balance as of December 31, 2020 is \$12,029,682 and is reported net expected of the forgivable note balance of \$6,229,682 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 2020, \$25,471 was paid by the Manhattan Public Library for the FCIP Improvements. The balance as of December 31, 2020 is \$25,471.

F. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

Primary Government

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,728,184	\$ 2,199,495	\$ 82,798	\$ 22,844,881
Construction in progress	30,278,785	42,018,373	9,745,313	62,551,845
TOTAL	51,006,969	44,217,868	9,828,111	85,396,726
Capital assets being depreciated:				
Buildings and improvements	140,311,013	228,237	-	140,539,250
Contents and equipment	11,037,938	823,038	-	11,860,976
Vehicles	11,325,996	777,146	607,763	11,495,379
Infrastructure	178,861,768	218,006	(9,745,313)	188,825,087
TOTAL	341,536,715	2,046,427	(9,137,550)	352,720,692
Less accumulated depreciation:				
Buildings and improvements	49,740,802	3,680,540	-	53,421,342
Contents and equipment	8,461,195	606,637	-	9,067,832
Vehicles	7,823,859	647,915	607,764	7,864,010
Infrastructure	99,662,755	8,121,345	-	107,784,100
TOTAL	165,688,611	13,056,437	607,764	178,137,284
Total capital assets being depreciated, net	175,848,104	(11,010,009)	(9,745,313)	174,583,408
Governmental activities capital assets, net	\$ 226,855,073	\$ 33,207,859	\$ 82,798	\$ 259,980,134

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 505,833	\$ -	\$ -	\$ 505,833
Construction in progress	18,621,850	14,486,068	2,356,327	30,751,591
TOTAL	19,127,683	14,486,068	2,356,327	31,257,424
Capital assets being depreciated:				
Buildings and improvements	63,233,093	-	-	63,233,093
Contents and equipment	5,505,593	134,320	-	5,639,913
Vehicles	2,712,981	447,658	94,214	3,066,425
Infrastructure	192,387,105	103,135	(2,356,327)	194,846,567
TOTAL	263,838,772	685,113	(2,262,113)	266,785,998
Less accumulated depreciation:				
Buildings and improvements	18,484,407	1,384,582	-	19,868,989
Contents and equipment	3,060,746	361,456	-	3,422,202
Vehicles	1,740,712	274,535	94,210	1,921,037
Infrastructure	80,524,738	4,409,048	-	84,933,786
TOTAL	103,810,603	6,429,621	94,210	110,146,014
Total capital assets being depreciated, net	160,028,169	(5,744,512)	(2,356,327)	156,639,984
Business-type activities capital assets, net	\$ 179,155,852	\$ 8,741,556	\$ -	\$ 187,897,408

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Discretely Presented Component Units

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Manhattan Public Library				
Capital assets not being depreciated:				
Works of art	\$ 32,400	\$ -	\$ -	\$ 32,400
Capital assets being depreciated:				
Furniture and equipment	398,297	119,178	4,329	513,146
Leasehold improvements	930,306	-	-	930,306
TOTAL	1,328,603	119,178	4,329	1,443,452
Less accumulated depreciation	(559,297)	(159,021)	367	(717,951)
Total capital assets being depreciated, net	769,306	(39,843)	3,962	725,5011
Library capital assets, net	\$ 801,706	\$ (39,843)	\$ 3,962	\$ 757,901
Manhattan Housing Authority				
Capital assets being depreciated:				
Buildings and leasehold improvements	\$ 17,231,450	\$ 19,766	\$ -	\$ 17,251,216
Contents and equipment	181,823	-	-	181,823
TOTAL	17,413,273	19,766	-	17,433,039
Less accumulated depreciation	8,054,795	534,276	-	8,589,071
Total capital assets being depreciated, net	9,358,478	(514,510)	-	8,843,968
Housing Authority capital assets, net	\$ 9,358,478	\$ (514,510)	\$ -	\$ 8,843,968

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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

Governmental activities:	
General government	\$ 2,081,658
Public safety	850,723
Public works	7,688,665
Urban development and housing	80,862
Culture/recreation	2,143,127
Downtown redevelopment	211,402
Total depreciation expense for governmental activities	<u>\$ 13,056,437</u>
Business-type activities:	
Water	\$ 2,503,250
Wastewater	3,082,646
Storm water management	843,725
Total depreciation expense for business-type activities	<u>\$ 6,429,621</u>

G. Capital Projects

At December 31, 2020, the City had contractual commitments for the construction of various projects:

	<u>Expenditures to Date</u>	<u>Amount Authorized</u>
Miscellaneous Governmental Activities	\$ 24,414,448	\$ 45,513,273
Airport Improvements	3,835,893	4,252,968
Storm Water Improvements	11,496,957	16,049,343
Sanitary Sewer Improvements	2,748,829	3,415,656
Street Improvements	25,975,558	35,551,524
Water Improvements	2,312,843	3,099,692
Total	<u>\$ 70,784,529</u>	<u>\$ 107,882,456</u>

H. Interfund Receivable/Payable

Individual fund receivable/payable balances at December 31, 2020, are as follows.

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 16,948	\$ -
Capital Projects Fund	14,748,376	-
Proprietary Funds:		
Water Fund	-	2,579,070
Wastewater Fund	-	3,738,529
Storm Water Management Fund	-	8,430,777
Internal Service Funds	-	16,948
TOTAL	<u>\$ 14,765,324</u>	<u>\$ 14,765,324</u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

I. Interfund Transfers

A summary of 2020 interfund transfers is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
Governmental Funds:		
General	\$ 9,918,247	\$ 455,348
Debt Service	1,892,270	293,484
Capital Projects	8,511,001	179,795
Proprietary Funds:		
Water	30,724	5,951,711
Wastewater	27,093	2,390,108
Storm Water Management	6,350	1,874,285
Non-major Governmental Funds	158,145	9,667,036
Internal Service Funds	<u>270,000</u>	<u>2,063</u>
TOTAL TRANSFERS	<u><u>\$ 20,813,830</u></u>	<u><u>\$ 20,813,830</u></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 \$82,798 were made from the business-type activities to the governmental activities.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

J. Long-Term Debt

The following is a summary of the debt transactions of the City for the year ended December 31, 2020:

	Balance January 1, 2020	Issued	Retired/ Refunded	Balance December 31, 2020	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 99,620,000	\$ 15,445,000	\$ (13,875,000)	\$ 101,190,000	\$ 9,960,000
General obligation bonds-premium	5,718,027	217,680	(329,178)	5,606,529	-
Senior lien special obligation bonds- Series 2009-A – direct borrowing	13,615,000	-	(2,860,000)	10,755,000	1,520,000
Subordinate lien special obligation bonds- Series 2009-B – direct borrowing	4,130,000	-	-	4,130,000	-
Taxable STAR bonds-Series 2009-2 – direct borrowings	10,905,000	-	(4,800,000)	6,105,000	1,150,000
Temporary notes – direct borrowings	41,940,000	54,735,000	(19,795,000)	76,880,000	6,085,000
Transportation Development District Sales Tax Revenue Bonds-Series 2010 – direct borrowings	4,455,000	-	(200,000)	4,255,000	215,000
Transportation Revolving Fund Loan – direct borrowings	1,547,270	-	(298,208)	1,249,062	309,301
Capital leases – direct borrowings	3,842,480	1,346,925	(791,826)	4,397,579	1,029,503
Other postemployment benefits	2,435,399	196,898	(1,106,238)	1,526,059	-
Compensated absences	2,666,508	2,763,517	(2,541,835)	2,888,190	1,963,969
Net pension liability	18,727,222	8,260,926	(3,547,813)	23,440,335	-
Total for governmental activities	\$ 209,601,906	\$ 82,965,946	\$ (50,145,098)	\$ 242,422,754	\$ 22,232,773
Business-type Activities:					
General obligation bonds	\$ 11,550,000	\$ 4,915,000	\$ (1,565,000)	\$ 14,900,000	\$ 1,855,000
General obligation bonds-premium	499,364	-	(25,681)	473,683	-
State revolving loans – direct borrowings	45,150,394	2,781,350	(3,656,052)	44,275,692	3,714,643
Capital leases – direct borrowings	526,402	148,015	(184,705)	489,712	190,573
Other postemployment benefits	-	474,104	-	474,104	-
Compensated absences	557,471	541,548	(531,406)	567,613	385,976
Net pension liability	2,790,066	1,447,216	(592,794)	3,644,488	-
Total for business-type activities	\$ 61,073,697	\$ 10,307,233	\$ (6,555,638)	\$ 64,825,292	\$ 6,146,192

Of the \$101,190,000 in general obligation bond debt shown above, \$54,776,110 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 BASIC FINANCIAL STATEMENTS
(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 of Bond	Original Issue Amount	Date of Issue	Remaining Principal Annual Installments		Interest Rate	Maturity Date	Balance December 31, 2020
				Lowest	Highest			
General Obligation Bonds								
2011 Series 2011A	Serial	\$ 10,535,000	12/1/11	\$110,000	\$ 990,000	2.0% to 3.75%	11/1/31	\$ 2,235,000
2011 Refunding Series 2011B	Serial	2,790,000	12/1/11	160,000	280,000	2.0% to 3.0%	11/1/23	715,000
2012 Series 2012A	Serial	1,465,000	6/1/12	60,000	85,000	1.5% to 3.75%	1/1/32	880,000
2012 Series 2012B	Serial	12,885,000	12/1/12	45,000	1,095,000	1.5% to 3.0%	1/1/32	4,740,000
2012 Refunding Series 2012C	Serial	4,895,000	12/20/12	430,000	555,000	2.0% to 4.0%	11/1/26	2,970,000
2013 Series 2013A	Serial	6,400,000	12/1/13	45,000	695,000	3.0% to 4.0%	11/1/33	2,515,000
2014 Series 2014A	Serial	12,310,000	6/2/14	485,000	805,000	2.0% to 5.0%	11/1/34	8,575,000
2014 Series 2014B	Serial/Term	9,685,000	6/2/14	395,000	670,000	3.0% to 4.25%	11/1/34	7,405,000
2014 Series 2014C	Serial/Term	3,940,000	12/8/14	175,000	235,000	2.0% to 3.375%	11/1/34	2,815,000
2015 Series 2015A	Serial/Term	5,475,000	12/7/15	105,000	745,000	2.0% to 5.0%	11/1/35	2,480,000
2015 Refunding Series 2015B	Serial	4,805,000	12/7/15	440,000	595,000	2.0% to 5.0%	11/1/27	3,690,000
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	16,345,000
2016 Series 2016B	Serial/Term	2,065,000	12/5/16	50,000	165,000	2.0% to 3.5%	11/1/36	1,485,000
2017 Series 2017A	Serial/Term	1,235,000	6/5/17	50,000	80,000	0.90% to 3.30%	11/1/37	1,085,000
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	2,725,000
2017 Series 2017C Taxable	Serial/Term	1,075,000	6/5/17	20,000	60,000	3.0% to 4.1%	11/1/36	1,015,000
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	4,655,000
2018 Series 2018A	Serial/Term	17,630,000	6/4/18	615,000	1,340,000	3.0% to 5.0%	11/1/38	15,860,000
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	10,965,000
2019 Series 2019B Taxable	Serial/Term	3,720,000	6/14/19	210,000	300,000	2.30% to 3.15%	11/1/34	3,510,000
2020 Refunding and Improvements Series 2020A	Serial	18,670,000	6/15/20	290,000	1,965,000	2.85%	11/1/40	17,735,000
2020 Refunding Series 2020B	Serial	1,690,000	9/15/20	140,000	195,000	3.00%	11/1/30	1,690,000
Subtotal								\$ 116,090,000
Less amount to be paid by Enterprise Funds								(14,900,000)
Total General Obligation Bonds Payable-Governmental Activities								\$ 101,190,000

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

The annual requirements to amortize governmental activities general obligation bonds outstanding as of December 31, 2020, are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 9,960,000	\$ 3,550,681	\$ 13,510,681
2022	8,915,000	3,180,854	12,095,854
2023	8,315,000	2,843,724	11,158,724
2024	7,830,000	2,521,174	10,351,174
2025	7,810,000	2,206,804	10,016,804
2026-2030	31,695,000	7,203,395	38,898,395
2031-2035	19,480,000	2,998,813	22,478,813
2036-2040	6,810,000	574,401	7,384,401
2041-2045	255,000	56,695	311,695
2046-2049	120,000	7,380	127,380
TOTAL	\$ 101,190,000	\$ 25,143,921	\$ 126,333,921

General obligation bonds in the amount of \$14,900,000 are included as liabilities of the Water, Wastewater, and Storm Water 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, 2020, are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 1,855,000	\$ 596,982	\$ 2,451,982
2022	1,665,000	522,584	2,187,584
2023	1,750,000	453,194	2,203,194
2024	1,680,000	381,434	2,061,434
2025	1,400,000	310,939	1,710,939
2026-2030	5,810,000	688,083	6,498,083
2031-2035	585,000	70,568	655,568
2036-2040	155,000	7,050	162,050
TOTAL	\$ 14,900,000	\$ 3,030,834	\$ 17,930,834

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Temporary notes currently outstanding consist of the following:

Series	Maturity Date	Rate	12/31/20 Balance
2017-02	06/15/2021	1.750%	\$ 280,000
2017-04	06/15/2021	1.450%	2,495,000
2018-01	12/15/2021	1.750%	3,310,000
2018-02	06/15/2022	2.125%	1,145,000
2019-01	06/15/2022	1.750%	435,000
2019-01	06/15/2023	1.875%	7,365,000
2019-02	06/15/2022	1.200%	870,000
2019-02	06/15/2023	1.200%	380,000
2019-03	06/15/2022	1.500%	5,865,000
2020-01	06/15/2023	1.125%	21,320,000
2020-02	06/15/2023	1.700%	5,090,000
2020-03	06/15/2023	0.500%	4,010,000
2020-03	06/15/2024	0.750%	24,315,000
Total			<u>\$ 76,880,000</u>

\$5,610,932 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 \$9,665,000 outstanding December 31, 2020, will be retired in June 15, 2021, with funds on hand. Temporary notes in the amount of \$67,215,000 will mature in 2022, 2023, and 2024.

At December 31, 2020, there were temporary notes in the amount of \$3,860,000 maturing in 2021 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, 2020.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Changes in this short-term debt during 2020 are summarized in the following table:

Balance at January 1, 2020	\$ 1,230,000
Issued	3,860,000
Retired	<u>(1,230,000)</u>
Balance at December 31, 2020	<u>\$ 3,860,000</u>

Debt Service Limit

The December 31, 2020 debt limit is \$189,088,641. There was \$116,273,019 in outstanding long and short-term G.O. debt applicable to the debt limit as of December 31, 2020. Sewer, Water, Storm Water 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
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	295,000	162,775	457,775
2026-2030	1,840,000	577,250	2,417,250
2031-2034	<u>1,150,000</u>	<u>92,250</u>	<u>1,242,250</u>
TOTAL	\$ 4,255,000	\$ 1,596,550	\$ 6,265,475

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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	\$10,755,000	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 BASIC FINANCIAL STATEMENTS
(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
\$1,520,000	2021
\$1,640,000	2022
\$1,775,000	2023
\$1,910,000	2024
\$2,055,000	2025
\$1,855,000	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 2020, \$4,800,000 in principal has been redeemed on the 2009-2 STAR Bonds, resulting in a current balance of \$6,105,000. Interest is payable semiannually at the following annual rates:

Term Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2026	\$6,105,000	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.

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
\$ 710,000	2025

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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 12/31/2020	Lease Balance 12/31/2020
Governmental Activities:				
Facilities Conservation Improv. Prog.	\$ 930,000	\$ -	\$ -	\$ 108,292
Narrow Band Equipment	303,804	-	-	36,300
Pumper Truck	529,802	610,742	366,445	159,429
Quint Pumper Truck	950,000	993,985	397,594	596,020
Sign/Stencil Truck	71,539	94,639	47,320	-
Rubber Tire Loader	92,118	92,118	30,706	18,942
Dump Truck	84,579	84,579	84,579	17,345
Paint Machine	30,892	39,257	10,468	7,503
Dump Truck	126,693	151,402	90,841	64,943
Brush Truck	88,897	109,460	32,838	45,389
2 Ford F350 Trucks	70,222	99,424	29,827	35,626
Backhoe	85,300	96,492	19,299	51,261
Peace Memorial	460,000	793,059	52,871	310,804
Phone System	519,543	519,543	311,726	311,725
Thermal imaging cameras	39,200	51,534	8,589	29,864
Aerial truck	953,091	1,094,876	218,975	859,010
Groundskeeper mower	32,385	32,385	4,318	24,286
Skid steer loader	18,743	18,743	12,495	12,440
Compact excavator	26,150	26,150	17,433	20,830
Storm warning sirens	45,484	58,962	5,896	34,026
Forestry large aerial truck	126,784	153,739	30,748	100,844
Peace Memorial - new roof	205,774	228,237	45,648	205,774
2019 Ford F-350 SD and related equipment	65,900	67,320	9,617	65,900
Airfield Lighting	28,013	35,357	3,536	28,013
State Bid Vehicles (11)	237,934	240,415	34,345	237,934
Airport Deicer Trailer	42,854	54,660	5,466	42,854
Fire Radios	462,773	462,773	66,110	462,773
Chipper Truck	55,461	75,454	7,545	55,461
Four (4) 2020 Three Quarter Ton 4WD Standard Cab Pickup Truck	127,058	146,884	20,983	127,058
2 Ford SUV's	69,784	84,146	16,829	69,784
Dump Truck and Pickup Truck	257,148	257,148	51,430	257,148
Total	\$ 7,137,925	\$ 6,773,483	\$ 2,034,479	\$ 4,397,579
Business-type Activities:				
Biosolids farm row crop tractor	\$ 190,420	\$ 255,517	\$ 34,069	\$ 143,079
Street Sweeper	90,228	135,153	135,153	-
Mower	138,176	160,136	42,702	35,599
Street Sweeper	153,263	200,435	160,348	39,062
Street Sweeper	165,075	210,000	84,000	123,957
International Dump Truck	87,345	87,345	17,469	87,345
One Ton Pickup Truck	60,670	60,670	6,067	60,670
Total	\$ 885,177	\$ 1,109,256	\$ 479,808	\$ 489,712

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Future minimum lease obligations as of December 31, 2020, are:

Year Ending December 31,	Governmental Activities	Business-type Activities
2021	\$ 1,128,991	\$ 201,002
2022	936,127	124,824
2023	771,135	124,824
2024	617,869	31,280
2025	483,855	31,280
2026-2028	814,540	-
Total Minimum Lease Payments	4,752,521	513,210
Less: Amount representing interest	(354,940)	(23,498)
Present Value of Minimum Lease Payments	\$ 4,397,579	\$ 489,712

Amortization on these assets acquired through capital leases totaled \$762,658 for governmental activities and \$160,364 for business-type activities in 2020 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 \$543,832 was paid in 2020. The balance on the loan as of December 31, 2020, is \$1,139,839 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
2021	\$ 561,042	\$ 31,421	\$ 592,463
2022	578,797	13,666	592,463
Totals	\$ 1,139,839	\$ 45,087	\$ 1,184,926

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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 \$1,676,339 was paid in 2020. The balance on the loan as of December 31, 2020, is \$21,763,940 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
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	1,918,792	383,801	2,302,593
2026-2030	10,411,526	1,101,436	11,512,962
2031	2,256,458	46,135	2,302,592
Totals	\$ 21,763,940	\$ 3,564,576	\$ 25,328,516

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, 2020, is \$857,504 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. Principal in the amount of \$66,746 was paid in 2020. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
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	75,761	14,130	89,891
2026-2030	408,985	40,471	449,456
2031	88,202	1,690	89,892
Totals	\$ 857,504	\$ 131,300	\$ 988,804

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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 \$3,782,594 on a low-interest loan with a 20-year repayment period to finance the cost of wastewater treatment plant improvements. Drawdowns totaling \$3,766,274 have been made on this loan. Principal in the amount of \$203,392 was paid in 2020. The balance on the loan as of December 31, 2020, is \$3,562,882 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. This loan is payable from the revenues of the wastewater utility. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 159,199	\$ 74,684	\$ 233,883
2022	153,681	80,201	233,882
2023	157,361	76,522	233,883
2024	161,128	72,755	233,883
2025	164,986	68,897	233,883
2026-2030	886,107	283,308	1,169,415
2031-2035	997,382	172,033	1,169,415
2036-2039	883,038	45,803	928,841
Totals	<u>\$ 3,562,882</u>	<u>\$ 874,203</u>	<u>\$ 4,437,085</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, 2020, is \$11,843,067 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 \$816,676 was paid in 2020. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
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	977,614	291,266	1,268,880
2026-2030	5,452,179	892,221	6,344,400
2031-2032	1,836,265	67,056	1,903,321
Totals	<u>\$ 11,843,067</u>	<u>\$ 2,749,055</u>	<u>\$ 14,592,122</u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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, 2020, is \$266,187 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$16,984 was paid in 2020. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
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	19,345	4,948	24,293
2026-2030	104,653	16,812	121,465
2031-2033	69,653	3,228	72,881
Totals	<u>\$ 266,187</u>	<u>\$ 49,624</u>	<u>\$ 315,811</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, 2020, is \$697,198 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$144,909 was paid in 2020. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
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	81,262	987	82,249
Totals	<u>\$ 697,198</u>	<u>\$ 43,036</u>	<u>\$ 740,234</u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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. The balance of this loan is \$4,145,075. This loan is payable from the revenues of the water utility. Principal in the amount of \$187,165 was paid in 2020. 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
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	208,081	70,369	278,450
2026-2030	1,109,180	283,072	1,392,252
2031-2035	1,233,133	159,119	1,392,252
2036-2039	805,075	30,275	835,350
Totals	<u>\$ 4,145,075</u>	<u>\$ 867,031</u>	<u>\$ 5,012,106</u>

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, 2020 is \$1,249,062. The annual amounts to amortize the loan are as follows:

December 31,	Principal	Interest	Total
2021	\$ 309,301	\$ 46,465	\$ 355,766
2022	320,807	34,959	355,766
2023	332,741	23,025	355,766
2024	286,213	10,647	296,860
Totals	<u>\$ 1,249,062</u>	<u>\$ 115,096</u>	<u>\$ 1,364,158</u>

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, 2020, Industrial Revenue Bonds relating to six entities were outstanding with a total balance of approximately \$74,787,463.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Manhattan Housing Authority Debt

The following is a summary of the debt transactions of the Housing Authority for the year ended December 31, 2020.

	Balance January 1, 2020	Additions	Deductions	Balance December 31, 2020	Amounts Due within One Year
Accrued compensated absences	\$ 24,874	\$ 304	\$ -	\$ 25,178	\$ 12,589
Energy Performance Contract – Debt	2,732,793	-	(98,655)	2,634,138	106,781
FSS Escrow	62	-	(62)	-	-
Accrued pension liability	302,880	74,606	-	377,486	-
Total non-current liabilities	<u>\$ 3,060,609</u>	<u>\$ 74,910</u>	<u>\$ (98,717)</u>	<u>\$ 3,036,802</u>	<u>\$ 119,370</u>

EPC (Energy Performance Contract)

The Authority received HUD approval for an Energy Performance Contract (EPC) in November 2015 in the amount of \$2,043,067. The balance as of December 31, 2020 is \$1,658,823 (including current portion of \$106,871). Payments are made using utility savings generated by energy-saving projects completed in 2020. Projects include: retrofitting interior and exterior lighting; installation of high efficiency toilets, shower heads and aerators; building envelope improvements; refrigerator, water heater and HVAC system replacement. Utility savings are guaranteed by the Energy Performance Contractor, Johnson Controls, Inc. The payments are to be made on a semi-annual basis.

Recoverable Advance Agreement

The Authority signed a recoverable advance agreement with the City of Manhattan dated October 17, 2017 in the amount of \$1,000,000 for the installation of windows and patio doors and the repair or replacement of sewer lines located on the premises. The repayment will start on November 15, 2021, and on or before every October thereafter through November 15, 2051. The Authority will pay the City an amount equal to the City's annual debt service for the general obligation bonds used to finance the design and construction of the project repairs for the development. Such annual advance payment shall be due and payable regardless of when or whether the City actually issues the general obligation bonds and regardless of the City's repayment schedule, including whether the City pays any bonds that may be issued earlier than anticipated. The balance as of December 31, 2020 is \$975,315.

The annual debt service requirements to maturity for long-term debt as of December 31, 2020 for both the EPC contract and Recoverable Advance Agreement combined is as follows:

Maturity	Principal	Interest	Total
2021	\$ 106,781	\$ 54,009	\$ 160,790
2022	129,776	92,650	222,426
2023	138,568	88,144	226,712
2024	147,806	83,344	231,150
2025	157,510	78,234	235,744
2026-2030	970,935	301,349	1,272,284
2031-2035	352,447	164,948	517,395
2036-2040	180,000	128,000	308,000
2041-2045	215,000	89,400	304,400
2046-2050	260,000	42,800	302,800
2051	(24,685)	2,200	(22,485)
	<u>\$ 2,634,138</u>	<u>\$ 1,125,078</u>	<u>\$ 3,759,216</u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 \$1,839,098 at December 31, 2020. The claims liability of \$762,426 reported in the Fund at December 31, 2020 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 2020 and 2019 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	Balance at Fiscal Year End
2019-2020	\$ 1,273,340	\$ 4,178,037	\$ 4,688,951	\$ 762,426
2018-2019	\$ 421,148	\$ 7,876,032	\$ 7,023,840	\$ 1,273,340

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 2020 and 2019 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	Balance at Fiscal Year End
2019-2020	\$ 405,417	\$ 193,009	\$ 167,768	\$ 430,658
2018-2019	\$ 340,031	\$ 265,786	\$ 200,400	\$ 405,417

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

E. 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.

F. Defined Benefit Pension Plan

Plan Description

The City 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 annual comprehensive 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 BASIC FINANCIAL STATEMENTS
(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 BASIC FINANCIAL STATEMENTS
(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 8.61% for the Local Group and 21.93% for the Police and Firemen Group for the year ended December 31, 2020. Contributions to the Pension Plan from the City of Manhattan were \$1,500,419 for the Local Group and \$1,249,535 for the Police and Firemen Group for the year ended December 31, 2020.

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

At December 31, 2020, the City of Manhattan reported a liability of \$15,375,448 for the Local Group and \$11,709,375 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, 2020, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2020, the City of Manhattan's proportion and change from its proportion measured as of June 30, 2019 were as follows:

	Net Pension Liability as of December 31, 2020	Proportion as of June 30, 2020	Increase in Proportion From June 30, 2019
Local Group	\$ 15,375,448	0.886881%	0.014957%
Police and Firemen Group	11,709,375	0.949560%	0.027411%
	<u>\$ 27,084,823</u>		

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

For the year ended December 31, 2020, the City of Manhattan recognized pension expense of \$2,235,781 for the Local Group and \$1,986,244 the Police and Firemen Group. At December 31, 2020, 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	\$ 598,980	\$ 197,671
Net difference between projected and actual earnings on pension plan investments	2,931,778	-
Changes of assumptions	1,736,668	-
Changes in proportionate share	689,794	326,215
City of Manhattan's contributions subsequent to measurement date	1,536,629	-
Total	<u>\$ 7,493,849</u>	<u>\$ 523,886</u>

The \$1,536,629 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, 2021. 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	
2021	\$ 1,334,967
2022	1,515,546
2023	1,334,040
2024	1,192,498
2025	<u>56,283</u>
	<u><u>\$ 5,433,334</u></u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions

The total pension liability for KPERS in the December 31, 2019 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 price inflation	3.25 to 11.75 percent
Long-term rate of return, net of investment expense, including price inflation	7.50 percent
Payroll growth assumption	2.75 percent

Changes in actuarial assumptions and methods in the December 31, 2019 actuarial valuation were as follows:

Both Groups

- Investment return assumption was lowered from 7.75% to 7.50%.
- General wage growth assumption was lowered from 3.50% to 3.25%.
- Payroll growth assumption was lowered from 3.00% to 2.75%.

KPERS

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contribution rates was increased from 0.16% to 0.18%.

KP&F

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contribution rates was increased from 0.16% to 0.18%.

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 calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield driven	8.00%	4.70%
Real return	11.00%	3.25%
Fixed income	11.00%	1.55%
Cash	4.00%	0.25%
	<hr/>	
Total	100%	

Discount rate

The discount rate used by KPERS to measure the total pension liability was 7.50%. 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City of Manhattan's Local Group proportionate share of collective net pension liability	\$ 21,639,409	\$ 15,375,448	\$ 10,109,089
City of Manhattan's Police and Firemen Group proportionate share of the collective net pension liability	16,026,531	11,709,375	8,103,933
	<u>\$ 37,665,940</u>	<u>\$ 27,084,823</u>	<u>\$ 18,213,022</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.

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

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, 2020 totaled \$57,420.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Employees Covered by Benefit Terms

As of the reporting date of December 31, 2020, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	5
Active plan members	422
	<hr/>
	427
	<hr/> <hr/>

Total OPEB Liability

The City's total OPEB liability of \$ 1,135,838 was measured as of December 31, 2020 and was determined by an actuarial valuation performed as of December 31, 2020.

Actuarial Assumptions and Other Inputs.

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

Discount rate as of measurement date	2.74 percent
Inflation rate	2.75 percent
Mortality table	Males: RP-2014 set forward two-years for KPERS and one-year for KP&F for pre-retirement and post-retirement Females: RP-2014 set forward one-year for KPERS and one-year for KP&F for pre-retirement and post-retirement
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	3.70 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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 participation rate and expected claims were updated to reflect plan experience.
5. The overall impact of the new assumptions is a decrease in the benefit obligations.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2019	\$ 1,803,205
Changes for the year:	
Service cost	148,052
Interest cost	78,836
Changes in economic/demographic gains or losses	(84,719)
Changes in assumptions and inputs	(752,116)
Benefit payments	(57,420)
Net changes	(667,367)
Balance at December 31, 2020	\$ 1,135,838

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 (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 1,259,051	\$ 1,135,838	\$ 1,024,111

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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	\$ 979,878	\$ 1,135,838	\$ 1,325,083

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$122,934.

At December 31, 2020, 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	\$ 41,935	\$ (843,356)

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>	
2021	\$ (103,954)
2022	(103,954)
2023	(103,954)
2024	(103,954)
2025	(103,954)
Thereafter	<u>(281,651)</u>
	<u><u>\$ (801,421)</u></u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

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, 2020 totaled \$93,980.

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.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Employees Covered by Benefit Terms

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

Active members	312
Disabled members	<u>4</u>
	<u><u>316</u></u>

Total OPEB Liability

The City's total OPEB liability of \$864,325 was measured as of June 30, 2020 and was determined by an actuarial valuation performed as of December 31, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 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	2.21 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-2020.
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, 2019 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2019	\$ 632,194
Changes for the year:	
Service cost	56,885
Interest	22,487
Effect of economic/demographic gains or losses	166,019
Effect of assumptions changes or inputs	80,720
Benefit payments	(93,980)
Net changes	232,131
Balance at December 31, 2020	\$ 864,325

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 (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 925,076	\$ 864,325	\$ 808,612

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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	\$ 864,325	\$ 864,325	\$ 864,325

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$116,436. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 290,437	\$ (36,866)
Changes of assumptions	82,016	(11,151)
Benefit payments subsequent to the measurement date	46,990	-
	<u>\$ 419,443</u>	<u>\$ (48,017)</u>

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$46,990 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, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>December 31,</u>	
2021	\$ 37,064
2022	37,064
2023	37,064
2024	37,064
2025	37,064
Thereafter	139,116
	<u>\$ 324,436</u>

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(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, 2020 is as follows:

	Deferred Outflows of Resources	Total OPEB Liability	Deferred Inflows of Resources
Retiree Medical Plan	\$ 41,935	\$(1,135,838)	\$(843,356)
Disability Benefits and Life Insurance	419,443	(864,325)	(48,017)
	<u>\$ 461,378</u>	<u>\$(2,000,163)</u>	<u>\$(891,373)</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, 2020, abated property taxes that impacted the City totaled \$8,159,832 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 \$1,151,420.
- A property tax abatement for constructing a commercial office building. The City's portion of the abatement amounted to \$7,008,412.

F. Shared Costs Agreement

The Library and North Central Kansas Libraries System (the Libraries System) share common management and also have an agreement in place whereby the Library agrees to provide certain operating costs, such as personnel, occupancy and supplies expense. Additionally, the Library is responsible for the net pension liability of Libraries System employees that participate in the Kansas Public Employees Retirement System (KPERS), which is a pension plan administered by the State of Kansas.

For 2020, the Libraries System made payments to the Library totaling \$708,244 for personnel services and \$23,231 for occupancy and supply expenses under this agreement.

G. Economic Dependency

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2021 federal budget.

H. Contingencies

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)

CITY OF MANHATTAN, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

I. Subsequent Events

In May 2021, the City received \$6,378,689 in American Rescue Plan Act – Treasury's Coronavirus State and Local Fiscal Recovery Funds assistance.

On March 15, 2021, the City issued \$41,300,000 in Series 2021-01 General Obligation Temporary Notes. The principal maturity of the \$41,300,000 is due on June 15, 2024. The interest rate is 0.20%.

On June 7, 2021, the City issued \$4,940,000 in Series 2021-A General Obligation Bonds. Principal maturities ranging from \$165,000 to \$365,000 are due through November 1, 2041. The interest rate ranges from 2.00% to 4.00%.

On September 23, 2021, Kansas Housing Resources Corporation granted Manhattan Housing Authority \$2,631,062 for the period of October 1, 2021 to September 30, 2022 for the Bridge to Housing Stability program in the Manhattan MSA.

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 Six Fiscal Years

	2020	2019	2018	2017	2016	2015
City of Manhattan's proportion of the collective net pension liability						
KPERS	0.886881%	0.871924%	0.881000%	0.842342%	0.829237%	0.821215%
KP&F	0.949560%	0.922149%	0.962364%	0.970094%	0.949823%	0.978480%
City of Manhattan's proportionate share of the collective net pension liability	\$ 27,084,823	\$ 21,517,288	\$ 21,539,173	\$ 21,298,396	\$ 21,650,150	\$ 17,887,831
City of Manhattan's covered payroll	\$ 23,030,361	\$ 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	118%	100%	104%	108%	116%	99%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
KPERs/Ret Contractually required contributions	\$ 1,500,419	\$ 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
KP&F Contractually required contributions	1,249,535	1,118,987	991,873	919,706	962,890	952,624	874,519	730,347	623,028	512,620
Contributions in relation to the contractually required contributions	(2,749,956)	(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)
Contribution deficiency (excess)	\$ (2)	\$ 300	\$ 108	\$ (2,481)	\$ 42	\$ -	\$ -	\$ -	\$ 1,035	\$ (65)
City of Manhattan's covered payroll	\$ 23,030,361	\$ 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
Contributions as a percentage of covered payroll	11.9%	12.0%	11.9%	11.2%	12.1%	13.1%	12.1%	10.9%	10.2%	9.3%

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 Three Fiscal Years¹

	2020	2019	2018
Total OPEB liability:			
Service cost	\$ 148,052	\$ 162,220	\$ 146,086
Interest cost	78,836	65,032	62,814
Changes of assumptions and inputs	(752,116)	(131,158)	61,810
Economic gains and losses	(84,719)	-	-
Benefit payments	(57,420)	(41,925)	(74,000)
Net change in total OPEB liability	(667,367)	54,169	196,710
Total OPEB liability, beginning	1,803,205	1,749,036	1,552,326
Total OPEB liability, ending	<u>\$ 1,135,838</u>	<u>\$ 1,803,205</u>	<u>\$ 1,749,036</u>
Covered payroll	\$ 21,688,964	\$ 20,372,888	\$ 19,501,470
City's total OPEB liability as a percentage of covered payroll	5.24%	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 Four Fiscal Years¹

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 56,885	\$ 56,168	\$ 55,817	\$ 56,189
Interest on total OPEB liability	22,487	16,780	15,626	11,363
Effect of economic/demographic gains or losses	166,019	177,739	(53,396)	-
Effect of assumptions changes or inputs	80,720	11,906	(5,263)	(12,809)
Benefit payments	(93,980)	(15,490)	(16,600)	(16,600)
Net change in total OPEB liability	232,131	247,103	(3,816)	38,143
Total OPEB liability, beginning	632,194	385,091	388,907	350,764
Total OPEB liability, ending	<u>\$ 864,325</u>	<u>\$ 632,194</u>	<u>\$ 385,091</u>	<u>\$ 388,907</u>
Covered payroll	\$ 15,755,136	\$ 14,785,584	\$ 14,915,895	\$ 13,852,617
City's total OPEB liability as a percentage of covered payroll	5.49%	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.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Nonmajor Governmental Funds

**For the Year Ended
December 31, 2020**

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, 2020

	Special Revenue				
	City/ University Projects	Business Improvement Districts	Economic Development	Library	Sales Tax
ASSETS					
Cash and cash equivalents	\$ 373,328	\$ 8,076	\$ 8,136,422	\$ 1	\$ 59,096
Investments with fiscal agent	-	-	-	-	-
Investment in joint venture	-	-	111,869	-	-
Receivables:					
Accounts	-	14,762	-	-	-
Intergovernmental	-	-	-	-	-
Sales tax	-	-	342,164	-	1,071,148
Transient guest tax receivable	-	-	-	-	-
Property tax	-	-	-	3,248,350	-
Other loans	-	-	4,579,166	-	-
Total Assets	\$ 373,328	\$ 22,838	\$ 13,169,621	\$ 3,248,351	\$ 1,130,244
LIABILITIES					
Accounts payable	\$ -	\$ 7,054	\$ 3,835	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Interfund payable	-	-	-	-	-
Total Liabilities	-	7,054	3,835	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	3,248,350	-
Unavailable revenue - receivables	-	14,762	4,579,166	-	-
Total Deferred Inflows of Resources	-	14,762	4,579,166	3,248,350	-
FUND BALANCE					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	373,328	1,022	8,586,620	-	-
General government	-	-	-	-	1,130,244
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	-
Culture & recreation	-	-	-	1	-
Public works	-	-	-	-	-
Debt service	-	-	-	-	-
Committed - urban development	-	-	-	-	-
Assigned - purchases on order	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	373,328	1,022	8,586,620	1	1,130,244
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 373,328	\$ 22,838	\$ 13,169,621	\$ 3,248,351	\$ 1,130,244

(Continued)

CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2020

	Special Revenue				
	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Promotion	Recreation and Trails Sales Tax
ASSETS					
Cash and cash equivalents	\$ 3,282	\$ 738,111	\$ 2,329,519	\$ 157,928	\$ 7,986,199
Investments with fiscal agent	-	-	254,148	-	-
Investment in joint venture	-	-	-	-	-
Receivables:					
Accounts	-	-	1	-	-
Intergovernmental	-	-	-	-	-
Sales tax	-	-	-	-	571,584
Transient guest tax receivable	-	-	-	335,239	-
Property tax	-	-	-	-	-
Other loans	-	-	-	-	-
Total Assets	\$ 3,282	\$ 738,111	\$ 2,583,668	\$ 493,167	\$ 8,557,783
LIABILITIES					
Accounts payable	\$ -	\$ 1,000	\$ 24,937	\$ -	\$ -
Accrued payroll	-	-	807	-	-
Unearned revenue	-	-	-	-	-
Interfund payable	-	-	-	-	-
Total Liabilities	-	1,000	25,744	-	-
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	-	-	-	493,167	-
General government	3,282	-	-	-	-
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	-
Culture & recreation	-	737,111	-	-	8,557,783
Public works	-	-	2,557,924	-	-
Debt service	-	-	-	-	-
Committed - urban development	-	-	-	-	-
Assigned - purchases on order	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	3,282	737,111	2,557,924	493,167	8,557,783
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,282	\$ 738,111	\$ 2,583,668	\$ 493,167	\$ 8,557,783

(Continued)

CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2020

	Special Revenue				
	Special Street Maintenance	Sunset Cemetery	CID Sales Tax	State and Federal Grants	Total
ASSETS					
Cash and cash equivalents	\$ 2,069,937	\$ 89,356	\$ 131,022	\$ 29,115	\$ 22,111,392
Investments with fiscal agent	-	-	-	-	254,148
Investment in joint venture	-	-	-	-	111,869
Receivables:					
Accounts	-	-	-	-	14,763
Intergovernmental	-	-	-	150,012	150,012
Sales tax	453,020	-	62,949	-	2,500,865
Transient guest tax	-	-	-	-	335,239
Property tax	-	-	-	-	3,248,350
Other loans	-	-	-	-	4,579,166
Total Assets	\$ 2,522,957	\$ 89,356	\$ 193,971	\$ 179,127	\$ 33,305,804
LIABILITIES					
Accounts payable	\$ 193,918	\$ -	\$ -	\$ 143,805	\$ 374,549
Accrued payroll	-	-	-	1,809	2,616
Unearned revenue	-	-	-	-	-
Interfund payable	-	-	-	-	-
Total Liabilities	193,918	-	-	145,614	377,165
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	3,248,350
Unavailable revenue - receivables	-	-	-	-	4,593,928
Total Deferred Inflows of Resources	-	-	-	-	7,842,278
FUND BALANCE					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	-	89,356	193,971	8,010	9,745,474
General government	-	-	-	-	1,133,526
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	-
Culture & recreation	-	-	-	25,503	9,320,398
Public works	2,329,039	-	-	-	4,886,963
Debt service	-	-	-	-	-
Committed - general government	-	-	-	-	-
Assigned - purchases on order	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	2,329,039	89,356	193,971	33,513	25,086,361
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,522,957	\$ 89,356	\$ 193,971	\$ 179,127	\$ 33,305,804

(Continued)

**CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

December 31, 2020

	Debt Service			Permanent	Total
	Downtown Redevelopment Senior Lien TIF Bonds	Combined TDD	Total	Sunrise Cemetery Perpetual Care	Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 332,332	\$ 850,933	\$ 1,183,265	\$ 248,621	\$ 23,543,278
Investments with fiscal agent	2,406,030	-	2,406,030	-	2,660,178
Investment in joint venture	-	-	-	-	111,869
Receivables:					
Accounts	-	-	-	-	14,763
Intergovernmental	-	-	-	-	150,012
Sales tax	158,705	77,828	236,533	-	2,737,398
Transient guest tax	-	-	-	-	335,239
Property tax	-	-	-	-	3,248,350
Other loans	-	-	-	-	4,579,166
Total Assets	\$ 2,897,067	\$ 928,761	\$ 3,825,828	\$ 248,621	\$ 37,380,253
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 150	\$ 374,699
Accrued payroll	-	-	-	-	2,616
Unearned revenue	-	-	-	-	-
Interfund payable	-	-	-	-	-
Total Liabilities	-	-	-	150	377,315
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	3,248,350
Unavailable revenue - receivables	-	-	-	-	4,593,928
Total Deferred Inflows of Resources	-	-	-	-	7,842,278
FUND BALANCE					
Nonspendable - perpetual care	-	-	-	248,471	248,471
Restricted:					
Urban development & housing	-	-	-	-	9,745,474
General government	-	-	-	-	1,133,526
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	-
Culture & recreation	-	-	-	-	9,320,398
Public works	-	-	-	-	4,886,963
Debt service	2,897,067	928,761	3,825,828	-	3,825,828
Committed - general government	-	-	-	-	-
Assigned - purchases on order	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	2,897,067	928,761	3,825,828	248,471	29,160,660
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,897,067	\$ 928,761	\$ 3,825,828	\$ 248,621	\$ 37,380,253

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

For the Year Ended December 31, 2020

	Special Revenue				
	City/ University Projects	Business Improvement Districts	Economic Development	Library	Sales Tax
REVENUES					
Taxes	\$ 545,155	\$ -	\$ 1,909,394	\$ 3,466,576	\$ 5,877,972
Intergovernmental	-	-	-	-	-
Charges for services	-	143,777	-	-	-
Investment income	-	-	39,261	1,494	-
Miscellaneous	18,798	-	460,417	-	-
Total Revenue	563,953	143,777	2,409,072	3,468,070	5,877,972
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Urban development and housing	-	143,599	1,391,355	-	-
Culture/recreation	-	-	-	-	-
Culture/recreation-payments to Library	-	-	-	3,335,074	-
Capital outlay	-	-	16,099	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	143,599	1,407,454	3,335,074	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	563,953	178	1,001,618	132,996	5,877,972
OTHER FINANCING SOURCES (USES)					
Leases issued	-	-	-	-	-
Transfers in	138,450	-	-	-	-
Transfers out	(550,000)	-	(1,761,363)	(133,000)	(5,870,000)
Total Other Financing Sources (Uses)	(411,550)	-	(1,761,363)	(133,000)	(5,870,000)
NET CHANGE IN FUND BALANCES	152,403	178	(759,745)	(4)	7,972
FUND BALANCE - BEGINNING OF PERIOD	220,925	844	9,346,365	5	1,122,272
FUND BALANCE - END OF PERIOD	\$ 373,328	\$ 1,022	\$ 8,586,620	\$ 1	\$ 1,130,244

(Continued)

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

(Continued)

For the Year Ended December 31, 2020

	Special Revenue		
	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	361,134	361,134	1,573,207
Charges for services	-	-	-
Investment income	82	4,745	8,864
Miscellaneous	3,181	771	7,000
Total Revenue	364,397	366,650	1,589,071
EXPENDITURES			
Current			
General government	369,398	-	-
Public safety	-	-	-
Public works	-	-	228,695
Urban development and housing	-	-	-
Culture/recreation	-	7,413	-
Culture/recreation-payments to Library	-	-	-
Capital outlay	-	239,517	127,628
Debt service			
Principal	-	71,508	-
Interest and fiscal charges	-	12,807	-
Total Expenditures	369,398	331,245	356,323
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,001)	35,405	1,232,748
OTHER FINANCING SOURCES (USES)			
Leases issued	-	-	257,148
Transfers in	-	-	-
Transfers out	-	(365,134)	(57,580)
Total Other Financing Sources (Uses)	-	(365,134)	199,568
NET CHANGE IN FUND BALANCES	(5,001)	(329,729)	1,432,316
FUND BALANCE - BEGINNING OF PERIOD	8,283	1,066,840	1,125,608
FUND BALANCE - END OF PERIOD	\$ 3,282	\$ 737,111	\$ 2,557,924

(Continued)

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

For the Year Ended December 31, 2020

	Special Revenue				
	Tourism and Convention Promotion	Recreation and Trails Sales Tax	Special Street Maintenance	Sunset Cemetery	CID Sales Tax
REVENUES					
Taxes	\$ 1,175,815	\$ 3,136,130	\$ 2,481,853	\$ -	\$ 299,965
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	556	-
Miscellaneous	-	-	-	-	-
Total Revenue	<u>1,175,815</u>	<u>3,136,130</u>	<u>2,481,853</u>	<u>556</u>	<u>299,965</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	2,022,793	-	-
Urban development and housing	785,144	-	-	-	320,746
Culture/recreation	-	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>785,144</u>	<u>-</u>	<u>2,022,793</u>	<u>-</u>	<u>320,746</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>390,671</u>	<u>3,136,130</u>	<u>459,060</u>	<u>556</u>	<u>(20,781)</u>
OTHER FINANCING SOURCES (USES)					
Leases issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(461,599)	(150,895)	-	-	-
Total Other Financing Sources (Uses)	<u>(461,599)</u>	<u>(150,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(70,928)</u>	<u>2,985,235</u>	<u>459,060</u>	<u>556</u>	<u>(20,781)</u>
FUND BALANCE - BEGINNING OF PERIOD	<u>564,095</u>	<u>5,572,548</u>	<u>1,869,979</u>	<u>88,800</u>	<u>214,752</u>
FUND BALANCE - END OF PERIOD	<u>\$ 493,167</u>	<u>\$ 8,557,783</u>	<u>\$ 2,329,039</u>	<u>\$ 89,356</u>	<u>\$ 193,971</u>

(Continued)

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

(Continued)

For the Year Ended December 31, 2020

	Special Revenue	
	State and Federal Grants	Total
REVENUES		
Taxes	\$ -	\$ 18,892,860
Intergovernmental	764,570	3,060,045
Charges for services	-	143,777
Investment income	-	55,002
Miscellaneous	20,913	511,080
Total Revenue	785,483	22,662,764
EXPENDITURES		
Current		
General government	25,309	394,707
Public safety	824	824
Public works	371,931	2,623,419
Urban development and housing	337,082	2,977,926
Culture/recreation	30,042	37,455
Culture/recreation-payments to Library	-	3,335,074
Capital outlay	-	383,244
Debt service		
Principal	-	71,508
Interest and fiscal charges	-	12,807
Total Expenditures	765,188	9,836,964
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,295	12,825,800
OTHER FINANCING SOURCES (USES)		
Leases issued	-	257,148
Transfers in	19,695	158,145
Transfers out	(14,732)	(9,364,303)
Total Other Financing Sources (Uses)	4,963	(8,949,010)
NET CHANGE IN FUND BALANCES	25,258	3,876,790
FUND BALANCE - BEGINNING OF PERIOD	8,255	21,209,571
FUND BALANCE - END OF PERIOD	\$ 33,513	\$ 25,086,361

(Continued)

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

(Continued)

For the Year Ended December 31, 2020

	Debt Service			Permanent	
	Downtown Redevelopment Senior Lien			Sunrise Cemetery	Total Nonmajor Governmental Funds
	TIF Bonds	Combined TDD	Total		
REVENUES					
Taxes	\$ 8,204,661	\$ 400,075	\$ 8,604,736	\$ -	\$ 27,497,596
Intergovernmental	-	-	-	-	3,060,045
Charges for services	-	-	-	14,294	158,071
Investment income	19,549	4,047	23,596	1,492	80,090
Miscellaneous	-	-	-	-	511,080
Total Revenue	8,224,210	404,122	8,628,332	15,786	31,306,882
EXPENDITURES					
Current					
General government	-	-	-	-	394,707
Public safety	-	-	-	-	824
Public works	-	-	-	-	2,623,419
Urban development and housing	-	-	-	-	2,977,926
Culture/recreation	-	-	-	673	38,128
Culture/recreation-payments to Library	-	-	-	-	3,335,074
Capital outlay	-	-	-	-	383,244
Debt service					
Principal	7,660,000	200,000	7,860,000	-	7,931,508
Interest and fiscal charges	1,472,420	213,926	1,686,346	-	1,699,153
Total Expenditures	9,132,420	413,926	9,546,346	673	19,383,983
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(908,210)	(9,804)	(918,014)	15,113	11,922,899
OTHER FINANCING SOURCES (USES)					
Leases issued	-	-	-	-	257,148
Transfers in	-	-	-	-	158,145
Transfers out	(286,730)	(16,003)	(302,733)	-	(9,667,036)
Total Other Financing Sources (Uses)	(286,730)	(16,003)	(302,733)	-	(9,251,743)
NET CHANGE IN FUND BALANCES	(1,194,940)	(25,807)	(1,220,747)	15,113	2,671,156
FUND BALANCE - BEGINNING OF PERIOD	4,092,007	954,568	5,046,575	233,358	26,489,504
FUND BALANCE - END OF PERIOD	\$ 2,897,067	\$ 928,761	\$ 3,825,828	\$ 248,471	\$ 29,160,660



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Budgetary Schedules Section

**For the Year Ended
December 31, 2020**

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, 2020

	Employee Benefit Contribution			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,361,500	\$ 2,361,500	\$ 2,346,326	\$ (15,174)
Intergovernmental	-	-	31,427	31,427
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>2,361,500</u>	<u>2,361,500</u>	<u>2,377,753</u>	<u>16,253</u>
EXPENDITURES				
Current				
General government	5,846,500	5,846,500	4,305,411	1,541,089
Public safety	-	-	214,278	(214,278)
Public works	-	-	462,115	(462,115)
Urban development and housing	-	-	98,571	(98,571)
Culture/recreation	-	-	748,616	(748,616)
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>5,846,500</u>	<u>5,846,500</u>	<u>5,828,991</u>	<u>17,509</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,485,000)</u>	<u>(3,485,000)</u>	<u>(3,451,238)</u>	<u>33,762</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	3,425,000	3,425,000	3,451,238	26,238
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,425,000</u>	<u>3,425,000</u>	<u>3,451,238</u>	<u>26,238</u>
NET CHANGE IN FUND BALANCES	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>-</u>	<u>\$ 60,000</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>-</u>	
FUND BALANCE - END OF PERIOD			<u>-</u>	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
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, 2020

	General Improvement			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	693	693
Miscellaneous	-	-	-	-
Total Revenue	-	-	693	693
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	19,246	(19,246)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	100,000	100,000	-	100,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	100,000	100,000	19,246	80,754
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(100,000)	(18,553)	81,447
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	-	-	-	-
Transfers in	65,000	65,000	91,629	26,629
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	65,000	65,000	91,629	26,629
NET CHANGE IN FUND BALANCES	\$ (35,000)	\$ (35,000)	73,076	\$ 108,076
FUND BALANCE - BEGINNING OF PERIOD			73,623	
FUND BALANCE - END OF PERIOD			146,699	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 146,699	

(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, 2020

	Special Sunset Zoo			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	6,731	6,731
Charges for services	641,000	641,000	171,938	(469,062)
Investment income	1,500	1,500	300	(1,200)
Miscellaneous	10,000	10,000	8,855	(1,145)
Total Revenue	<u>652,500</u>	<u>652,500</u>	<u>187,824</u>	<u>(464,676)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	704,450	704,450	168,786	535,664
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	6,250	6,250	-	6,250
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>710,700</u>	<u>710,700</u>	<u>168,786</u>	<u>541,914</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(58,200)</u>	<u>(58,200)</u>	<u>19,038</u>	<u>77,238</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(26,800)	(26,800)	(41,293)	(14,493)
Total Other Financing Sources (Uses)	<u>(26,800)</u>	<u>(26,800)</u>	<u>(41,293)</u>	<u>(14,493)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (85,000)</u>	<u>\$ (85,000)</u>	<u>(22,255)</u>	<u>\$ 62,745</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>45,932</u>	
FUND BALANCE - END OF PERIOD			23,677	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 23,677</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, 2020

Fire Equipment Reserve				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 493,088	\$ 493,088	\$ 486,678	\$ (6,410)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	289	289
Miscellaneous	-	-	-	-
Total Revenue	<u>493,088</u>	<u>493,088</u>	<u>486,967</u>	<u>(6,121)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	334	(334)
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	546,844	(546,844)
Debt service				
Principal	411,730	411,730	327,386	84,344
Interest and fiscal charges	81,358	81,358	55,763	25,595
Total Expenditures	<u>493,088</u>	<u>493,088</u>	<u>930,327</u>	<u>(437,239)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(443,360)</u>	<u>(443,360)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	532,557	532,557
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>532,557</u>	<u>532,557</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>89,197</u>	<u>\$ 89,197</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>13,217</u>	
FUND BALANCE - END OF PERIOD			102,414	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 102,414</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, 2020

Industrial Promotion				
REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	37,000	37,000	2,614	(34,386)
Miscellaneous	42,750	42,750	46,552	3,802
Total Revenue	79,750	79,750	49,166	(30,584)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	260,976	260,976	122,613	138,363
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	260,976	260,976	122,613	138,363
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(181,226)	(181,226)	(73,447)	107,779
OTHER FINANCING SOURCES (USES)				
Sales of capital assets	-	-	193,412	193,412
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	193,412	193,412
NET CHANGE IN FUND BALANCES	\$ (181,226)	\$ (181,226)	119,965	\$ 301,191
FUND BALANCE - BEGINNING OF PERIOD			319,054	
FUND BALANCE - END OF PERIOD			439,019	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 439,019	

(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, 2020

Risk Management Reserve			
	Budgeted Amounts		Variance with Final Budget
	Original	Final	
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	22,533
Total Revenue	-	-	22,533
EXPENDITURES			
Current			
General government	120,000	120,000	22,144
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	120,000	120,000	22,144
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(120,000)	(120,000)	389
OTHER FINANCING SOURCES (USES)			
Transfers in	60,000	60,000	43,567
Transfers out	-	-	-
Total Other Financing Sources (Uses)	60,000	60,000	43,567
NET CHANGE IN FUND BALANCES	\$ (60,000)	\$ (60,000)	43,956
FUND BALANCE - BEGINNING OF PERIOD			101,388
FUND BALANCE - END OF PERIOD			145,344
ADJUSTMENTS TO GAAP			
Encumbrances			766
FUND BALANCE-GAAP BASIS			\$ 146,110

(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, 2020

Fire Pension KP&F				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 575,000	\$ 575,000	\$ 547,554	\$ (27,446)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>575,000</u>	<u>575,000</u>	<u>547,554</u>	<u>(27,446)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	1,155,000	1,155,000	1,254,350	(99,350)
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>1,155,000</u>	<u>1,155,000</u>	<u>1,254,350</u>	<u>(99,350)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(580,000)</u>	<u>(580,000)</u>	<u>(706,796)</u>	<u>(126,796)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	180,000	180,000	627,229	447,229
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>180,000</u>	<u>180,000</u>	<u>627,229</u>	<u>447,229</u>
NET CHANGE IN FUND BALANCES	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	<u>(79,567)</u>	<u>\$ 320,433</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>79,567</u>	
FUND BALANCE - END OF PERIOD			-	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
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, 2020

	Park Development			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	309	309
Miscellaneous	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>309</u>	<u>309</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	48,440	48,440	-	48,440
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>48,440</u>	<u>48,440</u>	<u>-</u>	<u>48,440</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,440)</u>	<u>(48,440)</u>	<u>309</u>	<u>48,749</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (48,440)</u>	<u>\$ (48,440)</u>	<u>309</u>	<u>\$ 48,749</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>49,312</u>	
FUND BALANCE - END OF PERIOD			<u>49,621</u>	
ADJUSTMENTS TO GAAP			<u>-</u>	
Encumbrances				
FUND BALANCE-GAAP BASIS			<u>\$ 49,621</u>	

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, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
REVENUES				
Taxes	\$ 3,894,084	\$ 3,894,084	\$ 3,985,758	\$ 91,674
Special assessments	7,079,561	7,079,561	7,934,630	855,069
Investment income	-	-	8,751	8,751
Miscellaneous revenues	6,240,938	6,240,938	206,955	(6,033,983)
Total Revenues	<u>17,214,583</u>	<u>17,214,583</u>	<u>12,136,094</u>	<u>(5,078,489)</u>
EXPENDITURES				
Current				
General government	124,736	124,736	11,645	113,091
Debt service				
Bonds to be issued	2,039,601	2,039,601	-	2,039,601
Principal	13,055,208	13,055,208	10,678,208	2,377,000
Interest and fiscal charges	4,719,490	4,719,490	3,798,471	921,019
Bond issuance costs	247,345	247,345	283,256	(35,911)
Other	5,776,450	5,776,450	-	5,776,450
Total Expenditures	<u>25,962,830</u>	<u>25,962,830</u>	<u>14,771,580</u>	<u>11,191,250</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>(8,748,247)</u>	<u>(8,748,247)</u>	<u>(2,635,486)</u>	<u>6,112,761</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	3,677,962	3,677,962
Premium on refunding bonds	-	-	217,680	217,680
Payment to bond refunding escrow	-	-	(3,495,000)	(3,495,000)
Transfers in	4,362,926	4,362,926	1,892,270	(2,470,656)
Transfers out	-	-	(293,484)	(293,484)
Total Other Financing Sources (Uses)	<u>4,362,926</u>	<u>4,362,926</u>	<u>1,999,428</u>	<u>(2,363,498)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,385,321)</u>	<u>\$ (4,385,321)</u>	<u>(636,058)</u>	<u>\$ 3,749,263</u>
FUND BALANCE - BEGINNING OF YEAR			<u>6,246,990</u>	
FUND BALANCE - END OF YEAR			<u>5,610,932</u>	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE - GAAP BASIS			<u>\$ 5,610,932</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, 2020

	City/University Projects			
	Budgeted Amounts			Variance with
REVENUES	Original	Final	Actual	Final Budget
Taxes	\$ 594,000	\$ 594,000	\$ 545,155	\$ (48,845)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	18,798	18,798
Total Revenue	594,000	594,000	563,953	(30,047)
EXPENDITURES				
Current				
General government	30,000	30,000	-	30,000
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	30,000	30,000	-	30,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	564,000	564,000	563,953	(47)
OTHER FINANCING SOURCES (USES)				
Transfers in	139,000	139,000	138,450	(550)
Transfers out	(800,000)	(800,000)	(550,000)	250,000
Total Other Financing Sources (Uses)	(661,000)	(661,000)	(411,550)	249,450
NET CHANGE IN FUND BALANCES	\$ (97,000)	\$ (97,000)	152,403	\$ 249,403
FUND BALANCE - BEGINNING OF PERIOD			220,925	
FUND BALANCE - END OF PERIOD			373,328	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 373,328	

(Continued)

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, 2020

Business Improvement Districts				
Aggieville Business Improvement District				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	72,500	72,500	61,896	(10,604)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>72,500</u>	<u>72,500</u>	<u>61,896</u>	<u>(10,604)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	73,000	73,000	61,155	11,845
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>73,000</u>	<u>73,000</u>	<u>61,155</u>	<u>11,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500)</u>	<u>(500)</u>	<u>741</u>	<u>1,241</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>\$ (500)</u>	<u>\$ (500)</u>	<u>741</u>	<u>\$ 1,241</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>250</u>	
FUND BALANCE - END OF PERIOD			991	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 991</u>	

(Continued)

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, 2020

Business Improvement Districts				
Downtown Business Improvement District				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	89,500	89,500	81,881	(7,619)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>89,500</u>	<u>89,500</u>	<u>81,881</u>	<u>(7,619)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	90,000	90,000	82,444	7,556
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>82,444</u>	<u>7,556</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500)</u>	<u>(500)</u>	<u>(563)</u>	<u>(63)</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>\$ (500)</u>	<u>\$ (500)</u>	<u>(563)</u>	<u>\$ (63)</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>594</u>	
FUND BALANCE - END OF PERIOD			31	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 31</u>	

(Continued)

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, 2020

	Economic Development			
	Budgeted Amounts			Variance with
REVENUES	Original	Final	Actual	Final Budget
Taxes	\$ 2,373,000	\$ 2,373,000	\$ 1,909,394	\$ (463,606)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	69,413	69,413	39,261	(30,152)
Miscellaneous	457,917	457,917	460,417	2,500
Total Revenue	2,900,330	2,900,330	2,409,072	(491,258)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	9,611,986	9,611,986	1,410,489	8,201,497
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	119,375	119,375	16,099	103,276
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	9,731,361	9,731,361	1,426,588	8,304,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,831,031)	(6,831,031)	982,484	7,813,515
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,544,590)	(1,544,590)	(1,761,363)	(216,773)
Total Other Financing Sources (Uses)	(1,544,590)	(1,544,590)	(1,761,363)	(216,773)
NET CHANGE IN FUND BALANCES	\$ (8,375,621)	\$ (8,375,621)	(778,879)	\$ 7,596,742
FUND BALANCE - BEGINNING OF PERIOD			9,346,365	
FUND BALANCE - END OF PERIOD			8,567,486	
ADJUSTMENTS TO GAAP				
Encumbrances			19,134	
FUND BALANCE-GAAP BASIS			\$ 8,586,620	

(Continued)

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, 2020

	Library			
	Budgeted Amounts			Variance with
REVENUES	Original	Final	Actual	Final Budget
Taxes	\$ 2,798,000	\$ 2,798,000	\$ 2,769,326	\$ (28,674)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,343	1,343
Miscellaneous	-	-	-	-
Total Revenue	2,798,000	2,798,000	2,770,669	(27,331)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,665,000	2,665,000	2,637,672	27,328
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,665,000	2,665,000	2,637,672	27,328
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	133,000	133,000	132,997	(3)
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(133,000)	(133,000)	(133,000)	-
Total Other Financing Sources (Uses)	(133,000)	(133,000)	(133,000)	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	(3)	\$ (3)
FUND BALANCE - BEGINNING OF PERIOD			4	
FUND BALANCE - END OF PERIOD			1	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 1	

(Continued)

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, 2020

Library Employee Benefit Contribution				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 701,350	\$ 701,350	\$ 697,250	\$ (4,100)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	151	151
Miscellaneous	-	-	-	-
Total Revenue	<u>701,350</u>	<u>701,350</u>	<u>697,401</u>	<u>(3,949)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	701,350	701,350	697,402	3,948
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>701,350</u>	<u>701,350</u>	<u>697,402</u>	<u>3,948</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
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>(1)</u>	<u>\$ (1)</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1</u>	
FUND BALANCE - END OF PERIOD			-	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
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)
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

For the Year Ended December 31, 2020

	Sales Tax			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,870,000	\$ 5,870,000	\$ 5,877,972	\$ 7,972
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>5,870,000</u>	<u>5,870,000</u>	<u>5,877,972</u>	<u>7,972</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 (UNDER) EXPENDITURES	<u>5,870,000</u>	<u>5,870,000</u>	<u>5,877,972</u>	<u>7,972</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(5,870,000)	(5,870,000)	(5,870,000)	-
Total Other Financing Sources (Uses)	<u>(5,870,000)</u>	<u>(5,870,000)</u>	<u>(5,870,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>7,972</u>	<u>\$ 7,972</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,122,272</u>	
FUND BALANCE - END OF PERIOD			1,130,244	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 1,130,244</u>	

(Continued)

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, 2020

	Special Alcohol Programs			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ -	\$ -	-	\$ -
Intergovernmental	480,000	480,000	361,134	(118,866)
Charges for services	-	-	-	-
Investment income	300	300	82	(218)
Miscellaneous	500	500	3,181	2,681
Total Revenue	480,800	480,800	364,397	(116,403)
EXPENDITURES				
Current				
General government	485,800	485,800	369,398	116,402
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	485,800	485,800	369,398	116,402
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,000)	(5,000)	(5,001)	(1)
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (5,000)	\$ (5,000)	(5,001)	\$ (1)
FUND BALANCE - BEGINNING OF PERIOD			8,283	
FUND BALANCE - END OF PERIOD			3,282	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 3,282	

(Continued)

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, 2020

Special Parks and Recreation				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	-	\$ -
Intergovernmental	480,000	480,000	361,134	(118,866)
Charges for services	-	-	-	-
Investment income	3,520	3,520	4,745	1,225
Miscellaneous	-	-	771	771
Total Revenue	483,520	483,520	366,650	(116,870)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	245,605	245,605	8,963	236,642
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	185,900	185,900	239,517	(53,617)
Debt service				
Principal	71,508	71,508	71,508	-
Interest and fiscal charges	12,807	12,807	12,807	-
Total Expenditures	515,820	515,820	332,795	183,025
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(32,300)	(32,300)	33,855	66,155
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(367,700)	(367,700)	(365,134)	2,566
Total Other Financing Sources (Uses)	(367,700)	(367,700)	(365,134)	2,566
NET CHANGE IN FUND BALANCES	\$ (400,000)	\$ (400,000)	(331,279)	\$ 68,721
FUND BALANCE - BEGINNING OF PERIOD			1,066,840	
FUND BALANCE - END OF PERIOD			735,561	
ADJUSTMENTS TO GAAP				
Encumbrances			1,550	
FUND BALANCE-GAAP BASIS			\$ 737,111	

(Continued)

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, 2020

	Special Street and Highway			
	Budgeted Amounts			Variance with
REVENUES	Original	Final	Actual	Final Budget
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,668,050	2,518,000	1,573,207	(944,793)
Charges for services	-	-	-	-
Investment income	2,600	2,600	8,864	6,264
Miscellaneous	-	-	7,000	7,000
Total Revenue	1,670,650	2,520,600	1,589,071	(931,529)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	390,492	1,250,492	264,160	986,332
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	1,255,107	1,255,107	127,628	1,127,479
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,645,599	2,505,599	391,788	2,113,811
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	25,051	15,001	1,197,283	1,182,282
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	257,148	257,148
Transfers in	-	-	-	-
Transfers out	(370,356)	(370,356)	(57,580)	312,776
Total Other Financing Sources (Uses)	(370,356)	(370,356)	199,568	569,924
NET CHANGE IN FUND BALANCES	\$ (345,305)	\$ (355,355)	1,396,851	\$ 1,752,206
FUND BALANCE - BEGINNING OF PERIOD			1,125,608	
FUND BALANCE - END OF PERIOD			2,522,459	
ADJUSTMENTS TO GAAP				
Encumbrances			35,465	
FUND BALANCE-GAAP BASIS			\$ 2,557,924	

(Continued)

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, 2020

Tourism and Convention Promotion				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,975,417	\$ 1,975,417	\$ 1,175,815	\$ (799,602)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>1,975,417</u>	<u>1,975,417</u>	<u>1,175,815</u>	<u>(799,602)</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	1,782,598	1,782,598	785,144	997,454
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,782,598</u>	<u>1,782,598</u>	<u>785,144</u>	<u>997,454</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>192,819</u>	<u>192,819</u>	<u>390,671</u>	<u>197,852</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(318,084)	(318,084)	(461,599)	(143,515)
Total Other Financing Sources (Uses)	<u>(318,084)</u>	<u>(318,084)</u>	<u>(461,599)</u>	<u>(143,515)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (125,265)</u>	<u>\$ (125,265)</u>	(70,928)	<u>\$ 54,337</u>
FUND BALANCE - BEGINNING OF PERIOD			564,095	
FUND BALANCE - END OF PERIOD			493,167	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 493,167</u>	

(Continued)

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, 2020

Recreation and Trails Sales Tax				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,100,000	\$ 3,100,000	\$ 3,136,130	\$ 36,130
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,136,130</u>	<u>36,130</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 (UNDER) EXPENDITURES	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,136,130</u>	<u>36,130</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(7,700,000)	(7,700,000)	(150,895)	7,549,105
Total Other Financing Sources (Uses)	<u>(7,700,000)</u>	<u>(7,700,000)</u>	<u>(150,895)</u>	<u>7,549,105</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,600,000)</u>	<u>\$ (4,600,000)</u>	2,985,235	<u>\$ 7,585,235</u>
FUND BALANCE - BEGINNING OF PERIOD			5,572,548	
FUND BALANCE - END OF PERIOD			8,557,783	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 8,557,783</u>	

(Continued)

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, 2020

	Special Street Maintenance			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 2,248,188	\$ 2,248,188	\$ 2,481,853	\$ 233,665
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>2,248,188</u>	<u>2,248,188</u>	<u>2,481,853</u>	<u>233,665</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	2,029,493	(2,029,493)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	2,423,306	2,423,306	-	2,423,306
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,423,306</u>	<u>2,423,306</u>	<u>2,029,493</u>	<u>393,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(175,118)</u>	<u>(175,118)</u>	<u>452,360</u>	<u>627,478</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(88,000)	(88,000)	-	88,000
Total Other Financing Sources (Uses)	<u>(88,000)</u>	<u>(88,000)</u>	<u>-</u>	<u>88,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ (263,118)</u>	<u>\$ (263,118)</u>	<u>452,360</u>	<u>\$ 715,478</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,869,979</u>	
FUND BALANCE - END OF PERIOD			2,322,339	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>6,700</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 2,329,039</u>	

(Continued)

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, 2020

Downtown Redevelopment Senior Lien TIF Bonds				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,880,823	\$ 2,880,823	\$ 8,204,661	\$ 5,323,838
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	19,549	19,549
Miscellaneous	-	-	-	-
Total Revenue	2,880,823	2,880,823	8,224,210	5,343,387
EXPENDITURES				
Current				
General government	2,949,845	2,949,845	-	2,949,845
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	7,660,000	(7,660,000)
Interest and fiscal charges	-	-	1,472,420	(1,472,420)
Total Expenditures	2,949,845	2,949,845	9,132,420	(6,182,575)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,022)	(69,022)	(908,210)	(839,188)
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(286,730)	(286,730)
Total Other Financing Sources (Uses)	-	-	(286,730)	(286,730)
NET CHANGE IN FUND BALANCES	\$ (69,022)	\$ (69,022)	(1,194,940)	\$ (1,125,918)
FUND BALANCE - BEGINNING OF PERIOD			4,092,007	
FUND BALANCE - END OF PERIOD			2,897,067	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 2,897,067	



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Internal Service Funds

**For the Year Ended
December 31, 2020**

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, 2020

	<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	\$ -	\$ 2,612,991	\$ 1,391,941	\$ -	\$ 4,004,932
Accounts receivable	-	13,009	-	-	13,009
Inventories	41,893	-	-	642	42,535
Total Current Assets	<u>41,893</u>	<u>2,626,000</u>	<u>1,391,941</u>	<u>642</u>	<u>4,060,476</u>
Capital Assets					
Equipment and improvements	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Net Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>41,893</u>	<u>2,626,000</u>	<u>1,391,941</u>	<u>642</u>	<u>4,060,476</u>
LIABILITIES					
Current Liabilities					
Accounts payable	61,109	24,476	12,045	5,361	102,991
Estimated insurance claims payable	-	762,426	430,658	-	1,193,084
Interfund payable	16,948	-	-	-	16,948
TOTAL LIABILITIES	<u>78,057</u>	<u>786,902</u>	<u>442,703</u>	<u>5,361</u>	<u>1,313,023</u>
NET POSITION					
Unrestricted	(36,164)	1,839,098	949,238	(4,719)	2,747,453
TOTAL NET POSITION	<u>\$ (36,164)</u>	<u>\$ 1,839,098</u>	<u>\$ 949,238</u>	<u>\$ (4,719)</u>	<u>\$ 2,747,453</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	<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	\$ 40,954	\$ 6,205,079	\$ -	\$ 45,176	\$ 6,291,209
Miscellaneous	821	198,818	5,236	-	204,875
Total Operating Revenues	<u>41,775</u>	<u>6,403,897</u>	<u>5,236</u>	<u>45,176</u>	<u>6,496,084</u>
OPERATING EXPENSES					
Commodities	-	-	-	2,905	2,905
Contractual services	13,790	4,970,635	309,874	48,036	5,342,335
Total Operating Expenses	<u>13,790</u>	<u>4,970,635</u>	<u>309,874</u>	<u>50,941</u>	<u>5,345,240</u>
OPERATING INCOME (LOSS)	<u>27,985</u>	<u>1,433,262</u>	<u>(304,638)</u>	<u>(5,765)</u>	<u>1,150,844</u>
NON-OPERATING REVENUE					
Investment income	-	15,130	9,196	-	24,326
INCOME (LOSS) BEFORE TRANSFERS	<u>27,985</u>	<u>1,448,392</u>	<u>(295,442)</u>	<u>(5,765)</u>	<u>1,175,170</u>
Transfers in	-	-	270,000	-	270,000
Transfers (out)	-	-	-	(2,063)	(2,063)
CHANGE IN NET POSITION	<u>27,985</u>	<u>1,448,392</u>	<u>(25,442)</u>	<u>(7,828)</u>	<u>1,443,107</u>
TOTAL NET POSITION - BEGINNING	<u>(64,149)</u>	<u>390,706</u>	<u>974,680</u>	<u>3,109</u>	<u>1,304,346</u>
TOTAL NET POSITION - ENDING	<u>\$ (36,164)</u>	<u>\$ 1,839,098</u>	<u>\$ 949,238</u>	<u>\$ (4,719)</u>	<u>\$ 2,747,453</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	Motor Pool	Health Care	Workers' Compensation	Photocopy Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 41,775	\$ 6,443,659	\$ 5,236	\$ 45,176	\$ 6,535,846
Payments to suppliers	(41,775)	(5,478,875)	(272,588)	(50,464)	(5,843,702)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>-</u>	<u>964,784</u>	<u>(267,352)</u>	<u>(5,288)</u>	<u>692,144</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from (paid to) other funds	<u>-</u>	<u>-</u>	<u>270,000</u>	<u>(2,063)</u>	<u>267,937</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>-</u>	<u>15,130</u>	<u>9,196</u>	<u>-</u>	<u>24,326</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>979,914</u>	<u>11,844</u>	<u>(7,351)</u>	<u>984,407</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>-</u>	<u>1,633,077</u>	<u>1,380,097</u>	<u>7,351</u>	<u>3,020,525</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 2,612,991</u>	<u>\$ 1,391,941</u>	<u>\$ -</u>	<u>\$ 4,004,932</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 27,985	\$ 1,433,262	\$ (304,638)	\$ (5,765)	\$ 1,150,844
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
(Increase) decrease in receivables	-	39,762	-	-	39,762
(Increase) decrease in inventory	(11,278)	-	-	404	(10,874)
Increase (decrease) in interfund payable	(1,766)	-	-	-	(1,766)
Increase (decrease) in accounts payable and accrued expenses	(14,941)	(508,240)	37,286	73	(485,822)
Total Adjustments	<u>(27,985)</u>	<u>(468,478)</u>	<u>37,286</u>	<u>477</u>	<u>(458,700)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ 964,784</u>	<u>\$ (267,352)</u>	<u>\$ (5,288)</u>	<u>\$ 692,144</u>



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Statistical Section

**For the Year Ended
December 31, 2020**

STATISTICAL SECTION

This part of the City of Manhattan's annual comprehensive 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.

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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.	128
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales tax.	138
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.	148
Demographic and Economic Information	
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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.	157

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

CITY OF MANHATTAN, KANSAS

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 11,604,164	\$ (7,750,318)	\$ 17,482,048	\$ 22,478,602
Restricted	110,959,126	117,628,046	81,794,527	87,708,105
Unrestricted	(18,098,318)	3,904,246	11,065,220	10,109,991
Total governmental activities Net Position	<u>\$ 104,464,972</u>	<u>\$ 113,781,974</u>	<u>\$ 110,341,795</u>	<u>\$ 120,296,698</u>
Business-type activities				
Net investment in capital assets	\$ 79,345,330	\$ 87,379,688	\$ 88,798,571	\$ 95,208,986
Restricted	-	-	-	-
Unrestricted	10,986,068	2,633,077	3,436,268	6,209,185
Total business-type activities Net Position	<u>\$ 90,331,398</u>	<u>\$ 90,012,765</u>	<u>\$ 92,234,839</u>	<u>\$ 101,418,171</u>
Primary government				
Net investment in capital assets	\$ 90,949,494	\$ 79,629,370	\$ 106,280,619	\$ 117,687,588
Restricted	110,959,126	117,628,046	81,794,527	87,708,105
Unrestricted	(7,112,250)	6,537,323	14,501,488	16,319,176
Total primary government Net Position	<u>\$ 194,796,370</u>	<u>\$ 203,794,739</u>	<u>\$ 202,576,634</u>	<u>\$ 221,714,869</u>

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 15,153,617	\$ 20,803,629	\$ 37,942,390	\$ 57,166,499	\$ 43,228,374	\$ 50,090,759
104,518,014	112,486,099	105,323,230	100,169,248	44,397,630	49,933,194
(8,104,652)	(9,171,110)	(11,806,406)	(9,248,223)	73,257,800	75,295,910
<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>	<u>\$ 175,319,863</u>
\$ 101,071,661	\$ 110,296,275	\$ 115,893,744	\$ 116,897,628	\$ 121,429,692	\$ 127,758,321
-	-	-	-	-	-
(37,872)	(4,012,674)	(7,875,942)	(1,700,482)	2,359,971	(4,106,856)
<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>	<u>\$ 123,651,465</u>
\$ 116,225,278	\$ 131,099,904	\$ 153,836,134	\$ 174,064,127	\$ 164,658,066	\$ 177,849,080
104,518,014	112,486,099	105,323,230	100,169,248	44,397,630	49,933,194
(8,142,524)	(13,183,784)	(19,682,348)	(10,948,705)	75,617,771	71,189,054
<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>	<u>\$ 298,971,328</u>

CITY OF MANHATTAN, KANSAS

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 12,783,282	\$ 14,150,646	\$ 12,184,815	\$ 11,875,764
Public safety	18,221,529	20,038,497	21,870,430	21,882,904
Public works	8,820,381	9,611,675	9,855,929	10,836,220
Urban development and housing	3,668,229	3,831,509	4,246,269	4,866,173
Culture and recreation	6,350,056	7,954,509	8,898,223	9,304,434
Culture and recreation (payments to Library)	2,439,394	2,481,954	2,710,583	2,758,804
Interest on long-term debt	8,240,975	8,103,115	7,368,568	7,112,471
Total governmental activities expenses	60,523,846	66,171,905	67,134,817	68,636,770
Business-type activities:				
Water	8,068,281	7,828,021	7,486,394	8,080,052
Wastewater	6,258,103	6,502,206	7,783,979	8,994,204
Storm water management	1,111,373	1,127,681	1,001,630	1,092,027
Total business-type activities expenses	15,437,757	15,457,908	16,272,003	18,166,283
Total primary government expenses	\$ 75,961,603	\$ 81,629,813	\$ 83,406,820	\$ 86,803,053
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 5,073,680	\$ 2,881,010	\$ 2,801,355	\$ 2,927,581
Public safety	711,309	547,626	629,877	678,543
Public works	108,039	86,761	226,856	219,547
Urban development and housing	108,209	127,966	126,973	133,669
Culture and recreation	1,281,595	1,897,490	1,828,343	2,161,901
Operating grants and contributions	4,586,011	3,667,084	4,066,771	3,926,624
Capital grants and contributions	4,248,884	5,597,801	2,186,597	18,102,297
Total governmental activities program revenues	16,117,727	14,805,738	11,866,772	28,150,162
Business-type activities:				
Charges for services:				
Water	8,057,214	9,639,695	8,331,963	9,025,858
Wastewater	7,621,553	8,859,560	8,957,234	9,191,695
Storm water management	1,354,542	1,471,039	1,549,749	1,610,773
Operating grants and contributions	-	-	-	-
Capital grants and contributions	80,000	-	-	-
Total business-type activities program revenues	17,113,309	19,970,294	18,838,946	19,828,326
Total primary government program revenues	\$ 33,231,036	\$ 34,776,032	\$ 30,705,718	\$ 47,978,488
Net (expense)/revenue				
Governmental activities	\$ (44,406,119)	\$ (51,366,167)	\$ (55,268,045)	\$ (40,486,608)
Business-type activities	1,675,552	4,512,386	2,566,943	1,662,043
Total primary government net expense	\$ (42,730,567)	\$ (46,853,781)	\$ (52,701,102)	\$ (38,824,565)

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 13,303,797	\$ 14,881,392	\$ 15,369,275	\$ 15,317,764	\$ 16,910,290	\$ 17,869,773
24,016,656	23,944,176	25,386,999	25,027,060	26,035,561	28,252,971
10,673,143	11,208,494	11,251,329	13,345,811	14,503,573	14,436,411
3,830,335	3,709,900	3,328,870	4,420,801	3,503,009	3,940,005
10,273,507	10,520,660	10,971,984	11,624,634	11,079,958	6,637,158
2,903,361	2,935,903	3,061,813	3,114,184	3,175,616	3,335,074
7,012,106	7,574,049	7,128,980	6,645,379	6,773,123	6,613,536
72,012,905	74,774,574	76,499,250	79,495,633	81,981,130	81,084,928
7,861,973	8,086,542	8,973,382	9,170,427	9,741,586	10,460,436
7,649,478	8,210,933	8,250,515	8,910,992	8,240,083	8,784,370
1,122,262	1,219,045	1,674,389	1,864,030	1,813,706	2,785,488
16,633,713	17,516,520	18,898,286	19,945,449	19,795,375	22,030,294
\$ 88,646,618	\$ 92,291,094	\$ 95,397,536	\$ 99,441,082	\$ 101,776,505	\$ 103,115,222
\$ 2,968,749	\$ 3,022,281	\$ 3,046,897	\$ 3,057,784	\$ 3,016,544	\$ 2,534,279
651,670	750,769	558,026	512,507	575,131	527,283
129,254	385,735	70,981	610,768	476,757	-
144,190	159,778	144,106	165,443	408,459	153,682
1,967,670	2,531,162	2,275,533	2,499,610	2,546,516	1,133,346
4,226,572	3,408,120	3,353,714	3,773,771	3,328,159	6,885,189
7,435,992	13,401,984	5,358,486	18,159,186	15,184,495	8,612,937
17,524,097	23,659,829	14,807,743	28,779,069	25,536,061	19,846,716
9,374,774	10,176,576	10,808,239	10,721,533	10,218,726	10,979,584
9,645,758	9,885,370	10,273,901	10,035,169	10,411,754	11,832,835
1,691,371	1,727,191	1,864,770	2,027,065	2,516,881	2,843,200
-	-	-	-	-	-
-	-	-	-	-	-
20,711,903	21,789,137	22,946,910	22,783,767	23,147,361	25,655,619
\$ 38,236,000	\$ 45,448,966	\$ 37,754,653	\$ 51,562,836	\$ 48,683,422	\$ 45,502,335
\$ (54,488,808)	\$ (51,114,745)	\$ (61,691,507)	\$ (50,716,564)	\$ (56,445,069)	\$ (61,238,212)
4,078,190	4,272,617	4,048,624	2,838,318	3,351,986	3,625,325
\$ (50,410,618)	\$ (46,842,128)	\$ (57,642,883)	\$ (47,878,246)	\$ (53,093,083)	\$ (57,612,887)

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

(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 17,541,340	\$ 18,247,779	\$ 20,102,584	\$ 21,794,957
Property taxes, levied for debt service	2,442,504	2,583,453	2,725,834	2,089,846
Franchise taxes	3,279,897	3,329,606	3,571,175	3,845,886
Sales taxes	27,194,560	26,653,421	24,902,090	26,895,621
Transient guest taxes	1,035,636	1,172,953	1,242,054	1,336,815
Unrestricted grants and contributions	408,281	880,440	1,479,566	488,471
Investment earnings	185,320	711,726	105,672	373,923
Miscellaneous	1,982,385	1,994,784	2,095,510	729,315
Transfers	1,717,282	1,820,836	856,597	(7,113,323)
Gain on sales of capital assets	-	-	-	-
Total governmental activities	55,787,205	57,394,998	57,081,082	50,441,511
Business-type activities:				
Investment earnings	33,182	35,617	8,001	18,830
Miscellaneous	220,947	242,371	503,727	389,136
Transfers	(1,717,282)	(1,820,836)	(856,597)	7,113,323
Total business-type activities	(1,463,153)	(1,542,848)	(344,869)	7,521,289
Total primary government	\$ 54,324,052	\$ 55,852,150	\$ 56,736,213	\$ 57,962,800
Change in Net Position				
Governmental activities	\$ 11,381,086	\$ 6,028,831	\$ 1,813,037	\$ 9,954,903
Business-type activities	212,399	2,969,538	2,222,074	9,183,332
Total primary government	\$ 11,593,485	\$ 8,998,369	\$ 4,035,111	\$ 19,138,235

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 22,821,549	\$ 26,671,105	\$ 30,026,900	\$ 31,103,915	\$ 29,362,667	\$ 30,345,242
2,448,114	3,003,296	2,355,563	2,796,007	3,023,652	2,945,629
3,662,022	3,728,027	3,702,504	3,755,173	3,637,274	3,371,782
26,797,630	27,786,733	26,852,223	27,803,821	30,906,060	30,285,653
1,516,102	1,536,416	1,580,364	1,962,504	1,879,542	1,265,815
478,102	478,150	454,166	484,028	490,660	361,134
23,023	300,749	197,813	388,817	901,575	396,169
1,197,877	740,592	1,013,450	1,701,877	2,787,371	2,311,499
2,554,154	(578,684)	2,759,428	(3,761,889)	(4,666,101)	4,280,734
-	-	-	-	725,937	110,614
61,498,573	63,666,384	68,942,411	66,234,253	69,048,637	75,674,271
21,960	48,734	73,882	147,319	234,475	78,755
363,504	349,777	371,123	431,818	339,955	438,456
(2,554,154)	578,684	(2,759,428)	3,761,889	4,666,101	(4,280,734)
(2,168,690)	977,195	(2,314,423)	4,341,026	5,240,531	(3,763,523)
\$ 59,329,883	\$ 64,643,579	\$ 66,627,988	\$ 70,575,279	\$ 74,289,168	\$ 71,910,748
\$ 7,009,765	\$ 12,551,639	\$ 7,250,904	\$ 15,517,689	\$ 12,603,568	\$ 14,436,059
1,909,500	5,249,812	1,734,201	7,179,344	8,592,517	(138,198)
\$ 8,919,265	\$ 17,801,451	\$ 8,985,105	\$ 22,697,033	\$ 21,196,085	\$ 14,297,861

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

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable										
Restricted	\$ 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	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,358,505	2,645,765	2,084,997	2,023,100	2,073,337	67,945	129,023	-	-	-
Unassigned	1,224,557	39,152	354,488	573,403	(144,413)	788,329	958,513	3,088,115	4,721,370	8,899,215
Total general fund	\$ 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	\$ 8,899,215
All other governmental funds										
Nonspendable										
Restricted	\$ 442,420	\$ 453,499	\$ 463,401	\$ 469,235	\$ 479,857	\$ 482,105	\$ 495,336	\$ 511,353	\$ 233,358	\$ 248,471
Committed	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	51,526,484
Assigned	54,977	57,936	54,677	100,226	26,425	100,785	165,296	339,349	-	-
Unassigned	8,462,306	12,655,430	15,063,270	7,957,147	8,514,095	892,909	-	-	-	-
Total all other governmental funds	\$ 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	\$ 51,774,955

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

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 51,493,936	\$ 51,992,408	\$ 52,543,737	\$ 55,963,123
Special assessments	6,634,031	6,908,756	6,601,450	6,423,571
Licenses and permits	824,265	662,517	736,026	669,088
Intergovernmental revenues	6,203,331	7,542,013	6,342,587	14,142,519
Charges for services	4,188,845	2,715,993	2,595,552	3,447,684
Fines and forfeitures	1,507,722	1,694,334	1,461,807	1,520,408
Investment income	174,483	684,688	309,980	369,467
Miscellaneous revenues	2,399,167	2,660,000	2,592,512	2,310,729
Total revenues	73,425,780	74,860,709	73,183,651	84,846,589
Expenditures				
General government	10,268,174	10,743,369	9,814,354	10,376,834
Public safety	17,939,802	19,446,303	20,956,458	21,414,073
Public works	3,981,450	4,218,770	4,049,467	4,767,198
Urban development and housing	3,647,493	3,506,316	3,943,368	4,578,877
Culture/recreation	5,364,066	6,243,829	6,913,056	7,418,491
Culture/recreation-payments to Library	2,439,394	2,481,954	2,620,658	2,708,169
Capital outlay	56,571,545	20,298,332	14,907,497	28,418,348
Debt service				
Principal	16,879,662	14,647,648	14,845,930	15,574,605
Bond issuance costs	191,318	419,151	167,325	657,434
Interest and fiscal charges	8,270,760	7,600,910	7,521,046	7,486,127
Total expenditures	125,553,664	89,606,582	85,739,159	103,400,156
Excess of revenues over (under) expenditures	(52,127,884)	(14,745,873)	(12,555,508)	(18,553,567)
Other financing sources (uses)				
General obligation bonds issued	8,290,000	14,350,000	5,305,000	23,085,000
Premium on general obligation bonds	183,103	738,219	500,825	447,854
Proceeds from sales of capital assets	-	-	-	14,189
Temporary notes issued	28,475,000	7,265,000	14,735,000	14,970,000
Temporary notes retired	(8,825,000)	(11,385,000)	(13,420,000)	(19,970,000)
Capital leases	1,053,802	443,597	56,384	398,605
Transfers in	19,110,266	13,919,505	15,851,315	14,009,272
Transfers out	(14,971,014)	(11,272,654)	(13,077,801)	(11,227,170)
Refunding bonds issued	2,790,000	4,895,000	-	-
Premium on refunding bonds	66,119	521,080	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	36,172,276	19,474,747	9,950,723	21,727,750
Net change in fund balances	\$ (15,955,608)	\$ 4,728,874	\$ (2,604,785)	\$ 3,174,183
Debt service as a percentage of noncapital expenditures	32.7%	31.1%	31.0%	27.1%

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 57,245,417	\$ 62,725,576	\$ 64,517,555	\$ 67,421,419	\$ 68,719,195	\$ 68,214,120
6,423,035	6,502,769	6,892,085	7,507,901	7,487,741	8,199,740
688,324	781,313	583,770	515,092	592,783	584,824
7,910,181	8,963,061	7,179,108	5,849,869	6,922,984	9,830,166
3,397,834	3,991,901	3,557,776	4,318,771	4,162,301	2,015,704
1,395,059	1,586,113	1,473,458	1,399,950	1,282,693	950,936
15,447	287,371	178,277	351,173	502,744	185,358
2,437,227	2,497,104	1,832,782	2,343,626	2,409,964	3,005,881
79,512,524	87,335,208	86,214,812	89,707,801	92,080,405	92,986,729
10,843,137	12,030,741	12,268,918	12,703,746	12,881,258	16,011,594
22,980,982	24,339,265	24,281,854	24,028,318	25,239,775	26,194,537
4,210,621	4,790,370	4,592,146	6,324,392	7,426,865	6,570,760
3,439,663	3,440,261	3,205,836	4,300,921	3,527,319	3,795,835
8,094,979	8,537,445	8,716,617	9,145,366	9,064,276	4,134,523
2,756,181	2,907,615	2,990,500	3,053,743	3,175,616	3,335,074
20,900,705	25,560,489	18,842,377	19,344,081	29,678,342	53,128,050
18,512,788	23,408,250	34,797,151	44,769,505	34,250,702	37,895,033
449,799	549,015	459,434	338,234	448,325	526,076
7,621,319	7,179,688	6,736,870	6,463,009	6,501,308	6,351,377
99,810,174	112,743,139	116,891,703	130,471,315	132,193,786	157,942,859
(20,297,650)	(25,407,931)	(30,676,891)	(40,763,514)	(40,113,381)	(64,956,130)
10,280,000	20,115,000	10,115,000	15,250,000	12,790,000	15,445,001
1,042,461	2,468,854	1,186,355	1,723,353	1,119,823	217,680
-	-	-	181,570	799,729	193,412
27,215,000	25,330,000	9,220,000	4,535,000	13,960,000	50,875,000
(3,635,000)	(9,445,000)	-	-	-	-
577,825	1,229,128	39,257	1,402,320	1,447,611	1,346,925
18,153,584	12,341,019	19,280,171	18,149,066	18,805,152	20,479,663
(15,164,252)	(9,464,446)	(11,413,424)	(12,148,131)	(10,705,534)	(10,595,663)
-	-	-	-	-	-
-	(16,406,114)	(507,080)	-	(270,000)	(3,495,000)
38,469,618	26,168,441	27,920,279	29,093,178	37,946,781	74,467,018
\$ 18,171,968	\$ 760,510	\$ (2,756,612)	\$ (11,670,336)	\$ (2,166,600)	\$ 9,510,888
32.2%	33.7%	40.2%	42.2%	35.9%	39.6%

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
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
2020	33,290,870	30,285,653	3,371,782	1,265,815	68,214,120

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
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
2020	560,383,873	7,141,047,215	4,696,674	20,188,676	20,155,509	61,077,300

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
\$ 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%
585,236,056	49.798	7,222,313,191	8.10%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i><u>Fund Levies In Mills</u></i>										
General Operating	2.692	2.445	2.372	3.669	3.936	4.146	5.356	5.817	6.570	6.743
Bond & Interest	5.497	5.409	5.412	3.881	4.108	4.719	4.006	4.688	4.939	4.687
Employment Benefit Contribution	1.439	1.533	1.487	2.039	2.529	2.761	3.053	2.830	3.058	3.812
Fire Equipment Reserve	0.115	0.111	0.108	0.451	0.266	0.250	0.720	0.454	0.668	0.791
Fire Pension KP&F	0.172	0.167	0.162	1.069	1.263	1.309	1.574	1.573	0.786	0.866
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	4.175	4.238	4.309	4.215	4.098	4.120	4.107	4.291	4.319	4.431
Library-Employee Benefit Contribution	0.916	0.891	0.932	0.941	0.977	1.078	1.037	0.999	1.046	1.120
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	0.612	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Riley County Police Department	26.299	27.362	28.657	27.159	26.786	28.568	28.170	27.705	27.969	27.348
TOTAL: City Mill Rate	41.917	42.156	43.439	43.424	43.963	46.951	48.023	48.357	49.355	49.798

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>
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
2020	49.798	43.075	28.256	62.137

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>	2020			2011		
		<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
		<u>Assessed</u>		<u>Total Assessed</u>	<u>Assessed</u>		<u>Total Assessed</u>
		<u>Value</u>		<u>Valuation</u>	<u>Value</u>		<u>Valuation</u>
Evergy Kansas Central Inc	Utility	\$ 15,033,287	1	2.57%	\$ 6,042,821	2	1.35%
Manhattan Town Center Mall	Retail	9,009,165	2	1.54%	11,296,196	1	2.52%
Individuals	Residential	6,315,801	3	1.08%	4,161,913	3	0.93%
Centro Bradley Spe 3 LLC	Real Estate	5,728,676	4	0.98%			0.00%
Manhattan Marketplace	Shopping Center	5,232,505	5	0.89%			0.00%
Manhattan Medical Center	Medical Complex	5,025,384	6	0.86%	3,632,860	4	0.81%
The Links at Manhattan	Apartments	4,785,276	7	0.82%			0.00%
HCW-Manhattan LLC	Hotel	3,566,655	8	0.61%	2,584,566	10	0.58%
Kansas Gas Service	Utility	3,500,343	9	0.60%			0.00%
Wal-Mart Stores Inc.	Retail			0.00%	3,356,251	6	0.75%
Menards Inc.	Retail	3,468,824	10	0.59%	3,630,690	5	0.81%
S&S Development	Residential			0.00%	2,693,268	8	0.60%
University Commons	Residential			0.00%	2,667,241	9	0.59%
Westloop Center Association	Retail			0.00%	3,175,000	7	0.71%
Total		<u>\$ 61,665,916.00</u>		<u>10.54%</u>	<u>\$ 43,240,806</u>		<u>9.65%</u>

Source: Riley and Pottawatomie County Clerks' Offices

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Current Collections to Current Levy</u>	<u>Delinquent Property Taxes Collected</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Collections to Current Levy</u>
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%
2020	28,898,090	28,574,367	98.88%	342,844	28,917,211	100.07%

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			
	2011	2012	2013	2014
Utilities	\$ 49,737,744	\$ 53,105,248	\$ 59,160,213	\$ 67,926,637
Construction	19,572,141	19,221,222	18,792,852	20,482,710
Manufacturing	20,396,696	24,082,264	19,095,534	22,658,540
Wholesale	41,275,002	42,171,041	43,037,782	36,234,135
Retail	611,319,978	628,543,906	650,912,056	687,840,138
Information	46,388,328	48,616,262	47,853,827	57,795,367
Accommodation and food services	108,208,474	133,925,014	128,203,960	137,239,162
Services	20,137,517	18,045,652	18,934,268	18,901,220
Other	53,666,722	67,031,028	61,851,086	62,817,264
Total	\$ 970,702,602	\$ 1,034,741,637	\$ 1,047,841,578	\$ 1,111,895,173
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					
2015	2016	2017	2018	2019	2020
\$ 62,227,642	\$ 60,245,559	\$ 69,976,164	\$ 74,573,293	\$ 54,048,806	\$ 53,791,130
18,478,493	21,746,657	28,212,217	28,600,546	23,708,446	25,135,625
21,211,828	24,135,901	24,269,500	18,359,219	14,332,214	14,029,854
38,289,992	43,061,694	43,572,521	56,155,583	52,605,472	35,715,222
663,013,103	664,876,484	728,693,080	722,501,149	668,333,195	704,640,859
59,867,107	55,903,722	61,151,299	58,191,216	48,485,986	40,049,466
143,335,204	148,791,089	164,575,564	167,236,574	155,566,597	137,890,730
18,285,879	19,233,312	20,314,363	20,935,081	29,462,008	29,238,569
69,590,002	79,357,148	82,217,908	83,268,006	75,457,953	51,750,122
<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>	<u>\$ 1,092,241,577</u>
1.25%	1.25%	1.45% (1)	1.45% (2)	1.45%	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>
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%
2020	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 2020 and 2011

	2020				2011			
	<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	1,769	36.04%	\$ 10,221,605	64.51%	720	28.39%	\$ 7,857,088	62.98%
Accommodation and food service	210	4.28%	2,000,260	12.63%	163	6.43%	1,390,767	11.15%
Other	848	17.27%	750,698	4.74%	475	18.73%	689,760	5.53%
Utilities	16	0.33%	780,301	4.93%	19	0.75%	639,262	5.13%
Information	275	5.60%	580,962	3.67%	146	5.76%	596,213	4.78%
Wholesale	593	12.08%	518,089	3.27%	325	12.82%	530,493	4.25%
Manufacturing	432	8.80%	203,519	1.29%	182	7.19%	262,152	2.10%
Construction	405	8.25%	364,620	2.30%	311	12.26%	251,554	2.02%
Services	361	7.35%	424,138	2.68%	195	7.69%	258,821	2.07%
Total	<u>4,909</u>	<u>100.00%</u>	<u>\$ 15,844,192</u>	<u>100.00%</u>	<u>2,536</u>	<u>100.00%</u>	<u>\$ 12,476,110</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
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
2020	46,413,890	54,776,110	20,990,000	76,880,000	-	4,255,000	1,249,062	4,397,579

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

¹ See the Schedule of Demographic and Economic Statistics on page 155 for personal income and population data.

Business-type Activities			Total Primary Government	Percentage of Personal Income¹	Per Capita¹
General Obligation Bonds	State Revolving Loans	Capital Leases			
\$ 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	45,150,395	526,402	237,281,547	10.0%	4,345
14,900,000	44,275,692	489,712	268,627,045	11.4%	4,965

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

Fiscal Year	Governmental	Business-Type	Percentage of			
	Activities	Activities	Less: Amounts Available in Debt Service Fund ²	Total	Estimated Actual Value ³ of Property	Per Capita ⁴
	General Obligation Bonds ¹	General Obligation Bonds				
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
2020	101,190,000	14,900,000	5,610,932	110,479,068	1.5%	2,042.13

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 138 for property value data.

⁴Population data can be found in the Schedule of Demographic and Economic Statistics on page 155.

CITY OF MANHATTAN, KANSAS
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

<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	\$ 212,292,000	83.40%	\$ 177,051,528
Unified School Dist. #378			
Riley County	1,455,000	82.70%	1,203,285
Pottawatomie County	24,555,000	7.90%	1,939,845
			<hr/>
Total overlapping debt			180,194,658
			<hr/>
Direct debt			
Bonded debt:			
General obligation debt			\$ 46,413,890
Special assessment debt			54,776,110
			<hr/>
Total general obligation bonded debt			101,190,000
Special obligation bonded debt			20,990,000
Sales tax revenue bonded debt			4,255,000
Temporary note debt			76,880,000
Transportation revolving fund loan			1,249,062
Capital leases			4,397,579
			<hr/>
Total direct debt			208,961,641
			<hr/>
Total Direct and Overlapping Debt			\$ 389,156,299
			<hr/>

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			
	2011	2012	2013	2014
Debt limit ¹	\$142,176,832	\$146,043,310	\$150,315,801	\$157,111,561
Total net debt applicable to limit	90,779,021	92,945,516	96,958,394	97,436,828
Legal debt margin	\$51,397,811	\$53,097,794	\$53,357,407	\$59,674,733
Total net debt applicable to the limit as a percentage of debt limit	63.85%	63.64%	64.50%	62.02%

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$161,970,200	\$168,166,947	\$174,177,993	\$180,701,141	\$185,455,922	\$189,088,641
106,666,447	100,788,268	90,290,113	83,795,695	89,397,367	116,273,019
<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>	<u>\$72,815,622</u>
65.86%	59.93%	51.84%	46.37%	48.20%	61.49%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Valuation of Taxable Tangible Property	\$ 585,236,053
Motor Vehicle Valuation	<u>45,059,418</u>
Total Valuation	<u>630,295,471</u>
Debt Limit Ratio	<u>30%</u>
December 31, 2020 Debt Limit	<u>\$189,088,641</u>
Outstanding Debt Subject to Debt Limit	<u>116,273,019</u>
Debt Authority Remaining December 31, 2020	<u>\$ 72,815,622</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>
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
2020	8,199,740	7,257,056	1,676,341	0.92

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

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Public School Enrollment²</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Average Wage per Job³</u>	<u>Unemployment Rate⁴</u>
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	2,304,295,435	41,928	43,075	2.9%
2019	54,604	8,158	2,368,959,522	43,384	43,704	2.8%
2020	54,100	7,832	2,365,974,368	43,733	43,390	3.3%

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

<u>Fiscal Year</u>	<u>Riley County Personal Income^{1,2}</u>	<u>Riley County Population³</u>	<u>City of Manhattan Population</u>	<u>Population as a Percentage of Riley County Population</u>	<u>City of Manhattan Personal Income</u>
2011	\$ 2,735,299,000	73,449	53,678	73.53%	\$ 2,011,265,355
2012	2,781,353,000	77,545	56,069	74.26%	2,065,432,738
2013	2,709,530,000	76,996	56,143	74.47%	2,017,786,991
2014	2,811,673,000	76,570	56,078	74.58%	2,096,945,723
2015	3,027,320,000	77,293	56,308	74.83%	2,181,035,588
2016	2,995,570,000	75,374	54,983	74.97%	2,176,948,872
2017	3,021,949,000	74,129	54,832	73.93%	2,138,725,937
2018	3,137,230,000	74,826	54,959	73.45%	2,304,295,435
2019	3,156,929,000	72,762	54,604	75.04%	2,368,959,522
2020	3,147,079,500	71,959	54,100	75.18%	2,365,974,368

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>2020</u>			<u>2011</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	14,985	1		19,120	1	
Fort Riley Military Base (civilian) ¹	5,978	2		7,786	2	
Kansas State University	5,865	3	16.74%	6,028	3	15.11%
U.S.D. No. 383 - Manhattan Schools	1,895	4	5.41%	1,350	4	3.38%
Via Christi Hospital	800	5	2.28%	795	6	1.99%
Champion Teamwear	500	6	1.43%			
Meadowlark Hill Retirement Community	463	7	1.32%	349	9	0.87%
Wal-Mart	425	8	1.21%	480	7	1.20%
City of Manhattan	418	9	1.19%	374	8	0.94%
Manko Window Systems, Inc.	297	10	0.85%			
GTM Sportswear				845	5	2.12%
Manhattan Medical Center				332	10	0.83%
Total	<u><u>31,626</u></u>		<u><u>30.43%</u></u>	<u><u>37,459</u></u>		<u><u>26.44%</u></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

	<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>	<u>2020</u>
General government										
Full-time	56	53	52	56	54	60	68	71	65	62
Part-time	5	4	3	8	9	9	7	7	7	6
Seasonal/temporary	16	15	14	8	10	9	8	8	8	4
Public safety										
Full-time	85	96	98	99	98	102	95	96	96	88
Part-time	3	3	4	5	5	4	-	-	-	-
Seasonal/temporary	11	6	6	6	6	8	9	9	9	10
Public works										
Full-time	49.5	55	55	51	52	62	65	69	55	45
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	7	2	2	2	2	5	3	3	3	1
Urban development and housing										
Full-time	10	10	10	10	10	8	8	8	8	9
Part-time	-	-	-	-	1	-	-	-	-	-
Seasonal/temporary	3	3	3	1	1	2	1	2	2	2
Culture and recreation										
Full-time	76.5	88.5	87.5	87	90	92	93	100	113	72
Part-time	7	12	12	11	10	10	11	12	12	6
Seasonal/temporary	871	893	892	726	723	741	740	744	740	201
Water										
Full-time	25.5	29.5	29.5	29.3	30.3	25.9	32	32	37.08	30.00
Part-time	1	1	0	-	-	-	-	-	-	-
Seasonal/temporary	3	5	5	5	5	4	6	6	6	2
Wastewater										
Full-time	25.5	26.5	27.5	29.8	30.8	27.8	27	28	37.58	25.00
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	3	2	2	2	2	3	4	4	4	-
Storm Water Management										
Full-time	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2.3</u>	<u>4.3</u>	<u>2</u>	<u>2</u>	<u>10.5</u>	<u>8</u>
Totals										
Full-time	330	361	362	364	367	382	390	406	422	339
Part-time	16	20	19	24	25	23	18	19	19	12
Seasonal/temporary	914	926	924	750	749	772	771	776	772	220

Source: City of Manhattan Finance Department

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Incident responses	2,345	2,672	2,385	2,392	2,581	2,563	2,503	2,425	2,667	2,481
Fire inspections	1,763	1,969	1,855	1,897	2,397	2,527	3,395	3,070	3,270	1,521
Construction inspections	7,108	6,129	5,053	5,876	5,121	5,210	5,031	3,920	3,721	3,952
Public works										
Road added (square yards)	21,948	52,354	33,690	73,169	52,406	47,099	45,000	64,134	79,001	93,715
Asphalt placed for street repairs (tons)	350	299	457	798	1,020	1,068	370	363	1,175	893
Call backs for signal problems	49	52	68	89	73	62	57	75	51	53
Urban development and housing										
Annexations	2	1	1	6	3	6	5	2	2	1
Rezoning	8	5	13	16	15	20	11	9	6	4
Culture and recreation										
Annual swimming pool attendance	96,528	128,602	108,050	131,876	123,160	135,912	131,306	112,869	168,850	-
Annual zoo attendance	63,066	71,936	74,542	79,269	85,772	82,043	102,732	71,040	69,626	36,623
Annual registrations in recreation programs ¹	9,022	10,579	11,144	12,122	9,887	12,146	10,631	13,052	20,396	7,055
Water										
New taps	383	342	209	266	205	189	179	106	88	100
Total water metered in distribution system (MG)	2,597	2,800	2,481	2,468	2,417	2,514	2,565	2,573	2,153	2,256
Wastewater										
Total influent flow (MG)	1,734	1,695	1,763	1,757	1,853	1,886	1,787	1,510	2,222	2,262

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

¹In 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>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>	<u>2020</u>
Public safety										
Fire stations	4	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	206.27	218.79	217.47	218	222	226	231	240	229	227
Traffic signals	68	68	68	68	73	74	77	78	78	79
Culture and recreation										
Park acreage (developed)	580	580	600	600	600	600	620	620	660	660
Parks (developed)	25	25	28	28	28	28	28	28	30	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)	1,440,818	1,447,307	1,501,115	1,474,935	1,483,053	1,506,989	1,571,285	1,578,402	1,583,290	1,584,000
Maximum daily capacity (millions of gallons)	20	20	14.92	16	12	16	16	16	13	13
Wastewater										
Sewer lines (lineal feet)	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	1,328,844
Maximum daily treatment capacity (millions of gallons)	8.7	8.7	8.53	8.7	9.5	10.4	8.8	14.3	15.4	8.0

Sources: Various City of Manhattan departments



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Single Audit Section

**For the Year Ended
December 31, 2020**



**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 aggregate discretely presented component units, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 4, 2021. Our report includes a reference to other auditors who audited the financial statements of the Manhattan Housing Authority (the Authority) and the Manhattan Public Library (the Library), as described in our report on the City's financial statements. This report does not include the results of the Authority's auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the Authority's auditors. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Library or that are reported on separately by those auditors who audited the financial statements of the Library.

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) as a basis for designing 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.

An Independently Owned Member, RSM US Alliance

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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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 financial statements. 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*.

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.

October 4, 2021
Topeka, Kansas



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE 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 the 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, 2020. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Manhattan Public Library (the Library) and the Manhattan Housing Authority (the Authority). Our audit, described below, did not include the operations of the Library because the Library engaged other auditors to perform an audit, which would have included an audit of compliance if required. The Authority expended \$ 2,407,201 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2020. Our audit, described below, did not include the operations of the Authority because the Authority engaged other auditors to perform an audit of compliance.

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.

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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.

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, 2020.

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.

October 4, 2021
Topeka, Kansas

CITY OF MANHATTAN, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Federal Grantor/Program Title	Federal CFDA Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Department of Agriculture</u>				
Emergency Watershed Protection Program	10.923	NR196215XXXXC001	\$ 725,539	\$ -
<u>U.S. Department of Housing and Urban Development:</u>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC20-0009	225,681	-
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC20-0009	170,147	-
			395,828	-
Passed through the Kansas Housing Resources Corp.:				
COVID-19-Emergency Solutions Grants Program	14.231	ESG-FFY-2019	203,237	203,237
Emergency Solutions Grants Program	14.231	ESG-CV-FFY-2020	95,141	95,141
			298,378	298,378
Total U.S. Department of Housing and Urban Development			694,206	298,378
<u>U.S. Department of the Interior:</u>				
Partners for Fish and Wildlife Program	15.631	64860-19-RL01	25,000	-
Passed through the Kansas Historical Society State Historic Preservation Office:				
Aggieville Commercial District Historic Survey	15.904	HPF 2019-005	25,310	-
Total U.S. Department of the Interior			50,310	-
<u>U.S. Department of Transportation:</u>				
COVID-19 - Airport Improvement Program	20.106	3-20-0052-050-2020	906,816	-
Airport Improvement Program	20.106	3-20-0052-051-2020	948,935	-
COVID-19 - Airport Improvement Program	20.106	3-20-0052-051-2020	105,437	-
Airport Improvement Program	20.106	3-20-0052-0049	173,585	-
			\$ 2,134,773	\$ -

(Continued)

CITY OF MANHATTAN, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020
(Continued)

Federal Grantor/Program Title	Federal CFDA Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
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	\$ 79,019	\$ -
Total U.S. Department of Transportation			<u>2,213,792</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
Passed through Riley County, Kansas:				
COVID-19 - Coronavirus Relief Fund	21.019	SPARK	2,998,847	-
Passed through Pottawatomie County, Kansas:				
COVID-19 - Coronavirus Relief Fund	21.019	SPARK	<u>1,011</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>2,999,858</u>	<u>-</u>
<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	<u>100,584</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 6,784,289</u>	<u>\$ 298,378</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, 2020

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, 2020. The City's reporting entity is defined in Note 1 to the City's basic financial statements. The City's reporting entity includes two discretely presented component units, the Manhattan Public Library (the Library) and the Manhattan Housing Authority (the Authority). The Schedule does not include the operations of the Library because the Library engaged other auditors to perform an audit, which would have included an audit of compliance if required. The Authority expended \$ 2,407,201 in federal awards which is not included in the Schedule. The Schedule does not include the operations of the Authority because the Authority engaged other auditors to perform an audit of compliance. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the Schedule. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. 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.

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 on the Schedule are recognized following 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, 2020

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:	None reported
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>
21.019	COVID-19 – Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee:	No
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(Continued)

CITY OF MANHATTAN, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended December 31, 2020

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None