

Comprehensive Annual Financial Report



For the year ended December 31, 2016

CITY OF MANHATTAN, KANSAS

Comprehensive Annual Financial Report

**Year Ended
December 31, 2016**

Prepared by:

Berberich Trahan & Co., P.A.
Department of Finance

CITY OF MANHATTAN, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

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September 28, 2017

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

RE: 2016 Comprehensive Annual Financial Report

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Manhattan, Kansas (the City) for the fiscal year ended December 31, 2016.

This report was prepared by the City's Finance Department and Berberich Trahan & 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 Varney & Associates, CPAs, LLC, an independent firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2016, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the City of Manhattan

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

The City is in Pottawatomie and Riley Counties, and is located at the confluence of the Blue and Kansas Rivers in Northeast Kansas approximately 116 miles west of Kansas City (56 miles west of Topeka, the Kansas State Capital). The City encompasses approximately 18 square miles and has a current estimated population of 56,308 persons (includes Kansas State University which was annexed on July 3, 1994).

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 and cultural events, planning, zoning, code enforcement, engineering, airport operations, and general administrative services. The water, wastewater, and storm water management utilities operate as enterprise funds of the City. The City is also financially accountable for a legally separate public library and a legally separate housing authority, both of which are reported separately within the City’s financial statements. Additional information on these legally separate entities 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.

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.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Manhattan operates.

Municipal Services and Utilities

The City owns and operates its own water, wastewater, and storm water management utility systems. Westar Energy and Kansas Gas Service supply electricity and natural gas to the City. Telephone and cable television services are provided by AT&T and Cox Communications, Inc., under franchise agreements with the City.

The City's fire department provides continuous full-time fire protection to the City. The City's police protection is provided by the Riley County Police Department. The ambulance service is provided by Riley County.

Transportation Facilities

Riley County is traversed by Interstate 70, U.S. Highway No. 24, and Kansas Highways No. 113, No.18, and No.177, all leading to Manhattan, Kansas. Seven motor freight lines serve the City. Rail service is provided by Union Pacific Railroad. In addition, air transportation services via regional jet are provided to and from Dallas/Fort Worth and Chicago by American Eagle Airlines. The area is also served by an aircraft charter service and four taxi companies. Public transportation is also provided to Manhattan, Riley County, and Pottawatomie County by the Flint Hills Area Transportation Agency, a non-profit regional transit entity.

Kansas State University

Kansas State University, formerly Kansas State Agricultural College, has 150 years of distinguished service as one of the leading examples of the successful system of land-grant universities developed throughout the United States. Its campus contains over 668 acres and beyond the campus are more than 4,000 acres of university land used for experimental work in agriculture. Kansas State University is fully accredited by the North Central Accrediting Association and by various professional accrediting agencies. The University had an enrollment of 23,779 in the fall of 2016. Kansas State University ranks first nationally among state universities in its total of Rhodes, Marshall, Truman, Goldwater, and Udall scholars since 1986. The University offers many cultural, recreational, educational, and NCAA Division 1, Big XII athletic attractions.

Military-Activity - Fort Riley

Founded in 1853, Fort Riley is a military installation 15 miles west of Manhattan. Originally known as Camp Center, Fort Riley is a permanent post and has long been one of the nation's largest military installations. Today, Fort Riley is widely recognized as the Army's premier division-level installation covering approximately 102,000 acres with a military strength of approximately 15,417 soldiers and 19,686 family members. In addition to the military personnel at Fort Riley, approximately 5,363 civilians work at the installation.

The Fort's utilization changed in 2006, with the return of the 1st Infantry Division to Fort Riley. Since that time, units assigned to Fort Riley have supported Operation Enduring Freedom, Operation Iraqi Freedom, and transitioning to Operation New Dawn. From 2006 to 2009, the Fort Riley Training Mission provided pre-deployment training for an array of Military Transition Teams (MiTTs) deploying as advisors to Foreign Security Forces. During the first decade of the new century, Fort Riley has witnessed a large physical transformation. From modernization of the airfield to new barracks, housing, training and work areas, the changes to the installation have postured Fort Riley and the Central Flint Hills Region for the future. The Army has identified the fiscal need to cut 40,000 troops nationwide over a two-year period. In mid-2015, it was announced that Fort Riley would only be reduced by 615 troops meaning local areas that are heavily reliant on military spending will not be largely impacted.

During Fort Riley's service to the nation, many legendary and historic characters have been intertwined with the Fort's history. Some of the more famous were Buffalo Bill Cody, Wild Bill Hickock, George Armstrong Custer, and the famous 7th Cavalry of the early frontier days; Civil War heroes J.E.B. Stuart and Phillip St. George Cook; General "Blackjack" Pershing of World War I; Generals Wainwright, Patton, and Terry Allen of World War II; and Major General Thomas Rhame of the Persian Gulf War.

Impact of Fort Riley

The following is the Economic Impact Summary for Fort Riley for the year ended September 30, 2016 (most recent federal fiscal year available):

Economic Impact of Fort Riley on the State of Kansas

Direct Economic Impact on Kansas	\$1,544,444,450
Payroll (Annually)	1,212,078,235
Supplies/Services/Contracts	160,606,228
Construction	64,612,049
Health Care	80,434,650
Education	26,713,288

Medical and Health Facilities

The City's two local hospitals, St. Mary's Hospital, built in 1960, and Riley County owned Memorial Hospital, which was built in 1954, have consolidated into one entity, Mercy Regional Health Center, which employs approximately 800 persons. In 2015, Mercy Regional Health Center underwent a change in name and ownership and is now Via Christi Hospital. The City also has two major retirement facilities, Meadowlark Hills Retirement Community and Via Christi Village, which provide assisted care as well as independent living. There are currently over 90 medical doctors practicing in the City, and a surgical center has been constructed to provide surgical and post-surgical services to the region.

Recreational Facilities

Tuttle Creek Reservoir, one of the largest bodies of water in Kansas, which is located two miles north of the City of Manhattan, and Milford Reservoir which is located approximately 20 miles west of Manhattan, provide substantial area income from recreational activities. The City also has many beautiful parks and ball fields which host youth and adult softball, baseball, soccer and various other sporting events. The Larry Norvell band shell in City Park provides the venue for Arts in the Park, a series of free concerts held every weekend during the summer months. The Wefald Pavilion in City Park is available for public rental when not used as an ice skating rink in the winter months. The City also has three swimming pools. The City Park Aquatic Center was completed July 2010 and features an enhanced shaded area, a 50-meter competition quality pool, a Board Rider/Sting Ray wave pool, and a zero-entry combination pool that has features that include a lazy river, underwater seating and several slides. The CiCo Park and Northview Park pools were renovated in 2010 and opened for the 2011 summer season. City Park also features a Splash Park. In addition, the City offers four golf courses, Sunset Zoological Park which is an Association of Zoos and Aquariums (AZA) accredited facility, the new Flint Hills Discovery Center (a LEED Gold Facility) and Blue

Earth Plaza in the South Redevelopment Area, and an exceptional trail system featuring the Linear Park Trail.

Employment and Labor Force

The City’s economic character is affected largely by two institutions, Kansas State University and Fort Riley. In spite of a low official unemployment rate, Manhattan has an abundant supply of above-average, trainable labor available. This is due to the dependents and students of Kansas State University and the dependents of Fort Riley, which are not counted in the official labor force statistics. Also, being the major community in a rural area, the draw is from a 40-mile radius. All of this contributes to a work ethic creating high productivity and a compatible labor climate. Some of the major employers in the Manhattan area include Fort Riley, Kansas State University, Unified School District No. 383, Via Christi Hospital, and GTM Sportswear.

In total, the civilian labor force of Riley County according to the Kansas Department of Labor, Labor Market Information Services, is 37,325 as of December of 2016. Of this number, 36,209 or 97.0% are employed. The area civilian labor force is primarily employed in the governmental sector. Kansas State University currently employs approximately 6,028 people, and Fort Riley has a complement of approximately 15,417 military and approximately 5,363 civilian employees.

Work Force - Riley County, Kansas as of December 31, 2016

Civilian Work Force	37,325
Unemployed	1,116
Employed	36,209
Estimated % Unemployed	3.0%

Major Employers in the Manhattan Area:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Fort Riley Military Base	Military training	15,417
Kansas State University	Higher education	6,028
Fort Riley Military Base	Civilian employees	5,731
U.S.D. No. 383 - Manhattan Schools	Public Schools	1,600
GTM Sportswear	Retail & Manufacturing	900
Via Christi Hospital	Health Care	800
Wal-Mart*	Discount department store	480
Florence Corporation	Commercial Mailbox Manufacturer	400
City of Manhattan	Government	374
Meadowlark Hills Retirement Community	Geriatric care	349

*Wal-Mart Stores, Inc. *includes full-time, part-time and/or temporary employees.*

Economic Condition and Outlook

As discussed above, both Fort Riley and Kansas State University have a major influence on the Manhattan economy.

In addition, the City has been successful in using public funds, Industrial Revenue Bonds (IRBs), and a few limited or partial tax abatements to assist businesses and create economic development opportunities. In 2013, residents voted to renew the Riley County one-half cent sales tax. The City of Manhattan will use those dollars to fund traditional economic development proposals, infrastructure projects, and property tax relief. Some of the most recent economic success stories include:

- CivicPlus. In May 2012, the City Commission approved an economic development agreement with CivicPlus, a local company specializing in cost-effective website solutions to enhance community engagement for public sector clients. For all reporting periods thus far (2012 through 2016), CivicPlus has achieved greater than or equal to 100% compliance with the terms of their economic development agreement. Since 2012, CivicPlus has created 100 new full time positions. In May 2013, the City issued IRBs in an amount not to exceed \$15 million to finance a new five-story 50,000 square-foot office/commercial facility in downtown Manhattan. The incentive package includes a \$750,000 forgivable loan and partial tax abatement. CivicPlus held a groundbreaking ceremony in early 2013 and started demolition work in May of 2013. Construction was completed in September 2014, and the building is now occupied. CivicPlus has also renovated a significant amount of existing downtown space.
- National Bio and Agro-Defense Facility (NBAF). The United States Department of Homeland Security's Science and Technology Directorate has selected the City and Kansas State University (KSU) as the site of a state-of-the-art, high security laboratory facility to study foreign animal and zoonotic diseases that may impact livestock. There is currently no laboratory facility in the United States with the capabilities for BSL-4 research on large livestock. The facility design began in 2009 and site work began in 2010 with utility relocation. A Central Utility Plant (CUP) groundbreaking was held in May of 2013 for the NBAF. NBAF will replace the current facilities at the Plum Island Animal Disease Center (PIADC) in New York. Kansas' national leadership in animal health research and industry has made it the preferred location for the federal scientific laboratory that will accelerate animal disease research to protect the American food supply and agricultural economy. The total project estimate now exceeds \$1 billion. Related to this, in 2009, the United States Department of Agriculture (USDA) Arthropod-Borne Animal Diseases Research Unit was successfully recruited from Laramie, Wyoming. This team occupies renovated space in the current USDA research facility, and periodically leases space in KSU's state-of-the-art BSL 3-3Ag Biosecurity Research Institute. KSU recently demolished an old feed mill, which was located on the NBAF site, and constructed a new modern Feed Technology Innovation Center. As of today, the CUP is complete, and construction has begun on the main lab with an estimated building completion date of 2022.
- KSU Institute for Commercialization (KSU-IC). Once known as the National Institute for Strategic Technology Acquisition and Commercialization (NISTAC), KSU-IC has made significant contributions toward the development of new technical business in

the Manhattan area. In addition, KSU-IC is poised to be very successful with commercialization of University technologies and spin offs and maintains an impressive patent portfolio. KSU-IC occupies and leases the City's 30,000 square-foot, \$7 million Innovation Center in the K-State Research Park, where the focus is on creating bioscience ventures and university partnerships. In 2011, the City completed build out of 5,000 square feet of unfinished pilot space that created three new laboratories in the Center. The Kansas Bioscience Authority provided \$1 million in grant funds to match the City's local contribution of \$425,000 from the Economic Development Fund. KSU-IC is also a founding member of Knowledge Based Economic Development (KBED), which was created to establish and actively support a thriving entrepreneurial environment to attract, grow, and retain knowledge-based businesses.

- Flint Hills Beverage. Flint Hills Beverage is a distributor for Anheuser-Busch products throughout the region. In 2005, the City issued IRBs in the amount of \$2.8 million to finance the construction and equipping of a 40,000 square-foot manufacturing facility in the City's Corporate Technology Park. The company broke ground on a 17,000 square-foot expansion in 2012 and, in July 2013, the company exercised its option to purchase Lot 21A in the Corporate Technology Park to accommodate future expansions. The sale proceeds were returned to the City's Industrial Promotion Fund.
- Manko Window Systems. Manko Window Systems, a commercial-grade window manufacturer, has completed several expansions of its Manhattan facility. The most recent expansion will allow for the addition of a blast-resistant and hurricane-resistant window line. In 2005, the City issued IRBs in the amount of \$2.5 million to finance building additions, including 45,000 square feet of additional manufacturing space and 10,000 square feet of new office space, as well as over \$1 million in new equipment. The City issued approximately \$7.75 million in IRBs in 2015 to help finance expansion of the company's fabricated glass business.
- Via Christi Hospital (formerly Mercy Regional Health Center). The Mercy Regional Health Center Board has completed a major expansion and new addition to its facility, providing approximately double the space. The City, through the Manhattan Economic Development Fund, provided \$1 million to the expansion of the Health Center, in addition to issuing IRBs in the amount of \$38 million. The construction of the expanded space was completed in 2003 and the renovation of the old hospital wing was recently completed. A change in ownership occurred in 2015, which resulted in a name change to Via Christi Hospital. Since then, Via Christi has been in the process of expanding Emergency Room services, as well as constructing a medical office building to the north of the existing hospital.
- Meadowlark Hills Retirement Community. In 2007, Meadowlark Hills Retirement Community began a multi-million dollar four-phase expansion of its facilities. The City has committed to issuing up to \$55 million in IRBs to refinance existing debt and to finance the latest expansion, and has provided an additional \$750,000 in incentives in the form of conventional and forgivable loans.
- GTM Sportswear. Located in the Pottawatomie County portion of the City, GTM Sportswear (GTM) sells custom embroidered and screen-printed sportswear and related goods. GTM is in the process of enlarging its current manufacturing facility in several phases over the next ten years to an ultimate footprint of approximately

200,000 square feet. The City has committed to issuing up to \$28 million in IRBs for GTM and also providing incentives in the form of \$800,000 in forgivable loans and approximately \$2.4 million in tax abatements.

- Tallgrass Brewing Company. Tallgrass is a regional craft beer brewery with distribution to 14 states. Tallgrass received a \$250,000 forgivable loan and \$180,000 performance grant in April 2014 to assist in acquisition and equipping a new facility at the Manhattan Tech Park. Tallgrass also recently finished construction on the Tallgrass Taphouse restaurant in downtown Manhattan, which opened in June 2015.
- Kansas State University. Major improvements have been completed since 2012, including a new \$90 million West Stadium Center for KSU football which was dedicated in August 2013. This facility also includes a cafeteria/training table for all KSU student athletes. In addition, new basketball practice/team facilities and new rowing and tennis facilities were also dedicated. Demolition and construction of the Vanier Football Complex was completed prior to the 2015 football season. Other recent building initiatives include: an expansion to the College of Engineering, as well as a new building for the College of Business Administration, renovations to Memorial Stadium, and a new \$56 million chilled water plant expansion.
- Manhattan has experienced steady growth during the past few years although growth has moderated somewhat with the recent economic downturn. In 2016, the value of the property tax base grew about 3.4%. Total sales tax revenues in 2016 were \$27,786,733, which represents an 3.69% increase from 2015. The population has grown 7.2% from five years ago. On July 3, 1994, the City annexed Kansas State University. This annexation of students living on campus added approximately 4,200 individuals to the City's population. The 2015 estimated population for Manhattan is 56,308 persons.

Current Major Initiatives/Planned Activities

In 2016, the City plans to continue or initiate many projects which will further improve and expand the City's infrastructure and facilitate the maintenance and growth of the City. The City has increased its focus on building up reserves not only to help facilitate anticipated growth, but also to help mitigate the impact of any potential revenue shortfalls. Below is a listing of recent accomplishments.

- Downtown Redevelopment. The Downtown Redevelopment project consists of two distinct areas: the North Project Area and the South Project Area. The North Project Area, developed by Dial Realty of Omaha, Nebraska, is known as Manhattan Market Place and features approximately 250,000 square feet of commercial property and 220,000 square feet of residential property, with the addition of approximately 200 living units. Private investment is approximately \$57 million. In December 2009, the City issued the 2009 TIF Bonds to finance approximately \$17.8 million in land acquisition and site preparation associated with the North Project Area. In December 2010, the City issued the 2010 TDD Bonds to finance approximately \$5.6 million to fund several infrastructure projects within the North Project Area.
- The South Project Area features a City-owned and operated 35,000 square-foot Flint Hills Discovery Center which opened in April 2012, enhancing tourism locally and statewide, as well as a new privately owned 30,000 square-foot Conference Center

and 135-room Hilton Garden Inn hotel. A public 440-stall parking structure is also connected to the Conference Center.

This new entertainment area also features Blue Earth Plaza, a public park with a fountain, river, splash component synchronized with music and light shows as well as a central shade gathering area. Two additional hotels, Candlewood Suites and Holiday Inn Express, and a mixed use building bordering the periphery have been constructed. A four-story residential structure with 32 living units was completed in December of 2014. Total private investment by HCW, Nobel Inc., Riffel Asset Management, and McCullough Development for the South project is approximately \$36 million, with the City contributing an additional \$31 million. Of this \$31 million, \$9.5 million will be used to pay for the Conference Center, \$7.2 million for the Discovery Center exhibits, \$3.2 million for the parking garage, and approximately \$11.1 million for site preparation and infrastructure improvements. In 2006, the City received approval for \$50 million in Sales Tax and Revenue (STAR) Bonds for the South Project Downtown Redevelopment. The City issued the 2009-1 STAR Bonds and the 2009-2 STAR Bonds in December 2009, with the 2009-2 STAR Bonds being issued as Build America Bonds under the American Recovery and Reinvestment Act of 2009. Additional STAR bonds totaling approximately \$50 million will be issued for the construction of the Discovery Center, land acquisition, and infrastructure costs.

The renovation and upgrading of the Downtown Core area alley ways and Poyntz Avenue Improvements was completed in spring of 2014, and features pedestrian safety enhancements, new trees, landscaping, curbs and sidewalks, refurbished lighting, and a new traffic signal at 4th and Poyntz along with other improvements.

- Airport. American Eagle Airlines provides three (3) daily regional jet flights to and from Dallas/Fort Worth and Manhattan and two (2) daily regional flights to and from Chicago O'Hare International Airport. The airport continues on a track of development as it responds to the growth occurring throughout this region of Kansas. A 42,000 square-foot expansion of the passenger terminal began in November 2013. Phase I was completed in February 2015, and Phase II was completed in December 2016. Coinciding with the end of Phase II is the start of a parking improvement project. Improvements may include the creation of a segment of the new loop road, align parking stalls consistent with the new terminal, and access control and revenue collection equipment. Construction of the parking lot expansion is expected to be completed in November 2017. To accommodate the parking lot expansion, a new military entry road was designed and built west of the airport terminal entrance to provide access for Fort Riley equipment to the military aircraft apron. Construction of the entry road began in July 2016, and will be complete in January 2017.

The airport is in the process of upgrading its General Aviation (GA) area, which includes a new 5,000 square-foot Fixed Base Operator (FBO) Facility and infrastructure (water, sewer, stormwater, parking, access road) improvements to support it. Construction of the new FBO Facility began in September 2015 and was

completed in June 2016. Utility and Site improvements for the GA area and Airport Road began in March 2016 and were completed in July 2016.

- Community Development. Community Development staff administered 2016 Community Development Block Grant (CDBG) funds totaling approximately \$535,680 for housing rehabilitation, public services and the improvement of community facilities and infrastructure. Other grant activities included the administration of \$208,844 in Emergency Solutions Grant funds for local agencies that address homelessness issues. In 2017, the City will continue CDBG projects and it is anticipated that the City will receive a Section 108 Loan Guarantee from the U.S. Department of Housing and Urban Development (HUD) to help finance the Southeast Neighborhood Recreation Center.

The Community Development Department (the “Department”) addresses community needs in the areas of planning, zoning and floodplain administration, historic preservation and grant administration. In 2016, the Department completed the first phase of implementing the recently updated Manhattan Urban Area Comprehensive Plan’s recommendations, consisting of several rezonings, and drafting the new Urban Core Residential District that will be implemented in 2017. The Department also continues efforts to address floodplain issues related to mitigation, outreach and education, through the preparation of hazard mitigation plans and development of a City website related to floodplain education. Additional projects for 2017 include working with the community to finalize, adopt and implement the Aggieville Community Vision Plan which includes a detailed Strategic Action Plan, as well as initiating work with the selected consultant on updating the Zoning and Subdivision Regulations into a Unified Development Ordinance.

- Public Works. Some of the more significant infrastructure improvements completed in the City over the past year are the following projects:
 - Roadway improvements for Miller Parkway and Scenic Drive. With the continued residential and commercial growth along these two corridors, the remaining section on Miller Parkway was extended to the intersection with Scenic Drive. This roadway will support current and future growth in the South and West sides of the City.
 - Intersection improvements to 17th & Poyntz to include new signalization and new pedestrian amenities. This area is near three schools and is an entrance corridor for the Kansas State University Campus. The existing signals were removed and a new signal, signal controller and pedestrian amenities were added.
 - Intersection Improvements at US 24 and Leavenworth. This intersection was improved to include signalization upgrades, geometrics and pedestrian amenities to support the continued growth in the downtown and north and south shopping districts. This project increased the efficiency in the existing intersection so as to reduce delays and congestion in the area.

- W. Anderson transportation improvements. This project improved over a mile of Anderson Avenue and included several new pedestrian signals, bike trail, sidewalk, stormsewer, utilities, and widening of the existing two lane roadway into a three lane roadway with a center left turn lane, right turn deceleration lanes and a roundabout at the intersection of Kimball Avenue, Scenic Drive, and Anderson Avenue. This transportation project is being constructed to support two new commercial developments at the intersection, and new residential growth along the Anderson corridor and in the northwest quadrant of the City.
- Residential. In 2016, the City experienced a growth in the number of new subdivisions with the outlook for 2017 to continue with a similar pace to keep up with demand for new homes in the community. The following subdivisions were completed in 2016: Grande Bluffs Unit 4, Lee Mill Heights Unit 9, Courtyards at Lee Mill Heights, Turnberry Addition, Merion Addition, Enclave Addition, Grand Estates Addition, Olympic Addition, Interlachen Unit 2, and Baltusrol Addition.
- Utilities. In 2016, the City began projects to provide improvements to various portions of the City's Public Water and Wastewater Systems.
 - Construction was completed for a \$4.8 million project that is being funded by both the City and the Pottawatomie County RWD No.1 to install a new transmission main, booster pump station and water tower that will supply water to the Blue Township area.
 - Design began on a \$2.8 million project to construct a high-pressure transmission main to supply adequate amounts of domestic water and fire protection to K-18/Eureka Valley Corridor, which includes the Manhattan Regional Airport, TecPark, and all future development throughout the corridor. Construction for this project commenced in 2016 and will be completed in 2017.
 - Construction was completed on Phase 3 of the Wildcat Creek Lift Station Improvements, which had an estimated cost of \$300,000 for design and construction. This project stabilized the western bank of Wildcat Creek in order to protect the lift station and Levee Trail from future stream bank erosion concerns.
 - Design was commenced for numerous improvements within the water supply, treatment and distribution system, including: \$340,000 for waterline replacement in Denison Avenue between Anderson Avenue and Claflin Road; \$150,000 for new waterline in Grand Mere Parkway between Grand Champions Court and Enclave Ridge Circle; \$75,000 for waterline extension to Berkshire Court to improve system water pressures for the North Wyndham Heights neighborhood; \$155,000 for waterline replacement in Sunset Lane; and \$100,000 for a new bulk water filling station to be located on Levee Drive. These projects are expected to be completed in 2017.
 - Design commenced for approximately \$600,000 in sanitary sewer improvements in Allen Road. The project will increase sewer capacities in the Northview area, as well as reducing the potential for sanitary sewer surcharging that can occur during higher rainfall events. The project also includes \$200,000 for waterline replacement and upsizing, as well as storm sewer and street improvements.

- Cost of Services study was substantially completed for water and sanitary sewer rates and rate structures. Implementation of the recommended rates are expected to be discussed in 2017 with adoption anticipated for 2018.
- In 2016, a study was completed to analyze the capacity of the Stagg Hill Booster Pump Station (BPS) and recommend any upgrades necessary to increase the capacity to supply water to the Miller Ranch Water Tower and both the Stagg Hill, Miller Ranch and Eureka Valley Corridor. The analysis was necessary to ensure that the City will be capable of meeting the future water demands from the southwest portion of the City. In 2017, additional capacity analysis will be completed to plan for future upgrades and expansions to other booster pump stations, including Northwest BPS (CICO) and Sunset, as well as plan for additional pump stations. Currently, any proposed upgrades or expansions are programmed in the City's 2020 CIP.
- Design commenced for a \$500,000 sanitary sewer extension project to extend a sanitary sewer interceptor along West Anderson Avenue west of Scenic Drive/Kimball Avenue. This project is the first phase of a project to provide future sanitary sewer capacity for the continued growth in the Grand Mere and Colbert Hills area. Construction of the project will be completed in 2017.
- The Davis Street Sanitary Sewer Lift Station will be replaced in 2017 at an approximate cost of \$65,000.
- Design will commence in 2017 for the Wastewater Treatment Plant (WWTP) mechanical, electrical and plumbing improvements, which will consist of approximately \$1.4 million for replacement and upgrade of aging HVAC equipment, electrical gear, emergency backup generators, and other original plant systems.
- Design will commence in 2017 for the WWTP Pump Station Pump Replacement and Upgrade project, which will consist of approximately \$1.25 million for replacement of four (4) original pumps and motors at the Headworks Pumping Station with dry pit submersible pumps, as well as the four (4) original Return Activated Sludge (RAS) Pumping Station.
- Design was completed in 2016 for a \$5-7 million project to make significant electrical improvements at the Water Treatment Plant (WTP), including the installation of a 2.00 megawatt emergency backup generator and the upgrade of the electrical gear from 12.5 kV to 480V to match the remaining WTP equipment that was upgraded with the past upgrade and expansion project completed in 2012. This project will be completed in 2017 and is being funded with a 20-year low interest loan through the State of Kansas Revolving Public Water Supply Loan Fund.
- In 2017, a Water and Wastewater Facility Plan Update will be completed, at a proposed cost of \$400,000, to study the long-term water and wastewater treatment needs for the City. Two of the primary focus areas of the update will be to study the future of the Biosolids disposal program at the WWTP, as well as the potential need to develop an additional water supply and treatment facility in the Eureka Valley corridor to meet the growing water demand on the western portions of the City. The update will also include emergency and risk assessments for the two

treatment facilities, as well as the initial implementation of an asset management program.

- Parks and Recreation. The City Park Pool Parking Lot Improvement Project was undertaken in 2016 with a new parking surface and, as a result of efficient parking layouts, 5,000 square feet of green space was returned to the park. Beautification of the park included installation of 32 new trees and 7,500 square feet of new irrigated landscape beds. Over one-half mile of new multi-use paths and sidewalks were constructed to provide better connectivity within the park. Other improvements include: the installation of nine new bike racks; storm drainage infrastructure; pedestrian-scale lighting; and new roadway lighting along Springboard Lane and in the pool parking lot were also added.
 - Parks and Recreation office staff relocated to a 7,500 square-foot expansion on the north side of City Hall in January 2016. This \$1.3 million construction project allowed staff to relocate to suitable office space from a converted shop building in City Park. HVAC improvements were made to the Peace Memorial Auditorium in 2016, and improvements funded by a private veterans committee are planned in 2017 to establish a veterans memorial in the auditorium lobby.
 - The Anneberg Park Improvements project began in 2015 with over \$2.65 million in upgrades. Improvements include the installation of synthetic surfaces for soccer and baseball/softball fields and new sports lighting.
 - In 2015, the City annexed parkland in the Lee Mill Heights development and planning will be underway soon for a new 80-acre park. The goal of the park is to develop a new natural area park, which offers a unique opportunity to experience the beauty of the Flint Hills without leaving the City.
 - A Facility Feasibility Study is underway to identify potential recreation improvements in the community. The study is focused on priority areas of creating neighborhood-based recreation opportunities, improving ballfield surfaces and player safety, and enhancing Manhattan's network of trails. Concepts have been developed for improvements at Anthony and Eisenhower Middle Schools, Douglass Park and CiCo Park. The renewal of the City's ¼-cent quality of life sales tax has been targeted as a funding source for most of the improvements.
 - Sunset Zoo has received approval to seek qualifications for an update to its existing Master Plan. The Zoo is seeking direction on future exhibits, service facilities, pedestrian circulation patterns, accessibility, wayfinding, staffing levels and estimated costs. The project is budgeted at \$85,000 in the Capital Improvement Program.
- Fire Department. The Fire Department lease-purchased a new Pierce PUC fire apparatus in 2015. In 2016, the Fire Department lease-purchased a new 107 Quint Pierce PUC fire apparatus that will be delivered during the first quarter of 2017. In 2016, the City adopted the 2015 International Fire Code along with the 2015 International Building Code.

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 six-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 (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manhattan for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. This was the 19th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Popular Annual Financial Reporting Award (PAFR) Program was created by the Government Finance Officers Association (GFOA) in 1991. This program is designed to recognize local governments for their achievement in reporting information from the Comprehensive Annual Financial Report into a high quality summary report. The PAFR should be a document that is easily readable by those without a background in public finance, and a tool for community members to learn about the financial condition of their

local municipal government. The City of Manhattan, Kansas has received the PAFR award three (3) times, for fiscal years ending in 2013, 2014, and 2015.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its budget document for fiscal year 2017. 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.

Preparation of this report would not have been possible without the professional, efficient, and dedicated services of the staff of Berberich Trahan & Co., P.A. and the Finance Department. Credit should also be given to the City Commission and the City Manager's Office for providing the direction and support necessary to maintain the highest standards of professionalism in conducting the financial operations of the City. Thanks should also be extended to Varney & Associates, CPAs, LLC, for the cooperation and professional assistance provided during the audit of the City's 2016 financial records.

Respectfully submitted,



Ron R. Fehr
City Manager



Bernie Hayen
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

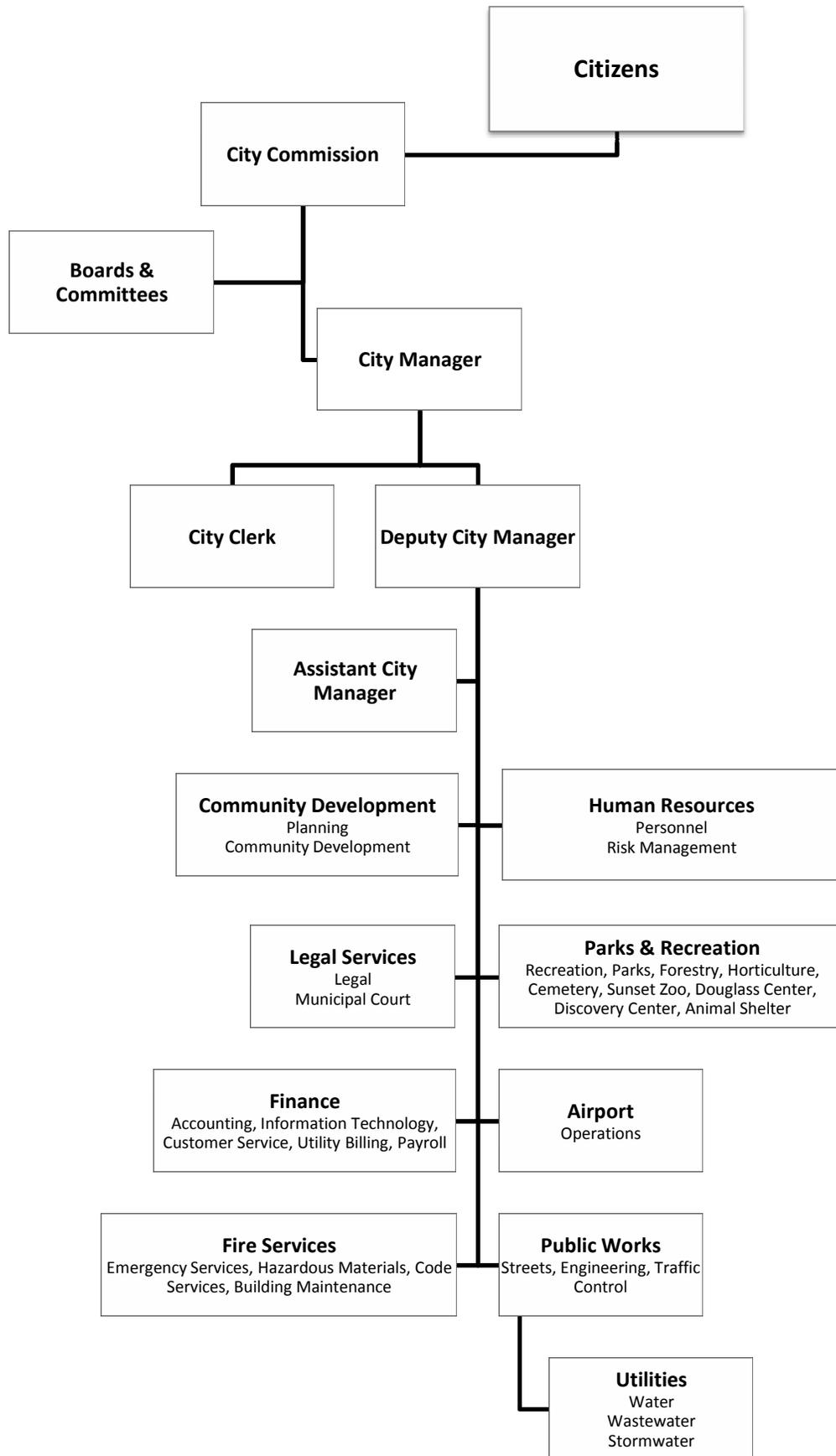
Presented to

**City of Manhattan
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



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 Special Revenue section).

CITY OF MANHATTAN, KANSAS

List of Principal Officials

ELECTED OFFICIALS

Mayor	Linda Morse
City Commissioner	Wynn Butler
City Commissioner	Michael Dodson
City Commissioner	Karen McCulloh
City Commissioner	Usha Reddi

APPOINTED OFFICIALS

City Manager	Ron Fehr
Deputy City Manager	Jason Hilgers
Assistant City Manager	Kiel Mangus
Airport Director	Jesse Romo
Director of Community Development	Eric Cattell
Director of Parks and Recreation	Edward Eastes
City Clerk	Gary Fees
City Attorney	Katherine Jackson
Director of Human Resources/Personnel	Cathy Harmes
Director of Fire Services	Scott French
Director of Public Works/Utilities	Rob K. Ott
Director of Finance	Bernie Hayen

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September 28, 2017

The Honorable Mayor and City Commission
City of Manhattan, Kansas

INDEPENDENT AUDITOR'S REPORT

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, 2016, 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

The City's 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 City'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 City'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.

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, 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 of Manhattan, Kansas, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison 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 management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. In our opinion, the required supplementary information, as listed above, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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. As listed in the table of contents, the following are presented for purposes of additional analysis and are not a required part of the basic financial statements:

- Financial Section
 - Other Supplementary Information
 - Nonmajor Governmental Funds
 - Budgetary Schedules
 - Internal Service Funds

As listed in the table of contents, the following are not a required part of the basic financial statements but are required by the audit requirements of 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 are presented for purposes of additional analysis:

- Single Audit Section
 - Schedule of Expenditures of Federal Awards
 - Notes to Schedule of Expenditures of Federal Awards
 - Schedule of Findings and Questioned Costs

This additional information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information as listed above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

September 28, 2017
City of Manhattan, Kansas
Page three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2017 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 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 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.

Vannoy & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

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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, 2016. Please read it in conjunction with the transmittal letter at the front of this report and 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 2016 by \$230,402,219. Of this amount, \$36,201,311 may be used to meet the City's ongoing obligations that would be due within one year.
- The City's total net position increased by \$17,801,451 over the course of this year's operations. The net position of our governmental activities increased by \$12,551,639 (11 percent) and the net position of our business-type activities increased by \$5,249,812 (5 percent). This is due to the capital assets from special assessment infrastructure, and the construction of West Anderson intersection.
- As of the end of 2016, the City of Manhattan's governmental funds reported combined ending fund balances of \$67,524,905, an increase of \$760,510 in comparison with the prior year. Approximately 43 percent of this total amount, \$323,829, is unassigned for appropriations.
- At the end of 2016, the assigned fund balance for the general fund was \$67,945, or less than one percent of total general fund expenditures. The unassigned fund balance for the general fund is \$788,329.
- The City's total debt decreased by \$5,740,086 during 2016. General obligation bonds outstanding decreased by \$10,835,000 in 2016. General obligation bonds in the amount of \$20,115,000 were issued in 2016, while \$30,950,000 was retired. The issuance of temporary notes decreased by \$1.5 million from 2015 to 2016. The payment of debts related to special assessments contributed to the increase in General obligation debt retirement.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City of Manhattan's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Manhattan is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences).

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

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

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

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

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

The City of Manhattan maintains 55 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 50 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 storm water management operations. Only the water and wastewater operations 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, the combining statements for non-major governmental funds and internal service funds are presented as other supplementary information immediately following the notes.

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 \$230,402,219 at the close of 2016.

A large portion of the City of Manhattan's net position (57 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	
	2016	2015 (Not Restated)	2016	2015 (Not Restated)	2016	2015 (Not Restated)
Current and other assets	\$ 176,617,931	\$ 175,988,326	\$ 363,887	\$ 4,002,119	\$ 176,981,818	\$ 179,990,445
Capital assets	225,284,648	214,109,173	165,317,157	161,057,936	390,601,805	375,167,109
Total assets	401,902,579	390,097,499	165,681,044	165,060,055	567,583,623	555,157,554
Deferred outflows	5,678,913	1,693,810	552,754	216,950	6,231,667	1,910,760
Long-term liabilities outstanding	251,634,593	246,820,308	58,261,922	62,697,864	309,896,515	309,518,172
Other liabilities	6,522,185	8,138,377	1,615,427	1,365,006	8,137,612	9,503,383
Total liabilities	258,156,778	254,958,685	59,877,349	64,062,870	318,034,127	319,021,555
Deferred inflows	25,306,096	25,265,645	72,848	180,346	25,378,944	25,445,991
Net position:						
Net investment in capital assets	20,803,629	15,153,617	110,296,275	101,071,661	131,099,904	116,225,278
Restricted	112,486,099	104,518,014	-	-	112,486,099	104,518,014
Unrestricted	(9,171,110)	(8,104,652)	(4,012,674)	(37,872)	(13,183,784)	(8,142,524)
Total net position	\$ 124,118,618	\$ 111,566,979	\$ 106,283,601	\$ 101,033,789	\$ 230,402,219	\$ 212,600,768

An additional portion of the City's net position (49 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. However the pension liability reflected in the negative balance of net position for governmental activities is that of the State of Kansas and their unfunded retirement portion for the City of Manhattan employees through the Kansas Public Employees Retirement System (KPERs).

At the end of 2016, the City is able to report a positive balance for restricted net position. Investments in capital assets net position for all categories increased by thirteen percent since the end of 2015. In 2016, the City's net position, for governmental and business activities, increased by \$17,801,451.

Governmental activities. Governmental activities increased the City's net position by \$12,551,639. Key elements of this increase are as follows:

CITY OF MANHATTAN'S CHANGES IN NET POSITION						
	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 6,849,725	\$ 5,861,533	\$ 21,789,137	\$ 20,711,903	\$ 28,638,862	\$ 26,573,436
Operating grants and contributions	3,408,120	4,226,572	-	-	3,408,120	4,226,572
Capital grants and contributions	13,401,984	7,435,992	-	-	13,401,984	7,435,992
General revenues:						
Property taxes	29,674,401	25,269,663	-	-	29,674,401	25,269,663
Other taxes	33,051,176	31,975,754	-	-	33,051,176	31,975,754
Other	1,519,491	1,699,002	398,511	385,464	1,918,002	2,084,466
Total revenues	87,904,897	76,468,516	22,187,648	21,097,367	110,092,545	97,565,883
Expenses:						
General government	15,180,676	13,303,797	-	-	15,180,676	13,303,797
Public safety	23,816,092	24,016,656	-	-	23,816,092	24,016,656
Public works	11,148,537	10,673,143	-	-	11,148,537	10,673,143

Urban development and housing	3,690,054	3,830,335	-	-	3,690,054	3,830,335
Culture and recreation	10,464,383	10,273,507	-	-	10,464,383	10,273,507
Culture and recreation (payments to Library)	2,900,783	2,903,361	-	-	2,900,783	2,903,361
Interest on long-term debt	7,574,049	7,012,106	-	-	7,574,049	7,012,106
Water	-	-	8,086,542	7,861,973	8,086,542	7,861,973
Wastewater	-	-	8,210,933	7,649,478	8,210,933	7,649,478
Storm water management	-	-	1,219,045	1,122,262	1,219,045	1,122,262
Total expenses	74,774,574	72,012,905	17,516,520	16,633,713	92,291,094	88,646,618
Increase in net position before transfers	13,130,323	4,455,611	4,671,128	4,463,654	17,801,451	8,919,265
Transfers	(578,684)	2,554,154	578,684	(2,554,154)	-	-
Increase in net position	12,551,639	7,009,765	5,249,812	1,909,500	17,801,451	8,919,265
Net position - 01/01	\$ 111,566,979	\$ 120,296,698	\$ 101,033,789	\$ 101,418,171	\$ 212,600,768	\$ 221,714,869
Net position - 12/31, as previously stated	\$ 124,118,618	\$ 127,306,463	\$ 106,283,601	\$ 103,327,671	\$ 230,402,219	\$ 230,634,134
Prior period adjustment	-	(15,739,484)	-	(2,293,882)	-	(18,033,366)
Net position - 12/31	\$ 124,118,618	\$ 111,566,979	\$ 106,283,601	\$ 101,033,789	\$ 230,402,219	\$ 212,600,768

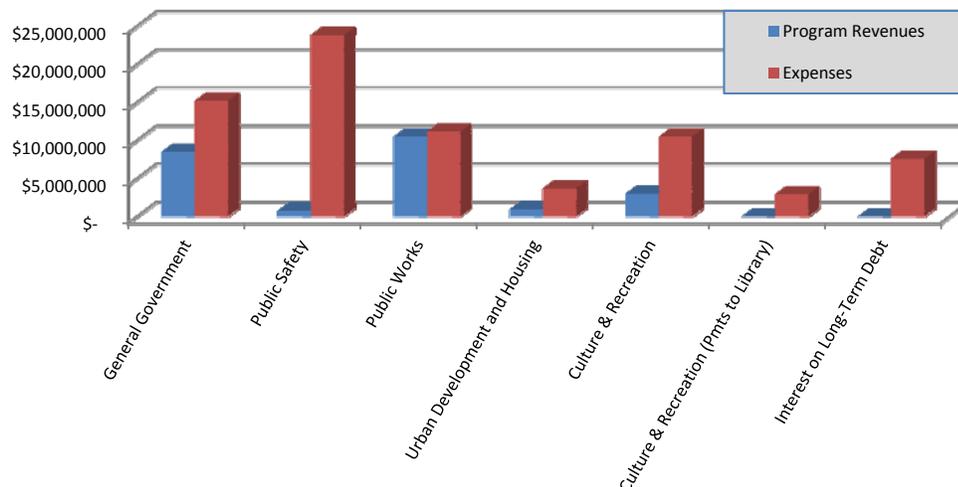
Capital grants for governmental activities increased by \$5,965,992 from 2015 to 2016. These increases were from general government and public works program revenues. General government revenues increased by \$2,950,847; while public works revenues increased by \$3,015,145 from 2015 to 2016.

- Operating grants and contributions decreased by \$818,452 from 2015 to 2016. This decrease can be attributed to operating grants and contributions for general government and urban housing and development. The remaining decrease reflects the normal fluctuation in several of the City's grant funds.
- Charges for services for governmental activities increased by \$988,192 from 2015 to 2016. The majority of this increase was from culture and recreation services, which increased by \$563,492 from 2015 to 2016.
- Property taxes increased by \$4,404,738 from 2015 to 2016. The increase in taxes levied in 2016 is higher than the increase of \$1,384,860 between 2014 and 2015. Other taxes increased by \$1,075,422 during 2016.
- Other general revenues decreased by \$166,464 from 2015 to 2016.

Total expenses increased by \$2,761,669 from 2015 to 2016. In 2016, expenses for public works, culture and recreation, and interest on long-term debt increased by \$1,228,213. The general government function increased expenses by \$1,876,879 (14 percent) from 2015 to 2016. Other significant increases include escalating health insurance premiums and payroll tax expenses. Expenditures related to public safety, and urban development and housing decreased by \$340,845 (4.5 percent) from 2015 to 2016.

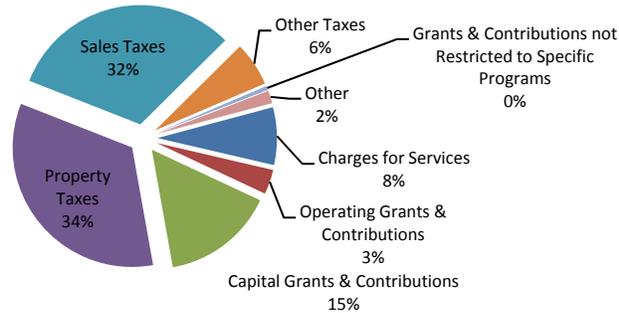
The following chart compares expenses with program revenues for the various governmental activities of the City.

Expenses and Program Revenues - Governmental Activities



he following graph shows the composition of 2016 revenues for the governmental activities.

Revenues by Source - Governmental Activities

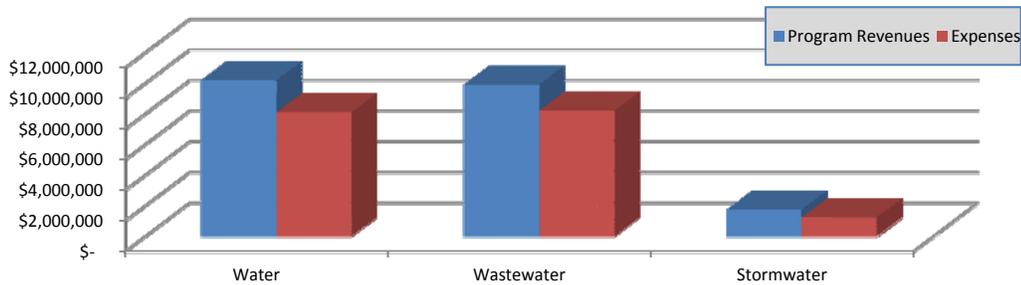


Business-type activities. Business-type activities increased the City’s net position by \$5,249,812 in 2016. This increase is due to the net investment in capital assets in Water, Wastewater and Stormwater Funds. Revenue received from service charges in 2016 totaled \$21,789,137 compared to \$20,711,903 in 2015. This is an increase of \$1,077,234 (5.2 percent) from 2015 to 2016.

A rate increase of 3 percent went into effect January 1, 2016 for water, wastewater, and stormwater. Capital contributions received in 2016 totaled \$3,405,257, while these contributions totaled \$1,909,500 in 2015. Total expenses increased \$882,807 (5 percent) from 2015 to 2016.

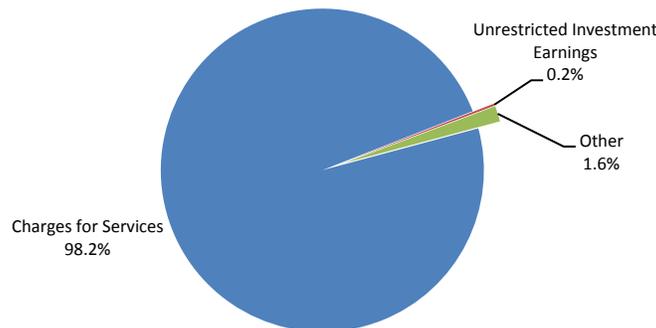
The following chart compares expenses with program revenues for the various business-type activities of the City.

Expenses and Program Revenues - Business-type Activities



The following graph shows the composition of 2016 revenues for the business-type activities.

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance 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 2016, the City of Manhattan's governmental funds reported combined ending fund balances of \$67,524,905 an increase of \$760,510 in comparison with the prior year. The available unassigned balance for governmental funds was 323,829 at the completion of the 2016 fiscal year. The remainder of fund balance is classified as assigned, committed, restricted, or non-spendable to indicate that it is not available for new spending. The assigned fund balance is 1 percent (\$960,854) of the total and is dedicated to liquidate contracts and purchase orders for the year. The committed fund balance is less than one percent (\$100,785) of the total and is legally constrained by the governing body. The restricted fund balance is 97 percent (\$65,657,332) of the total and represents resources that are externally restricted by parties outside the government such as creditors, grantors, and contributors, or by laws or regulations of other governments. Several of the City's special revenue funds and grant funds are included in this balance. The non-spendable fund balance is less than one percent (\$482,105) of the total balance and is used to pay for the perpetual care of one of the municipal cemeteries.

The general fund is the chief operating fund of the City of Manhattan. At the end of 2016, unassigned fund balance of the general fund was \$67,945 while total fund balance was \$3,554,954. As a measure of the general fund's liquidity, it may be useful to compare the unassigned and assigned fund balance as well as the total fund balance to total fund expenditures. In total, the assigned and unassigned fund balance represents 3 percent of total general fund expenditures, while total fund balance represents 12 percent of the same expenditure amount.

In 2016, City's general fund balance decrease by \$274,099. A decrease of \$464,110 was shown in 2015. Key elements of this are as follows:

- Taxes increased \$561,605 in 2016. Sales tax revenues increased by \$307,143 from 2015 to 2016. Franchise taxes increased by \$59,153 from 2015 to 2016. Property taxes increased by \$168,936 from 2014 to 2015.
- Licenses and permits increased by \$92,988 in 2016. There was minimal growth in building permit fees, and all other licenses and permits received by the General Fund.
- Intergovernmental revenues decreased by \$1,610 from 2014 to 2015. The majority of this decrease was due to taxes received from liquor sales, which is distributed by the State of Kansas.
- Charges for services increased by \$502,237 from 2015 to 2016. This increase was primarily due to the administrative fees collected through the issuance of debt.
- Fine and forfeitures increased by \$190,950 in 2016. Increase of municipal court revenues were the primary reason for the positive change.
- Investment income increased by \$21,348 from 2015 to 2016. This minimal increase was due to investment interest rates improving compared to prior years.
- Miscellaneous revenues decreased by \$62,110 from 2015 to 2016. The decrease is attributed to a decrease of several miscellaneous revenue line items.
- Expenditures increased by \$2,279,499 in 2016. Some functions showed increases in expenditures, while others showed decreases. General government expenditures increased by \$939,321. Approximately 26 percent of this increase can be attributed to the cost of health insurance premiums provided by the employer. Public safety expenditures increased by \$347,167. Urban development and housing expenditures decreased by \$59,831. Public works expenditures increased by \$624,113. Culture and recreation expenditures increased nearly \$277,572.
- Transfers increased \$431,279 from 2015 to 2016. This increase is primarily attributed to payment in lieu of taxes, administration fees, and franchise fees paid by the utility funds, to inter-fund transfers.

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 \$146,752 balance for the end of 2016.

The debt service fund has a total fund balance of \$14,071,235, of which all is restricted for future debt service payments. The net decrease in fund balance during the current year was \$5,903,735. Debt service expenditures outpaced revenues by \$7,628,657. 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 2016 was \$2,648,776 higher than in 2015.

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 \$29,538,540 all of which all is restricted. This fund balance increased by \$9,651,861 during the current year.

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 2016 amounted to \$383,137; the wastewater fund amounted to negative \$4,341,669, and the storm water management fund amounted to negative \$54,142. The total loss in net position for each fund was \$2,627,528, \$1,744,796, and \$877,488, respectively. A key element of these changes is as follows:

- Capital contributions are typically a significant revenue source for all of the enterprise funds. Capital contributions result primarily from the fact that a large portion of the infrastructure assets for these funds are financed from the proceeds of general obligation bonds which are repaid from governmental funds rather than these enterprise funds. Some capital assets are also donated by outside parties. During the current year, total capital contributions by the Water, Wastewater, and Stormwater Funds were \$1,675,750, \$1,323,429 and \$406,078, respectively, as compared to \$38,231, \$248,070 and \$137,239 in 2015. The overall increase from 2015 to 2016 was \$2,981,717.

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 budgetary estimates in all categories with the exceptions of taxes, intergovernmental revenues, and investment income. Taxes decreased by \$8,002 due to delinquency from tax payers. Investment income has declined dramatically since 2007, and while the 2016 budget figure was lowered in comparison to previous years, the continuous decline was not projected. The most significant variance from budget was in charges for services, which exceeded the budgeted amount by approximately \$729,805. The majority of this increase stemmed from increased fees for culture and recreation services. Licenses and permits also exceeded the budgeted amount by \$120,113. Total expenditures were less than budgetary estimates by \$1,453,153 (5 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, 2016, amounts to \$390,601,805 (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 4 percent.

Major capital asset events during 2016 included the following:

- The completion of Manhattan Regional Airport Phase II increased the value of the building by 5,873,281 in 2016.
- Construction of Miller Parkway and Scenic Drive increased assets by \$1,872,084.
- Improvements to Anneberg Park increased the city's assets by \$1,189,832.
- The street value of K18 and K113 interchange increased by \$878,171.

CITY OF MANHATTAN'S CAPITAL ASSETS

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 20,724,684	\$ 20,724,684	\$ 499,272	\$ 499,272	\$ 21,223,956	\$ 21,223,956
Buildings and improvements	75,631,186	75,328,448	48,559,275	49,506,295	124,190,461	124,834,743
Contents and equipment	2,480,708	2,233,617	2,143,763	2,076,897	4,624,471	4,310,514
Vehicles	1,701,847	1,814,027	770,365	771,773	2,472,212	2,585,800
Infrastructure	79,295,461	77,414,906	95,766,712	93,269,300	175,062,173	170,684,206
Construction in progress	45,450,762	36,593,491	17,575,770	14,934,399	63,026,532	51,527,890
Total	\$ 225,284,648	\$ 214,109,173	\$ 165,317,157	\$ 161,057,936	\$ 390,601,805	\$ 375,167,109

Additional information on the City's capital assets can be found in note 3.F on pages 80-82 of this report.

Long-term debt. At the end of 2016, the City had total bonded debt outstanding of \$157,820,000. Of this amount, \$62,992,675 comprises debt backed by the full faith and credit of the City and \$43,327,325 is 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 57,032,675	\$ 52,298,515	\$ 5,960,000	\$ 7,155,000	\$ 62,992,675	\$ 59,453,515
General obligation bonds (special assessment debt with governmental commitment)	43,327,325	57,701,485	-	-	43,327,325	57,701,485
Sales tax revenue bonds	4,970,000	5,335,000	-	-	4,970,000	5,335,000
Special obligation bonds	46,530,000	52,950,000	-	-	46,530,000	52,950,000
Total	\$151,860,000	\$168,285,000	\$5,960,000	\$7,155,000	\$157,820,000	\$175,440,000

The City's total outstanding debt decreased by \$17,620,000 during 2016. General obligation bonds outstanding decreased by \$10,835,000 in 2016. Bonds in the amount of \$20,115,000 were issued in 2016, while \$30,950,000 was retired. Several special assessment projects that were in progress during 2016. There was an increase of \$14,905,000 in temporary notes outstanding at the end of 2016 as compared to 2015. This increase was due to several construction projects beginning in 2016, and the increase of residential development through special assessments.

The City maintains a "AA+" rating from Fitch, a "AA" rating from Standard & Poor's, and 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 \$168,166,947, which is significantly in excess of 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 84-97 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Manhattan at the end of 2016 was 3.0 percent. This rate has increased by 0.2 percent over 2015 and still is very favorable compared to the state's average unemployment rate of 3.80 percent and the national average rate of 4.70 percent.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the City's 2017 budget are as follows:

- The mill levy rate increased by 1.072, with a total mill levy rate of 48.023 for 2017. This rate is higher compared to mill levy rates over the last 20 years.
- Capital improvements anticipated for 2017 and beyond are incorporated into the proposed 2017-2022 Capital Improvements Program. The plan totals \$220,157,966 and includes the following for 2017:
 - ✓Replacement of a Fire airport Rescue and Firefighting Truck
 - ✓Replacement of equipment for the Network Firewall & Switch for IT services
 - ✓Improvements to Marlatt Avenue from Tuttle Creek Boulevard to Denison
 - ✓Reconstruct 17th and Poyntz Avenue Intersection
 - ✓Replace equipment at the Wastewater Treatment Plant Pumping Station
 - ✓Upgrade equipment for mechanical, electrical and plumbing at the Wastewater Treatment Plant

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.

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CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
December 31, 2016

ASSETS	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Cash and cash equivalents	\$ 45,062,513	\$ 14,047,003	\$ 59,109,516
Cash with refunding escrow agent	4,249,980	-	4,249,980
Cash with special obligation bonds trustee	3,073,276	-	3,073,276
Investment in joint venture	198,214	-	198,214
Receivables:			
Accounts (net of allowance for uncollectibles)	1,006,359	2,250,303	3,256,662
Intergovernmental	3,269,321	-	3,269,321
Franchise tax	422,986	-	422,986
Sales tax	3,985,339	-	3,985,339
Transient guest tax	375,902	-	375,902
Property tax	25,549,960	-	25,549,960
Economic development loans	17,230	-	17,230
Other loans	23,143	-	23,143
Notes:			
Current	100,000	-	100,000
Noncurrent	4,400,000	-	4,400,000
Inventories	23,758	69,136	92,894
Prepaid expenses	-	-	-
Interfund Receivable (Payable)	16,243,498	(16,243,498)	-
Restricted assets:			
Cash and investments			
Construction accounts	-	240,943	240,943
Special assessments:			
Current	7,111,996	-	7,111,996
Noncurrent	62,351,456	-	62,351,456
Capital assets:			
Land	20,724,684	501,272	21,225,956
Infrastructure, net of accumulated depreciation	79,295,459	95,766,712	175,062,171
Other capital assets, net of accumulated depreciation	79,813,743	51,473,403	131,287,146
Construction in progress	45,450,762	17,575,770	63,026,532
Total capital assets	<u>\$ 225,284,648</u>	<u>\$ 165,317,157</u>	<u>\$ 390,601,805</u>
 TOTAL ASSETS	 <u>\$ 402,749,579</u>	 <u>\$ 165,681,044</u>	 <u>\$ 568,430,623</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,207,927	-	1,207,927
Resources related to pensions	4,470,986	552,754	5,023,740
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,678,913</u>	<u>\$ 552,754</u>	<u>\$ 6,231,667</u>

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION (CONTINUED)
December 31, 2016

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
LIABILITIES			
Accounts payable	\$ 4,219,266	\$ 906,066	\$ 5,125,332
Estimated insurance claims payable	742,924	-	742,924
Sales tax payable	-	-	-
Accrued interest payable	905,717	577,020	1,482,737
Accrued payroll	654,278	127,625	781,903
Security deposits	-	-	-
Unearned revenue	-	4,716	4,716
Temporary notes payable	-	-	-
Long-term liabilities:			
Due within one year	31,816,439	4,384,872	36,201,311
Due in more than one year	219,818,154	53,877,050	273,695,204
TOTAL LIABILITIES	\$ 258,156,778	\$ 59,877,349	\$ 318,034,127
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	25,549,960	-	25,549,960
Resources related to pensions	603,136	72,848	675,984
TOTAL DEFERRED INFLOWS OF RESOURCES	26,153,096	72,848	26,225,944
NET POSITION			
Net investment in capital assets	\$ 20,803,629	\$ 110,296,275	\$ 131,099,904
Restricted for:			
Culture and recreation	1,635,461	-	1,635,461
Public safety	396,618	-	396,618
Public works	31,185,125	-	31,185,125
Urban development and housing	8,919,835	-	8,919,835
Debt service	68,526,219	-	68,526,219
Perpetual care:			
Nonexpendable	482,105	-	482,105
Other purposes	1,340,736	-	1,340,736
Unrestricted	(9,171,110)	(4,012,674)	(13,183,784)
TOTAL NET POSITION	\$ 124,118,618	\$ 106,283,601	\$ 230,402,219

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

Component Unit	
Manhattan	
Public	
Library	
\$	1,468
	-
	-
	-
	36,401
	-
	-
	-
	25,471
	1,909,096
\$	<u>1,972,436</u>
	3,003,650
	52,183
	<u>3,055,833</u>
\$	774,244
	-
	-
	-
	-
	-
	-
	-
	<u>(545,283)</u>
\$	<u><u>228,961</u></u>

CITY OF MANHATTAN, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government			
Governmental activities			
General government	\$ 14,881,392	\$ 3,022,281	\$ 496,821
Public safety	23,944,176	750,769	18,332
Public works	11,208,494	385,735	1,632,319
Urban development and housing	3,709,900	159,778	782,498
Culture and recreation	10,520,660	2,531,162	478,150
Culture and recreation (payments to Library)	2,935,903	-	-
Interest on long-term debt	7,574,049	-	-
Total governmental activities	\$ 74,774,574	\$ 6,849,725	\$ 3,408,120
Business-type activities			
Water	\$ 8,086,542	\$ 10,176,576	\$ -
Wastewater	8,210,933	9,885,370	-
Storm water management	1,219,045	1,727,191	-
Total business-type activities	\$ 17,516,520	\$ 21,789,137	\$ -
Total primary government	\$ 92,291,094	\$ 28,638,862	\$ 3,408,120
Component unit			
Manhattan Public Library	\$ 3,104,973	\$ 113,850	\$ 218,617

General revenues:
Taxes:
 Property taxes, levied for general purposes
 Property taxes, levied for debt service
 Franchise taxes
 Sales taxes
 Transient guest taxes
Payments from the City of Manhattan
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Miscellaneous
Transfers-internal activities
 Total general revenues and transfers
 Change in net position
Net position-beginning
Net position-ending

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

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Component Unit</u>
	<u>Primary Government</u>			<u>Manhattan Public Library</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
\$ 4,946,132	\$ (6,416,158)	\$ -	\$ (6,416,158)	
-	(23,175,075)	-	(23,175,075)	
8,455,852	(734,588)	-	(734,588)	
-	(2,767,624)	-	(2,767,624)	
-	(7,511,348)	-	(7,511,348)	
-	(2,935,903)	-	(2,935,903)	
-	(7,574,049)	-	(7,574,049)	
<u>\$ 13,401,984</u>	<u>\$ (51,114,745)</u>	<u>\$ -</u>	<u>\$ (51,114,745)</u>	
\$ -	\$ -	\$ 2,090,034	\$ 2,090,034	
-	-	1,674,437	1,674,437	
-	-	508,146	508,146	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,272,617</u>	<u>\$ 4,272,617</u>	
<u>\$ 13,401,984</u>	<u>\$ (51,114,745)</u>	<u>\$ 4,272,617</u>	<u>\$ (46,842,128)</u>	
<u>\$ -</u>				\$ (2,772,506)
	\$ 26,671,105	\$ -	\$ 26,671,105	\$ -
	3,003,296	-	3,003,296	-
	3,728,027	-	3,728,027	-
	27,786,733	-	27,786,733	-
	1,536,416	-	1,536,416	-
	-	-	-	2,906,972
	478,150	-	478,150	-
	300,749	48,734	349,483	7,605
	740,592	349,777	1,090,369	-
	(578,684)	578,684	-	-
	<u>\$ 63,666,384</u>	<u>\$ 977,195</u>	<u>\$ 64,643,579</u>	<u>\$ 2,914,577</u>
	<u>\$ 12,551,639</u>	<u>\$ 5,249,812</u>	<u>\$ 17,801,451</u>	<u>\$ 142,071</u>
	<u>\$ 111,566,979</u>	<u>\$ 101,033,789</u>	<u>\$ 212,600,768</u>	<u>\$ 86,890</u>
	<u>\$ 124,118,618</u>	<u>\$ 106,283,601</u>	<u>\$ 230,402,219</u>	<u>\$ 228,961</u>

CITY OF MANHATTAN, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2016

ASSETS	General	Riley County	Debt
		Police Department	Service
Cash and cash equivalents	\$ 2,554,832	\$ 146,752	\$ 9,103,868
Cash with refunding escrow agent	-	-	4,249,902
Cash with special obligation bonds trustee	-	-	-
Investment in joint venture	-	-	-
Receivables			
Accounts	460,410	40	-
Intergovernmental	-	-	-
Franchise tax	422,986	-	-
Sales tax	1,613,788	-	735,408
Transient guest tax	-	-	-
Property tax	2,882,761	14,864,844	2,155,995
Interfund	663,599	-	-
Economic development loans	-	-	-
Other loans	23,143	-	-
Special assessments			
Current	-	-	7,111,996
Noncurrent	-	-	62,351,456
TOTAL ASSETS	\$ 8,621,519	\$ 15,011,636	\$ 85,708,625
LIABILITIES			
Accounts payable	\$ 900,016	\$ -	\$ 17,943
Accrued payroll	638,234	-	-
Interfund payable	-	-	-
Temporary notes payable	-	-	-
Deferred revenue	645,554	40	-
TOTAL LIABILITIES	\$ 2,183,804	\$ 40	\$ 17,943
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 2,882,761	\$ 14,864,844	\$ 2,155,995
Unavailable revenue - special assessments	-	-	69,463,452
TOTAL DEFERRED INFLOWS	\$ 2,882,761	\$ 14,864,844	\$ 71,619,447
FUND BALANCES (DEFICITS)			
Nonspendable:			
Perpetual care	\$ -	\$ -	\$ -
Restricted:			
Urban Development & Housing	-	-	-
General Government	-	-	-
Capital Projects	-	-	-
Public Safety	-	146,752	-
Culture & Recreation	-	-	-
Public Works	-	-	-
Debt Service	2,698,680	-	14,071,235
Committed:			
General Government	-	-	-
Culture & Recreation	-	-	-
Assigned:			
Purchases on Order	67,945	-	-
Subsequent Year's Budget Appropriations	-	-	-
Unassigned	788,329	-	-
TOTAL FUND BALANCES	\$ 3,554,954	\$ 146,752	\$ 14,071,235
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,621,519	\$ 15,011,636	\$ 85,708,625

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,265,572	\$ 12,962,177	\$ 41,033,201
78	-	4,249,980
-	3,073,276	3,073,276
-	198,214	198,214
5,400	279,342	745,192
268,507	2,958,316	3,226,823
-	-	422,986
-	1,636,143	3,985,339
-	375,902	375,902
-	5,646,360	25,549,960
16,243,498	-	16,907,097
-	-	-
-	-	23,143
-	-	7,111,996
-	-	62,351,456
<u>\$ 32,783,055</u>	<u>\$ 27,129,730</u>	<u>\$ 169,254,565</u>
\$ 2,899,115	\$ 310,961	\$ 4,128,035
-	16,044	654,278
-	663,599	663,599
340,000	-	340,000
5,400	279,342	930,336
<u>\$ 3,244,515</u>	<u>\$ 1,269,946</u>	<u>\$ 6,716,248</u>
\$ -	\$ 5,646,360	\$ 25,549,960
-	-	69,463,452
<u>\$ -</u>	<u>\$ 5,646,360</u>	<u>\$ 95,013,412</u>
\$ -	\$ 482,105	\$ 482,105
-	8,910,389	8,910,389
-	1,729,650	1,729,650
29,538,540	1,394,914	30,933,454
-	252,859	399,611
-	1,774,274	1,774,274
-	800,968	800,968
-	4,339,071	21,108,986
-	100,785	100,785
-	-	-
-	892,909	960,854
-	-	-
-	(464,500)	323,829
<u>\$ 29,538,540</u>	<u>\$ 20,213,424</u>	<u>\$ 67,524,905</u>
<u>\$ 32,783,055</u>	<u>\$ 27,129,730</u>	<u>\$ 169,254,565</u>

CITY OF MANHATTAN, KANSAS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2016

Fund balances of governmental funds	\$	67,524,905
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.		5,744,419
Capital assets net of depreciation are not financial resources and therefore have not been included in the funds.		225,284,648
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	\$ (100,360,000)	
Special Obligation Bonds Payable	(51,500,000)	
Temporary Notes Payable	(67,705,000)	
Premium on Bonds Payable	(2,356,104)	
Transportation Revolving Fund Loan Payable	(2,379,240)	
Capital Leases Payable	(2,698,680)	
Compensated absences	(2,383,688)	(229,382,712)
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		1,207,927
Accrued interest payable on long-term debt has not been reported in the governmental funds.		(905,717)
Other long-term assets related to special assessments are not available to pay current period expenditures and therefore are deferred in the funds.		69,463,452
In the statement of net position, a long-term liability is recorded for the unfunded portion of postemployment benefits other than pensions, while in the governmental funds, liabilities that do not require satisfaction with current resources are not recorded.		(2,920,034)
In the statement of net position, a long-term liability is recorded for the net pension liability as well as deferred inflows and outflows of resources related to the pension.		
Net pension liability	(18,991,847)	
Deferred outflows of resources - pension	4,470,986	
Deferred inflows of resources - pension	(603,136)	(15,123,997)
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.		3,225,727
Net position of governmental activities	\$	<u>124,118,618</u>

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

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CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	General	Riley County Police Department
REVENUES		
Taxes	\$ 14,754,208	\$ 15,928,288
Special assessments	-	-
Licenses and permits	781,313	-
Intergovernmental revenues	553,643	-
Charges for services	2,987,270	-
Fines and forfeitures	1,581,409	4,704
Investment income	44,294	-
Miscellaneous revenues	229,107	-
Total Revenues	\$ 20,931,244	\$ 15,932,992
EXPENDITURES		
Current		
General government	\$ 10,179,090	\$ -
Public safety	6,437,390	15,786,240
Public works	4,084,899	-
Urban development and housing	505,238	-
Culture/recreation	7,097,193	-
Culture/recreation-payments to Library	-	-
Capital outlay	218,365	-
Debt service		
Principal	181,088	-
Bond issuance costs	-	-
Interest and fiscal charges	20,646	-
Total Expenditures	\$ 28,723,909	\$ 15,786,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (7,792,665)	\$ 146,752
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	\$ -	\$ -
Premium on general obligation bonds	-	-
Payment to bond refunding escrow agent	-	-
Temporary notes issued	-	-
Temporary notes retired	-	-
Capital leases	279,128	-
Transfers in	7,458,311	-
Transfers out	(218,873)	-
Total Other Financing Sources (Uses)	\$ 7,518,566	\$ -
NET CHANGE IN FUND BALANCES	\$ (274,099)	\$ 146,752
FUND BALANCE - BEGINNING OF YEAR	3,829,053	-
FUND BALANCE - END OF YEAR	\$ 3,554,954	\$ 146,752

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

Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 5,103,779	\$ 2,089,886	\$ 24,849,415	\$ 62,725,576
6,415,105	87,664	-	6,502,769
-	-	-	781,313
-	315,545	8,093,873	8,963,061
257,428	-	747,203	3,991,901
-	-	-	1,586,113
53,683	-	189,394	287,371
193,000	1,679,105	395,892	2,497,104
<u>\$ 12,022,995</u>	<u>\$ 4,172,200</u>	<u>\$ 34,275,777</u>	<u>\$ 87,335,208</u>
\$ 521,525	\$ -	\$ 1,330,126	\$ 12,030,741
-	-	2,115,635	24,339,265
-	179,409	526,062	4,790,370
-	-	2,935,023	3,440,261
-	-	1,440,252	8,537,445
-	-	2,907,615	2,907,615
-	16,841,144	8,500,980	25,560,489
14,917,673	1,275,000	7,034,489	23,408,250
361,034	187,981	-	549,015
3,851,420	355,538	2,952,084	7,179,688
<u>\$ 19,651,652</u>	<u>\$ 18,839,072</u>	<u>\$ 29,742,266</u>	<u>\$ 112,743,139</u>
<u>\$ (7,628,657)</u>	<u>\$ (14,666,872)</u>	<u>\$ 4,533,511</u>	<u>\$ (25,407,931)</u>
\$ 14,322,831	\$ 5,593,055	\$ 199,114	\$ 20,115,000
2,468,854	-	-	2,468,854
(16,406,114)	-	-	(16,406,114)
-	25,330,000	-	25,330,000
-	(7,685,000)	(1,760,000)	(9,445,000)
-	-	950,000	1,229,128
1,823,240	1,661,335	1,398,133	12,341,019
(483,889)	(580,657)	(8,181,027)	(9,464,446)
<u>\$ 1,724,922</u>	<u>\$ 24,318,733</u>	<u>\$ (7,393,780)</u>	<u>\$ 26,168,441</u>
\$ (5,903,735)	\$ 9,651,861	\$ (2,860,269)	\$ 760,510
19,974,970	19,886,679	23,073,693	66,764,395
<u>\$ 14,071,235</u>	<u>\$ 29,538,540</u>	<u>\$ 20,213,424</u>	<u>\$ 67,524,905</u>

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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, 2016

Net change in fund balances - total governmental funds \$ 760,510

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	\$ 21,853,307	
Less current year depreciation	<u>(10,673,901)</u>	11,179,406

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position. (3,930)

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	\$ (46,674,128)	
Premium on debt issued	(2,425,401)	
Deferred charge on refunding	1,266,114	
Amortization of bond premium	69,297	
Amortization on deferred charge on refunding	(58,187)	
Principal reductions	<u>47,993,250</u>	170,945

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	\$ 43,143	
Other postemployment benefits other than pensions	(155,732)	
Net pension liability	(39,726)	
Accrued interest on bonds	<u>100,091</u>	(52,224)

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	\$ (236,058)	
Special assessments	<u>271,211</u>	35,153

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.

461,779

Change in net position of governmental activities \$ 12,551,639

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,762,210	\$ 14,762,210	\$ 14,754,208	\$ (8,002)
Licenses and permits	661,200	661,200	781,313	120,113
Intergovernmental revenues	581,000	581,000	553,643	(27,357)
Charges for services	2,257,465	2,257,465	2,987,270	729,805
Fines and forfeitures	1,546,500	1,546,500	1,581,409	34,909
Investment income	386,101	386,101	44,294	(341,807)
Miscellaneous revenues	173,000	173,000	229,107	56,107
Total Revenues	<u>\$ 20,367,476</u>	<u>\$ 20,367,476</u>	<u>\$ 20,931,244</u>	<u>\$ 563,768</u>
EXPENDITURES				
Current				
General government				
Administration	792,140	792,140	\$ 817,038	\$ (24,898)
Finance	1,302,727	1,302,727	1,170,970	131,757
Airport	966,081	966,081	935,416	30,665
Animal Shelter	561,259	561,259	536,505	24,754
Human Resources	386,725	386,725	387,596	(871)
Legal Services	1,058,804	1,058,804	1,010,993	47,811
General Services	5,060,508	5,060,508	5,287,741	(227,233)
Outside Services	485,847	485,847	633,493	(147,646)
Municipal parking lots	67,600	67,600	28,485	39,115
Public safety				
Fire Department				
Administration	370,675	370,675	366,435	4,240
Operations	4,886,510	4,886,510	4,477,504	409,006
Technical Services	803,410	803,410	875,604	(72,194)
Municipal Building Maintenance	713,056	713,056	638,726	74,330
Public works				
Administration	195,610	195,610	184,695	10,915
Street	2,266,058	2,266,058	2,106,982	159,076
Engineering	1,081,940	1,081,940	950,300	131,640
Traffic Control	793,454	793,454	699,548	93,906
Urban development and housing	633,200	633,200	505,238	127,962
Culture/recreation				
Administration	231,540	231,540	226,823	4,717
Douglass Center	228,195	228,195	212,920	15,275
City Parks	2,618,467	2,618,467	2,374,452	244,015
Swimming Pools	654,844	654,844	773,038	(118,194)
Sunset Zoo	1,044,063	1,044,063	1,030,962	13,101
Blue Earth Park	18,476	18,476	16,478	1,998
Recreation	1,486,894	1,486,894	1,576,315	(89,421)
Discovery Center	899,817	899,817	894,258	5,559
Total Expenditures	<u>\$ 29,607,900</u>	<u>\$ 29,607,900</u>	<u>\$ 28,718,515</u>	<u>\$ 889,385</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	<u>\$ (9,240,424)</u>	<u>\$ (9,240,424)</u>	<u>\$ (7,787,271)</u>	<u>\$ 1,453,153</u>

(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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 7,459,297	\$ 7,459,297	\$ 7,458,311	\$ (986)
Transfers out	(218,873)	(218,873)	(218,873)	-
Capital leases	-	-	279,128	279,128
Total Other Financing Sources (Uses)	<u>\$ 7,240,424</u>	<u>\$ 7,240,424</u>	<u>\$ 7,518,566</u>	<u>\$ 278,142</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	(268,705)	<u>\$ 1,731,295</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,755,714</u>	
FUND BALANCE - END OF YEAR			\$ 3,487,009	
ADJUSTMENTS TO GAAP				
Encumbrances			67,945.00	
Cancellation of prior year encumbrances			-	
FUND BALANCE - GAAP BASIS			<u>\$ 3,554,954</u>	

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 15,781,240	\$ 15,781,240	\$ 15,928,288	\$ 147,048
Fines and forfeitures	5,000	5,000	\$ 4,704	(296)
Total Revenues	<u>\$ 15,786,240</u>	<u>\$ 15,786,240</u>	<u>\$ 15,932,992</u>	<u>\$ 146,752</u>
EXPENDITURES				
Current				
Public safety	\$ 15,786,240	\$ 15,786,240	\$ 15,786,240	\$ -
Total Expenditures	<u>\$ 15,786,240</u>	<u>\$ 15,786,240</u>	<u>\$ 15,786,240</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,752</u>	<u>\$ 146,752</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,752</u>	<u>\$ 146,752</u>
FUND BALANCE - BEGINNING OF YEAR			-	
FUND BALANCE - END OF YEAR			\$ 146,752	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE - GAAP BASIS			<u>\$ 146,752</u>	

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CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
December 31, 2016

	Business-type Activities-Enterprise		
	Major		Non-Major
	Water	Wastewater	Storm Water Management
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 7,602,207	\$ 2,835,298	\$ 3,609,498
Accounts receivable (net of allowance for uncollectibles)	1,140,328	932,887	177,088
Inventories	67,631	1,505	-
Total Current Assets	\$ 8,810,166	\$ 3,769,690	\$ 3,786,586
Noncurrent Assets			
Restricted cash and cash equivalents	\$ -	\$ 240,943	\$ -
Capital assets:			
Land	281,430	217,842	2,000
Buildings and improvements	26,047,171	36,819,800	29,827
Equipment, contents and vehicles	2,502,410	3,117,903	660,268
Infrastructure	52,527,151	89,752,032	21,806,824
Construction in progress	7,446,754	6,554,191	3,574,825
Less accumulated depreciation	(28,916,373)	(52,447,688)	(4,659,210)
Total capital assets (net of accumulated depreciation)	\$ 59,888,543	\$ 84,014,080	\$ 21,414,534
Total Noncurrent Assets	\$ 59,888,543	\$ 84,255,023	\$ 21,414,534
TOTAL ASSETS	\$ 68,698,709	\$ 88,024,713	\$ 25,201,120
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	\$ 252,367	\$ 268,767	\$ 31,620

(Continued)

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

<u>Funds</u>	Governmental Activities- Internal Service Funds
<u>Total</u>	<u>Funds</u>
\$ 14,047,003	\$ 4,029,312
2,250,303	6,812
69,136	23,758
<u>\$ 16,366,442</u>	<u>\$ 4,059,882</u>
\$ 240,943	\$ -
501,272	-
62,896,798	-
6,280,581	19,673
164,086,007	-
17,575,770	-
<u>(86,023,271)</u>	<u>(19,673)</u>
<u>\$ 165,317,157</u>	<u>\$ -</u>
<u>\$ 165,558,100</u>	<u>\$ -</u>
<u>\$ 181,924,542</u>	<u>\$ 4,059,882</u>
<u>\$ 552,754</u>	<u>\$ -</u>

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

December 31, 2016

	Business-type Activities-Enterprise		
	Major		Non-Major
	Water	Wastewater	Storm Water Management
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 474,711	\$ 421,283	\$ 10,072
Accrued payroll	68,837	51,369	7,419
Estimated insurance claims payable	-	-	-
Unearned revenue	-	1,963	2,753
Interfund payable	6,435,480	6,287,370	3,520,648
Accrued interest	253,246	305,188	18,586
Current portion of compensated absences	130,118	146,850	6,131
Current portion of capital leases payable	-	-	50,580
Current portion of state revolving loan	878,197	2,102,996	-
Current portion of general obligation bonds payable	290,000	355,000	425,000
Total Current Liabilities	\$ 8,530,589	\$ 9,672,019	\$ 4,041,189
Noncurrent Liabilities			
Compensated absences	\$ 70,063	\$ 79,074	\$ 3,301
Net pension liability	1,213,682	1,292,552	152,069
Capital leases payable	-	-	96,620
State revolving loan	15,645,016	30,434,673	-
General obligation bonds payable	1,460,000	985,000	2,445,000
Total Noncurrent Liabilities	\$ 18,388,761	\$ 32,791,299	\$ 2,696,990
Total Liabilities	\$ 26,919,350	\$ 42,463,318	\$ 6,738,179
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	\$ 33,259	\$ 35,420	\$ 4,169
NET POSITION			
Net investment in capital assets	\$ 41,615,330	\$ 50,136,411	\$ 18,544,534
Unrestricted	383,137	(4,341,669)	(54,142)
TOTAL NET POSITION	\$ 41,998,467	\$ 45,794,742	\$ 18,490,392

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

<u>Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
<u>Total</u>	
\$ 906,066	\$ 91,231
127,625	-
-	742,924
4,716	-
16,243,498	-
577,020	-
283,099	-
50,580	-
2,981,193	-
1,070,000	-
<u>\$ 22,243,797</u>	<u>\$ 834,155</u>
\$ 152,438	\$ -
2,658,303	-
96,620	-
46,079,689	-
4,890,000	-
<u>\$ 53,877,050</u>	<u>\$ -</u>
<u>\$ 76,120,847</u>	<u>\$ 834,155</u>
<u>\$ 72,848</u>	<u>\$ -</u>
\$ 110,296,275	\$ -
(4,012,674)	3,225,727
<u>\$ 106,283,601</u>	<u>\$ 3,225,727</u>

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2016

	Business-type Activities-Enterprise		
	Major		Non-Major
	Water	Wastewater	Storm Water Management
OPERATING REVENUES			
Service charges	\$ 10,176,576	\$ 9,885,370	\$ 1,727,191
Rent income	251,130	-	-
Miscellaneous revenue	7,122	86,415	5,110
Total Operating Revenues	\$ 10,434,828	\$ 9,971,785	\$ 1,732,301
OPERATING EXPENSES			
Personnel services	\$ 2,097,264	\$ 2,156,508	\$ 262,024
Commodities	1,489,877	455,969	34,749
Contractual services	1,786,584	1,695,181	171,625
Depreciation	2,033,758	2,934,605	633,591
Total Operating Expenses	\$ 7,407,483	\$ 7,242,263	\$ 1,101,989
OPERATING INCOME (LOSS)	\$ 3,027,345	\$ 2,729,522	\$ 630,312
NON-OPERATING REVENUE (EXPENSE)			
Investment income	\$ 24,270	\$ 11,760	\$ 12,704
Interest and fiscal charges	(679,059)	(968,670)	(117,056)
Total Non-Operating Revenue (Expense)	\$ (654,789)	\$ (956,910)	\$ (104,352)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 2,372,556	\$ 1,772,612	\$ 525,960
Capital contributions	\$ 1,675,750	\$ 1,323,429	\$ 406,078
Transfers in	-	-	57,000
Transfers (out)	(1,420,778)	(1,351,245)	(111,550)
CHANGE IN NET POSITION	\$ 2,627,528	\$ 1,744,796	\$ 877,488
TOTAL NET POSITION - BEGINNING OF YEAR	39,370,939	44,049,946	17,612,904
TOTAL NET POSITION - ENDING	\$ 41,998,467	\$ 45,794,742	\$ 18,490,392

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

<u>Funds</u>	Governmental Activities- Internal Service Funds
<u>Total</u>	
\$ 21,789,137	\$ 5,519,210
251,130	-
98,647	-
<u>\$ 22,138,914</u>	<u>\$ 5,519,210</u>
\$ 4,515,796	\$ -
1,980,595	26,206
3,653,390	4,994,604
5,601,954	-
<u>\$ 15,751,735</u>	<u>\$ 5,020,810</u>
<u>\$ 6,387,179</u>	<u>\$ 498,400</u>
\$ 48,734	\$ 13,379
(1,764,785)	-
<u>\$ (1,716,051)</u>	<u>\$ 13,379</u>
\$ 4,671,128	\$ 511,779
3,405,257	-
57,000	-
<u>(2,883,573)</u>	<u>(50,000)</u>
<u>\$ 5,249,812</u>	<u>\$ 461,779</u>
<u>101,033,789</u>	<u>2,763,948</u>
<u>\$ 106,283,601</u>	<u>\$ 3,225,727</u>

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

	Business-type Activities-	
	Major	
	Water	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 10,631,011	\$ 9,949,331
Cash paid to vendors and suppliers	(3,248,208)	(1,899,692)
Cash paid to employees	(2,117,642)	(2,119,775)
Cash received from miscellaneous sources	7,122	86,415
Net Cash Provided (Used) by Operating Activities	\$ 5,272,283	\$ 6,016,279
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash received from other funds	\$ -	\$ -
Cash paid to other funds	575,958	(601,722)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 575,958	\$ (601,722)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from issuance of debt	\$ 147,100	\$ -
Cash paid for purchase of capital assets	(2,053,272)	(1,926,673)
Cash paid for interest on long-term debt	(701,131)	(989,872)
Cash paid for principal on long-term debt	(2,162,443)	(2,465,050)
Net Cash (Used) by Capital and Related Financing Activities	\$ (4,769,746)	\$ (5,381,595)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from investment of idle funds	\$ 24,270	\$ 11,760
Net Cash Provided by Investing Activities	\$ 24,270	\$ 11,760
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,102,765	\$ 44,722
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,499,442	3,031,519
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,602,207	\$ 3,076,241
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 3,027,345	\$ 2,729,522
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	\$ 2,033,758	\$ 2,934,605
(Increase) decrease in accounts receivable	203,305	61,998
(Increase) decrease in inventory	(6,391)	3,113
(Increase) decrease in deferred outflows pension	(148,217)	(165,988)
Increase (decrease) in accounts payable and accrued expenses	68,200	260,574
Increase (decrease) in unearned revenue	-	1,963
Increase (decrease) in net pension liability	147,601	240,509
Increase (decrease) in deferred inflows pension	(53,318)	(50,017)
Total Adjustments	\$ 2,244,938	\$ 3,286,757
Net Cash Provided (Used) by Operating Activities	\$ 5,272,283	\$ 6,016,279
Noncash investing, capital, and financing activities:		
Capital assets acquired through contributions from governmental funds	\$ 1,675,750	\$ 1,323,429

<u>Enterprise Funds</u>		Governmental
<u>Non-Major</u>		Activities-
<u>Storm Water</u>		Internal
<u>Management</u>	<u>Total</u>	Service
		Funds
\$ 1,735,270	\$ 22,315,612	\$ 5,822,816
(223,185)	(5,371,085)	(5,036,321)
(229,654)	(4,467,071)	-
5,110	98,647	-
<u>\$ 1,287,541</u>	<u>\$ 12,576,103</u>	<u>\$ 786,495</u>
\$ 57,000	\$ 57,000	\$ -
2,103,520	2,077,756	(50,000)
<u>\$ 2,160,520</u>	<u>\$ 2,134,756</u>	<u>\$ (50,000)</u>
\$ -	\$ 147,100	\$ -
(2,385,745)	(6,365,690)	-
(119,359)	(1,810,362)	-
(512,700)	(5,140,193)	-
<u>\$ (3,017,804)</u>	<u>\$ (13,169,145)</u>	<u>\$ -</u>
\$ 12,704	\$ 48,734	\$ 13,379
<u>\$ 12,704</u>	<u>\$ 48,734</u>	<u>\$ 13,379</u>
\$ 442,961	\$ 1,590,448	\$ 749,874
3,166,537	12,697,498	3,279,438
<u>\$ 3,609,498</u>	<u>\$ 14,287,946</u>	<u>\$ 4,029,312</u>
<u>\$ 630,312</u>	<u>\$ 6,387,179</u>	<u>\$ 498,400</u>
\$ 633,591	\$ 5,601,954	\$ -
5,326	270,629	303,606
-	(3,278)	(1,366)
(21,599)	(335,804)	-
(8,173)	320,601	(14,145)
2,753	4,716	-
49,494	437,604	-
(4,163)	(107,498)	-
<u>\$ 657,229</u>	<u>\$ 6,188,924</u>	<u>\$ 288,095</u>
<u>\$ 1,287,541</u>	<u>\$ 12,576,103</u>	<u>\$ 786,495</u>
\$ 406,078	\$ 3,405,257	\$ -

CITY OF MANHATTAN, KANSAS
STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS
December 31, 2016

	ASSETS	Private- purpose Trust
Cash and cash equivalents		<u>\$ 208,283</u>
TOTAL ASSETS		<u><u>\$ 208,283</u></u>
LIABILITIES		
Current Liabilities		
Accounts payable		<u>\$ -</u>
TOTAL LIABILITIES		<u>\$ -</u>
Change in net position		
	NET POSITION	
Held in trust for various purposes		<u><u>\$ 208,283</u></u>

CITY OF MANHATTAN, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION-
FIDUCIARY FUNDS
For the Year Ended December 31, 2016

	Private- purpose Trust
ADDITIONS	
Interest	\$ 295
Donations	4,726
Total additions	\$ 5,021
 DEDUCTIONS	
Contractual services	\$ 224
Commodities	-
Total deductions	\$ 224
Change in net position	\$ 4,797
 NET POSITION - BEGINNING	203,486
 NET POSITION - ENDING	\$ 208,283

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CITY OF MANHATTAN, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 1: Summary of Significant Accounting Policies:

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

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

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

Financial Reporting Entity

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

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

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

Manhattan Public Library

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

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

Manhattan Housing Authority

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Joint Venture

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

Manhattan Holdings, LLC

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

The City of Manhattan appoints three members to the ten member Board of Members. Interest in the Joint Venture is proportionate to the amount of Class A units of Stock purchased by each entity. Each participant receives a pro-rata share of the Joint Venture's annual net income, if any, or remit a pro-rata share of any operating loss. The initial and December 31, 2016 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>12/31/16 Percent Interest</u>	<u>12/31/16 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, 2016 was \$198,214, which includes \$198,214 for the City's share of the joint venture's net income from 1997 to 2016 less distributions of \$137,657, \$50,000, \$119,751, \$292,592, \$165,032, and \$56,482 in 2001, 2011, 2013, 2014, 2015, and 2016 respectively. The City's share of the joint venture's income is reported in investment income in these financial statements.

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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.

Private-purpose trust funds are 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. Private-purpose trust funds are also used to account for revenue received from the sale of bricks for the Mall Plaza. Maintenance costs are paid from the interest earned.

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water, wastewater, and 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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and 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, Liabilities, 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. As provided for in GASB Statement No. 31, the nonnegotiable certificates of deposit are recorded at cost, as they are not affected by market rate changes. GASB Statement No. 31 also provides that governmental entities may report all other investments at fair value or they may elect to report certain money market investments at amortized cost. The City has elected to report all other investments at fair value. Fair value was determined using the bid price of each security as reported in the *Wall Street Journal*. There were no material changes in fair value and therefore no investment gain or loss was recorded. Investment earnings are allocated to the funds required to accumulate earnings based upon their average daily equity balances.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Cash, Cash Equivalents and Investments (Continued)

If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2016, investment earnings allocated to the various funds were \$145,783.

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 estimated fair market value at the date of donation.

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Capital Assets (Continued)

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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.

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, 2016, the City estimates the accumulated unpaid vacation amount to be \$1,274,947 for governmental funds and \$250,329 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, 2016, the City estimates the accumulated unpaid sick pay amount to be \$1,108,741 for governmental funds and \$185,208 for proprietary funds. These amounts include only accumulated sick leave that would be paid on the date of employment termination.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Vacation and Sick Pay (Continued)

The total liability for compensated absences for vacation and sick leave for governmental funds is \$2,383,688. 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 \$435,537. 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.

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 revenue in the governmental fund financial statements, but not in the government-wide financial statements. Special assessments in the amount of \$564,804 were delinquent at December 31, 2016.

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.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Fund Balance (Continued)

- 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”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Interfund Receivable/Liability

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

Interfund Transfers

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

Estimates

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Pending Governmental Accounting Standards Board Statements

At December 31, 2016, 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. 72, *Fair Value Measurement and Application*, was issued in February 2015. The objective of this statement is to address financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this statement are effective for periods beginning after June 15, 2015.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about the OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The provisions of this statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 77, *Tax Abatement Disclosures*, increases the disclosure requirements for tax abatements affecting the government entity and its ability to raise resources in the future. This standard applies to a reporting government's own tax abatement agreements or agreements entered into by other governments and that reduce the reporting government's tax revenues. The government that enters into the agreement must begin disclosing (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provision for recapturing abated taxes, and the types of commitments made by tax abatement recipients, (2) the gross dollar amount of taxes abated during the period and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For governments impacted by other governments' tax abatements, the following must be disclosed: (1) the names of the governments that entered into the agreements, (2) the specific taxes being abated, and (3) the gross dollar amount of taxes abated during the period. The provisions of this statement are effective for periods beginning after December 15, 2015.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The provisions of this statement are effective for periods beginning after December 15, 2015.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position (Continued)

Pending Governmental Accounting Standards Board Statements (Continued)

GASB Statement No. 80, *Blending Requirement for Certain Component Units*, amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The provisions of this statement are effective for periods beginning after June 15, 2016.

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 were included as budgeted special revenue funds and have legally adopted annual budgets:

Aggieville Business Improvement District	Library
City/University Projects	Library Employee Benefit Contribution
Capital Improvement Reserve	Park Development
Downtown Business Improvement District	Riley County Police Department
Economic Development	Sales Tax
Employee Benefit Contribution	Special Alcohol Programs
Fire Equipment Reserve	Special Parks and Recreation
Fire Pension KP&F	Special Street and Highway
General Improvement	Special Sunset Zoo
Industrial Promotion	Tourism and Convention Promotion

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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

A. Budgets and Budgetary Accounting (continued)

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

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.

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

	Major Governmental Funds		
	General Fund	Riley County Police Department	Debt Service
Revenues - Budgetary basis	\$ 20,931,244	\$ 15,932,992	\$ 12,022,995
Cancelled encumbrances	(9)	-	-
Revenues - GAAP basis	\$ 20,931,253	\$ 15,932,992	\$ 12,022,995
Expenditures - budgetary basis	\$ 28,723,909	\$ 15,786,240	\$ 19,651,652
Encumbrances, beginning of year	73,337	-	-
Encumbrances, end of year	(67,945)	-	-
Cancelled encumbrances	9	-	-
Expenditures - GAAP basis	\$ 28,729,310	\$ 15,786,240	\$ 19,651,652
Fund balances - budgetary basis	\$ 3,487,009	\$ 146,752	\$ 14,071,235
Encumbrances, end of year	67,945	-	-
Fund balance - GAAP basis	\$ 3,554,954	\$ 146,752	\$ 14,071,235

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

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

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 deferred revenue.

C. Deficit Fund Equity

The Airport Federal Grant No. 42 had a deficit balance of \$54,527 as of December 31, 2016. The Airport TVOR Land Acquisition Grant had a deficit balance of \$116,739 as of December 31, 2016. The Airport Federal Grant No. 45 had a deficit balance of \$307,728 as of December 31, 2016. The CDBG/Federal Entitlement Special Revenue Fund had a deficit balance of \$3,050 as of December 31, 2016. Any deficits remaining in these funds after all grant revenues have been received will be covered with transfers from the General Fund.

Note 3: Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2016, the City's investment balances were:

	Reported Amount/ Fair Value
Investment Type:	
Cash with refunding escrow agent	\$ 4,249,980
Cash with special obligation bonds trustee	3,073,276
Total Investments	7,323,256
Deposits	59,552,667
Cash on Hand	6,075
Total Deposits	59,558,820
 TOTAL DEPOSITS AND INVESTMENTS	 \$ 66,881,998

Reconciliation of Government-wide Statement of Net Position to Total Deposits and Investments:

Cash and Cash Equivalents	\$ 59,109,516
Cash with refunding escrow agent	4,249,980
Cash with special obligation bonds trustee	3,073,276
Restricted Construction Accounts	240,943
Add Fiduciary Funds cash and cash equivalents: Private Purpose Trusts	208,283
 TOTAL DEPOSITS AND INVESTMENTS	 \$ 66,881,998

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

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.

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.

Manhattan Public Library component unit cash and cash equivalents of \$1,053,942 are stated at cost which approximates fair value. As the Manhattan Public Library is governed by the same Kansas statutes as the City, their exposure to the various investment-related risks is similar to that of the City.

B. Receivables

Accounts receivable for the governmental activities are reported net of an allowance for uncollectible accounts in the amount of \$185,366.

Accounts receivable for the Enterprise Funds are reported net of allowances for uncollectible accounts. The allowances at December 31, 2016, are as follows:

Water Fund	\$ 78,720
Wastewater Fund	134,109
Stormwater Fund	<u>13,698</u>
 Total	 <u>\$226,527</u>

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

C. Economic Development Loans

Economic Development Loans receivable, aggregating \$1,335,845 at December 31, 2016, consist of loans to six 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. New loans made during 2016 totaled \$300,000. Loans are secured by either property and/or life insurance policies on key personnel of the company. An allowance for uncollectible amounts of \$22,001 has been recorded as of December 31, 2016. The loan balance is also presented net of \$1,296,615 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 2016, \$100,000 was paid on the loan and \$148,201 was forgiven. The balance as of December 31, 2016 is \$8,205,014 and is reported net expected of the forgivable note balance of \$3,705,014 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 2016, \$25,471 was paid by the Manhattan Public Library for the FCIP Improvements. The balance as of December 31, 2016 is \$127,355.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

F. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

Primary Government

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,724,684	\$ -	\$ -	\$ 20,724,684
Construction in progress	36,593,491	8,880,466	23,195	45,450,762
TOTAL	57,318,175	8,880,466	23,195	66,175,446
Capital assets being depreciated:				
Buildings and improvements	112,927,351	3,193,558	(104,936)	116,225,845
Contents and equipment	8,967,412	681,730	40,284	9,608,858
Vehicles	8,145,293	319,171	196,248	8,268,216
Infrastructure	148,132,012	8,696,681	-	156,828,693
TOTAL	278,172,068	12,891,140	131,596	290,931,612
Less accumulated depreciation:				
Buildings and improvements	37,598,903	2,995,754	-	40,594,657
Contents and equipment	6,733,795	430,709	36,354	7,128,150
Vehicles	6,331,266	431,311	196,208	6,566,369
Infrastructure	70,717,106	6,816,128	-	77,533,234
TOTAL	121,381,070	10,673,902	232,562	131,822,410
Total capital assets being depreciated, net	156,790,998	2,217,238	(100,966)	159,109,202
Governmental activities capital assets, net	\$ 214,109,173	\$ 11,097,704	\$ (77,771)	\$ 225,284,648
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 499,272	\$ 2,000	\$ -	\$ 501,272
Construction in progress	14,934,399	2,641,490	119	17,575,770
TOTAL	15,433,671	2,643,490	119	18,077,042
Capital assets being depreciated:				
Buildings and improvements	62,471,741	425,057	-	62,896,798
Contents and equipment	4,194,126	347,374	203,990	4,337,510
Vehicles	1,906,861	148,278	112,068	1,943,071
Infrastructure	157,788,912	6,297,095	-	164,086,007
TOTAL	226,361,640	7,217,804	316,058	233,263,386
Less accumulated depreciation:				
Buildings and improvements	12,965,446	1,372,077	-	14,337,523
Contents and equipment	2,117,229	280,508	203,990	2,193,747
Vehicles	1,135,088	149,686	112,068	1,172,706
Infrastructure	64,519,612	3,799,683	-	68,319,295
TOTAL	80,737,375	5,601,954	316,058	86,023,271
Total capital assets being depreciated, net	145,624,265	1,615,850	-	147,240,115
Business-type activities capital assets, net	\$ 161,057,936	\$ 4,259,340	\$ 119	\$ 165,317,157

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)
F. Capital Assets (Continued)

Discretely Presented Component Units

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Manhattan Public Library				
Capital assets not being depreciated:				
Works of Art	\$ 32,400	-	-	\$ 32,400
	<u>\$ 32,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,400</u>
Capital assets being depreciated:				
Contents and equipment	1,490,213	132,500	40,546	1,582,167
TOTAL	<u>1,490,213</u>	<u>132,500</u>	<u>40,546</u>	<u>1,582,167</u>
Less accumulated depreciation	716,344	164,525	40,546	840,323
Total capital assets being depreciated, net	<u>773,869</u>	<u>(32,025)</u>	<u>-</u>	<u>741,844</u>
Library capital assets, net	<u>\$ 806,269</u>	<u>\$ (32,025)</u>	<u>\$ -</u>	<u>\$ 774,244</u>

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

Governmental activities:	
General government	\$ 1,518,498
Public safety	530,813
Public works	6,405,927
Urban development and housing	79,097
Culture/Recreation	1,930,235
Downtown Redevelopment	209,331
Total depreciation expense for governmental activities	<u>\$ 10,673,901</u>
Business-type activities:	
Water	\$ 2,033,758
Wastewater	2,934,605
Storm Water Management	633,591
Total depreciation expense for business-type activities	<u>\$ 5,601,954</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

F. Capital Projects

At December 31, 2016 the City had contractual commitments for the construction of various projects:

	<u>Expenditures to Date</u>	<u>Amount Authorized</u>
Miscellaneous governmental activities	\$ 3,309,194	\$ 4,563,406
Airport Improvements	20,827,965	22,274,122
Storm Water Improvements	3,574,823	5,112,949
Sanitary Sewer Improvements	6,554,191	10,836,840
Street Improvements	21,313,603	38,379,710
Water Improvements	7,446,754	13,468,955
Total	<u>\$ 63,026,530</u>	<u>\$ 94,635,982</u>

G. Interfund Receivable/Payable

Individual fund receivable/payable balances at December 31, 2016, are as follows.

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 663,599	\$ -
Capital Projects Fund	16,243,498	-
Proprietary Funds:		
Water Fund	-	6,435,480
Wastewater Fund	-	6,287,370
Stormwater Fund	-	3,520,648
Non-major Governmental Funds	-	663,599
TOTAL	<u>\$ 16,907,097</u>	<u>\$ 16,907,097</u>

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

H. Interfund Transfers

A summary of 2016 interfund transfers is as follows:

	Transfer In	Transfer Out
Major Funds:		
Governmental Funds:		
General	\$ 7,458,311	\$ 218,873
Riley County Police Department	-	-
Debt Service	1,823,240	483,889
Capital Projects	1,661,335	580,657
Proprietary Funds:		
Water	-	1,420,778
Wastewater Fund	-	1,351,245
Non-major Governmental Funds	1,398,133	8,181,027
Non-major Proprietary Funds	57,000	111,550
Internal Service Funds	-	50,000
TOTAL TRANSFERS	\$ 12,398,019	\$ 12,398,019

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 negative \$3,930 were made from the governmental activities to the business-type activities.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt

The following is a summary of the debt transactions of the City for the year ended December 31, 2016:

	Balance		Retired/	Balance	Due Within
	January 1, 2016	Issued	Refunded	December 31, 2016	One Year
Governmental Activities:					
General obligation bonds	\$ 110,000,000	\$ 20,115,000	\$ (29,755,000)	\$ 100,360,000	\$ 14,220,000
General obligation bonds-premium	-	2,356,104	-	2,356,104	-
Senior lien special obligation bonds-Series 2009A	18,190,000	-	(1,010,000)	17,180,000	1,090,000
Subordinate lien special obligation bonds-Series 2009B	4,130,000	-	-	4,130,000	-
STAR bonds-Series 2009-1	5,400,000	-	(3,040,000)	2,360,000	-
Taxable STAR bonds-Series 2009-2	25,230,000	-	(2,370,000)	22,860,000	2,520,000
Temporary notes	53,140,000	25,670,000	(10,765,000)	68,045,000	11,455,000
Transportation Development District Sales Tax Revenue Bonds-Series 2009	220,000	-	(220,000)	-	-
Transportation Development District Sales Tax Revenue Bonds-Series 2010	5,115,000	-	(145,000)	4,970,000	160,000
Transportation Revolving Fund Loan	2,636,913	-	(257,673)	2,379,240	267,258
Capital leases	1,900,129	1,229,128	(430,577)	2,698,680	554,784
Other postemployment benefits	2,764,302	155,732	-	2,920,034	-
Compensated absences	2,426,832	1,748,261	(1,791,405)	2,383,688	1,549,397
Net Pension Liability	15,667,132	3,324,715	-	18,991,847	-
Total for governmental activities	\$ 246,820,308	\$ 54,598,940	\$ (49,784,655)	\$ 251,634,593	\$ 31,816,439
Business-type Activities:					
General obligation bonds	7,155,000	-	(1,195,000)	5,960,000	1,070,000
State revolving loans	52,831,275	147,100	(3,917,499)	49,060,876	2,981,193
Capital leases	84,672	90,228	(27,700)	147,200	50,580
Compensated absences	406,218	329,176	(299,857)	435,537	283,099
Net Pension Liability	2,220,699	437,610	-	2,658,309	-
Total for business-type activities	\$ 62,697,864	\$ 1,004,114	\$ (5,440,056)	\$ 58,261,922	\$ 4,384,872

Of the \$100,360,000 in general obligation bond debt shown above, \$43,327,325 is special assessment debt with government commitment.

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

For governmental activities, other postemployment benefits would be liquidated by the general fund.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

General Obligation Bonds and Temporary Notes

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

General Obligation Bonds	Type	Original	Date	Remaining Principal			Maturity	Balance	
	of	Issue	of	Annual Installments		Date			December 31,
	Bond	Amount	Issue	Lowest	Highest				
1999 Series 209	Serial	560,000	6/1/99	30,000	40,000	5.0% to 5.5%	11/1/19	120,000	
1999 Series 210	Serial/Term	314,000	12/1/99	15,000	55,000	5.4% to 5.6%	11/1/19	70,000	
2000 Series 213	Serial	340,000	12/1/00	15,000	25,000	5.0% to 5.45%	11/1/20	100,000	
2007 Series 2007A	Serial	6,790,000	6/1/07	270,000	495,000	4.0% to 4.25%	11/1/27	325,000	
2007 Series 2007B	Serial	5,645,000	6/1/07	545,000	705,000	5.125% to 5.25%	11/1/17	705,000	
2007 Series 2007C	Serial/Term	3,275,000	12/1/07	130,000	460,000	4.0% to 4.5%	11/1/27	155,000	
2008 Series 2008A	Serial	15,385,000	6/1/08	670,000	995,000	3.5% to 4.5%	11/1/28	1,630,000	
2008 Refunding Series 2008B	Serial	2,495,000	6/1/08	205,000	270,000	3.5% to 3.75%	11/1/20	1,015,000	
2008 Series 2008C	Serial/Term	1,865,000	12/1/08	135,000	255,000	3.25% to 5.0%	11/1/28	780,000	
2009 Series 2009A	Serial	3,830,000	6/1/09	170,000	245,000	2.5% to 4.3%	11/1/29	580,000	
2009 Refunding Series 2009B	Serial	4,325,000	6/1/09	155,000	665,000	2.0% to 3.5%	11/1/19	520,000	
2009 Series 2009C	Serial	11,110,000	12/1/09	260,000	880,000	3.0% to 4.0%	11/1/29	2,585,000	
2009 Refunding Series 2009D	Serial	8,820,000	12/1/09	705,000	1,075,000	2.375% to 3.375%	11/1/21	4,265,000	
2010 Series 2010A	Serial	6,700,000	6/1/10	160,000	535,000	2.0% to 4.0%	11/1/30	3,920,000	
2010 Series 2010B	Serial	10,860,000	12/1/10	1,040,000	1,140,000	2.0% to 4.0%	11/1/20	4,480,000	
2011 Series 2011A	Serial	10,535,000	12/1/11	110,000	990,000	2.0% to 3.75%	11/1/31	6,030,000	
2011 Refunding Series 2011B	Serial	2,790,000	12/1/11	160,000	405,000	2.0% to 3.0%	11/1/23	1,720,000	
2012 Series 2012A	Serial	1,465,000	6/1/12	60,000	85,000	1.5% to 3.75%	1/1/32	1,180,000	
2012 Series 2012B	Serial	12,885,000	12/1/12	45,000	1,095,000	1.5% to 3.0%	1/1/32	8,870,000	
2012 Refunding Series 2012C	Serial	4,895,000	12/20/12	20,000	555,000	2.0% to 4.0%	11/1/26	4,750,000	
2013 Series 2013A	Serial	6,400,000	12/1/13	45,000	695,000	3.0% to 4.0%	11/1/33	4,830,000	
2014 Series 2014A	Serial	12,310,000	6/2/14	485,000	805,000	2.0% to 5.0%	11/1/34	11,180,000	
2014 Series 2014B	Serial/Term	9,685,000	6/2/14	350,000	670,000	3.0% to 4.25%	11/1/34	8,970,000	
2014 Series 2014C	Serial/Term	3,940,000	12/8/14	175,000	235,000	2.0% to 3.375%	11/1/34	3,560,000	
2015 Series 2015A	Serial/Term	5,475,000	12/7/15	105,000	745,000	2.0% to 5.0%	11/1/35	4,935,000	
2015 Refunding Series 2015B	Serial	4,805,000	12/7/15	5,000	595,000	2.0% to 5.0%	11/1/27	4,805,000	
2016 Refunding and Improvement Series 2016A	Serial	18,050,000	6/6/16	120,000	1,985,000	2.0% to 5.0%	11/1/36	18,050,000	
2016 Series 2016B	Serial/Term	2,065,000	12/5/16	50,000	165,000	2.0% to 3.5%	11/1/36	2,065,000	
								\$ 102,195,000	
Series 2007A, Crossover Refunded		6,790,000	6/1/07			4.0% to 4.25%	11/1/27*	4,125,000	
								\$ 106,320,000	
Less amount to be paid by Enterprise Funds								(5,960,000)	
Total General Obligation Bonds Payable-Governmental Activities								\$ 100,360,000	

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

The annual requirements to amortize governmental activities general obligation bonds outstanding as of December 31, 2016, are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 14,485,000	\$ 3,337,651	\$ 17,822,651
2018	9,695,000	2,897,121	12,592,121
2019	9,425,000	2,598,124	12,023,124
2020	8,845,000	2,307,051	11,152,051
2021	7,540,000	1,994,589	9,534,589
2022-2026	28,110,000	6,344,369	34,454,369
2027-2031	15,650,000	2,433,805	18,083,805
2032-2036	6,610,000	526,891	7,136,891
TOTALS	<u>\$ 100,360,000</u>	<u>\$ 22,439,601</u>	<u>\$ 122,799,601</u>

General obligation bonds in the amount of \$5,960,000 are included as liabilities of the Water, Wastewater, and Storm Water Management 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, 2016, are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,070,000	\$ 202,575	\$ 1,272,575
2018	1,095,000	166,375	1,261,375
2019	1,050,000	129,075	1,179,075
2020	850,000	100,425	950,425
2021	660,000	72,100	732,100
2022-2024	1,235,000	92,200	1,327,200
TOTALS	<u>\$ 5,960,000</u>	<u>\$ 762,750</u>	<u>\$ 6,722,750</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Temporary notes currently outstanding consist of the following:

Series	Maturity Date	Rate	12/31/16 Balance
2013-06	6/15/2017	1.00%	\$ 100,000
2013-07	6/15/2017	1.75%	3,160,000
2014-01	12/15/2017	0.85%	4,490,000
2014-02	12/15/2017	0.85%	460,000
2014-03	12/15/2017	0.88%	2,280,000
2014-04	12/15/2017	1.13%	530,000
2014-05	6/15/2018	1.10%	5,075,000
2015-01	6/15/2018	1.25%	9,795,000
2015-02	6/15/2018	1.35%	2,315,000
2015-03	12/15/2018	1.50%	6,875,000
2015-04	6/15/2019	1.75%	3,735,000
2015-05	12/15/2019	1.50%	2,025,000
2015-06	6/15/2019	1.65%	390,000
2015-06	12/15/2019	1.75%	1,145,000
2016-01	6/15/2019	1.05%	2,495,000
2016-02	6/15/2019	1.00%	7,100,000
2016-02	6/15/2020	1.13%	280,000
2016-03	6/15/2020	1.25%	10,185,000
2016-04	6/15/2020	2.00%	2,060,000
2016-04	12/15/2020	2.00%	3,550,000
Total			\$ 68,045,000

\$14,071,235 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, except for \$45,000, which have been reported in the Debt Service 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. All 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 \$7,375,000 outstanding December 31, 2016, were retired June 15, 2017, with funds on hand. Temporary notes in the amount of \$60,670,000 will mature in 2017, 2018, 2019 and 2020.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

At December 31, 2016 there were temporary notes in the amount of \$340,000 maturing in 2017 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, 2016.

Changes in this short-term debt during 2016 are summarized in the following table:

Balance at January 1, 2016	\$	-
Issued		340,000
Retired		-
		-
Balance at December 31, 2016		\$ 340,000

Debt Service Limit

The December 31, 2016 debt limit is \$168,166,947. There was \$100,788,268 in outstanding long and short-term G.O. debt applicable to the debt limit as of December 31, 2016. 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 2009

In 2009, the City issued Transportation Development District Sales Tax Revenue bonds in the amount of \$505,000. The proceeds were used to finance infrastructure improvements needed for the development of the Limey Pointe area in the City. 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 at 4.0%. Bond payments began in June 2010. The bonds have been paid in full as of December 2016.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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
2017	\$ 160,000	\$ 231,125	\$ 391,125
2018	170,000	225,925	395,925
2019	185,000	220,400	405,400
2020	200,000	213,925	413,925
2021	215,000	206,425	421,425
2022-2026	1,365,000	870,125	2,235,125
2027-2031	1,980,000	485,250	2,465,250
2032	695,000	34,750	729,750
TOTALS	\$ 4,970,000	\$ 2,487,925	\$ 7,457,925

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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

The Senior Lien TIF Special Obligation Bonds-Series 2009A and the Subordinate Lien TIF Special Obligation Bonds-Series 2009B were issued December 1, 2009, at a principal amount of \$21,220,000 and \$4,160,000, respectively. These bonds were issued to retire the Taxable Special Obligation Revenue Bonds-Series 2006 issued to finance land acquisition and site preparation of the North Redevelopment District. Because the retired bonds were never intended to be a permanent financing mechanism and because of the variable structure of the retired bonds, a meaningful comparison of debt service between the new debt and the retired debt and a meaningful analysis of the economic gain or loss on the transaction cannot be made. 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	\$17,180,000	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, 2018 are subject to redemption and payment prior to their stated maturity on December 1, 2017 at the redemption prices set forth below plus accrued interest to the redemption date:

Redemption Dates	Redemption Price
December 1, 2017 through November 30, 2018	102%
December 1, 2018 through November 30, 2019	101%
December 1, 2019 and thereafter	100%

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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.

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
\$1,090,000	2017
\$1,185,000	2018
\$1,290,000	2019
\$1,400,000	2020
\$1,520,000	2021
\$1,640,000	2022
\$1,775,000	2023
\$1,910,000	2024
\$2,055,000	2025
\$3,315,000	2026

Sales Tax and Revenue (STAR) Bonds-Series 2009-1

The Sales Tax and Revenue (STAR) Bonds-Series 2009-1 were issued December 1, 2009, at a principal amount of \$16,855,000. This series of STAR Bonds was issued to retire the Special Obligation Revenue Bonds-Series 2008A (see above) issued to finance the South District land acquisition. Because the retired bonds were never intended to be a permanent financing mechanism and because of the structure of the retired bonds (a maturity of less than three years with all principal due at maturity), a meaningful comparison of debt service between the new debt and the retired debt and a meaningful analysis of the economic gain or loss on the transaction cannot be made. 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. These bonds have a stated maturity date of December 1, 2026. Interest is payable semiannually at an annual rate of 5.25%. In 2016, \$3,040,000 in principal has been redeemed on the 2009-1 STAR Bonds, resulting in a current balance of \$2,360,000.

The Series 2009-1 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
\$2,105,000	2021
\$ 255,000	2022

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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 2016, \$2,370,000 in principal has been redeemed on the 2009-1 STAR Bonds, resulting in a current balance of \$22,860,000. Interest is payable semiannually at the following annual rates:

Serial Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2017	\$2,520,000	4.863%
2018	\$2,690,000	5.232%
2019	\$2,865,000	5.332%
2020	\$3,055,000	5.482%
Term Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2026	\$11,730,000	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
\$1,965,000	2025
\$4,370,000	2026

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Capital Leases

In the current and prior years, the City agreed to lease equipment through capital leasing arrangements.

The assets acquired through capital leases outstanding are as follows:

Equipment Leased	Amount Financed	Gross Cost of Assets Under Capital Leases	Accumulated Amortization 12/31/2016	Lease Balance 12/31/2016
Governmental Activities:				
Fire Truck	\$ 622,452	\$ 722,025	\$ 577,620	\$ 79,210
Facilities Conservation Improv. Prog.	930,000	-	-	507,114
Rubber Tire Loader	64,354	99,000	33,000	-
Aerial Lift Truck	75,439	94,439	47,220	-
Narrow Band Equipment	303,804	-	-	173,258
International 7400 Truck	56,384	77,152	61,721	14,380
Backhoe Loader	47,147	66,780	13,356	23,880
2015 Freightliner Dump Truck	59,228	82,328	49,397	29,853
SCBA Equipment	292,230	-	-	146,952
Pumper Truck	529,802	610,742	122,148	458,815
EZ Liner Striping Unit	48,023	77,447	10,326	36,090
Quint Pumper Truck	950,000	-	-	950,000
Sign/Stencil Truck	71,539	94,639	9,464	71,539
Airport Truck	30,892	30,892	3,089	30,892
Rubber Tire Loader	92,118	92,118	6,141	92,118
Dump Truck	84,579	84,579	16,916	84,579
Total	\$ 4,257,991	\$ 2,132,141	\$ 950,398	\$ 2,698,680
Business-type Activities:				
Street Sweeper	\$ 112,978	\$ 154,553	\$ 92,732	\$ 56,972
Street Sweeper	90,228	135,153	27,031	90,228
Total	\$ 203,206	\$ 289,706	\$ 119,762	\$ 147,200

Future minimum lease obligations as of December 31, 2016, are:

Year Ending December 31,	Governmental Activities	Business-type Activities
2017	\$ 616,961	\$ 52,811
2018	519,986	52,811
2019	416,916	23,519
2020	393,787	23,519
2021	375,196	-
2022-2026	621,057	-
Total Minimum Lease Payments	2,943,903	152,660
Less: Amount representing interest	(245,223)	(5,460)
Present Value of Minimum Lease Payments	\$ 2,698,680	\$ 147,200

Amortization on these assets acquired through capital leases totaled \$226,442 for governmental activities and \$57,941 for business-type activities in 2016 and has been included in depreciation expense.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

State Revolving 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 \$480,110 was paid in 2016. The balance on the loan as of December 31, 2016, is \$3,217,104 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
2017	\$ 495,304	\$ 97,159	\$ 592,463
2018	510,979	81,485	592,464
2019	527,150	65,314	592,464
2020	543,832	48,631	592,463
2021	561,042	31,421	592,463
2022	578,797	13,666	592,463
Totals	\$ 3,217,104	\$ 337,676	\$ 3,554,780

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 \$1,504,628 was paid in 2016. The balance on the loan as of December 31, 2016, is \$28,205,931 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
2017	\$ 1,545,832	\$ 756,761	\$ 2,302,593
2018	1,588,164	714,428	2,302,592
2019	1,631,656	670,936	2,302,592
2020	1,676,339	626,253	2,302,592
2021	1,722,245	580,347	2,302,592
2022-2026	9,345,049	2,167,913	11,512,962
2027-2031	10,696,646	816,316	11,512,962
Totals	\$ 28,205,931	\$ 6,332,954	\$ 34,538,885

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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, 2016, is \$1,114,632 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
2017	\$ 61,860	\$ 28,031	\$ 89,891
2018	63,447	26,444	89,891
2019	65,076	24,816	89,892
2020	66,746	23,146	89,892
2021	68,459	21,433	89,892
2022-2026	369,563	79,892	449,455
2027-2031	419,481	29,975	449,456
Totals	\$ 1,114,632	\$ 233,737	\$ 1,348,369

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, 2016, is \$14,940,670 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 \$707,222 was paid in 2016. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2017	\$ 733,127	\$ 535,753	\$ 1,268,880
2018	759,981	508,899	1,268,880
2019	787,819	481,061	1,268,880
2020	816,676	452,204	1,268,880
2021	846,591	422,290	1,268,881
2022-2026	4,721,456	1,622,944	6,344,400
2027-2031	5,651,889	692,511	6,344,400
2032	623,131	11,310	634,441
Totals	\$ 14,940,670	\$ 4,726,972	\$ 19,667,642

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (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, 2016, is \$331,550 and is shown as a liability to the Water Fund in the accompanying financial statements. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2017	\$ 15,709	\$ 8,584	\$ 24,293
2018	16,123	8,170	24,293
2019	16,548	7,745	24,293
2020	16,984	7,309	24,293
2021	17,432	6,861	24,293
2022-2026	94,304	27,161	121,465
2027-2031	107,413	14,053	121,466
2032-2033	47,037	1,550	48,587
Totals	\$ 331,550	\$ 81,433	\$ 412,983

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 \$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. Draws in the amount of \$147,100 were made during 2016. The balance on the loan as of December 31, 2016, is \$1,250,993 and is shown as a liability to the Water Fund in the accompanying financial statements. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2017	\$ 129,361	\$ 35,135	\$ 164,496
2018	138,075	26,422	164,497
2019	141,450	23,046	164,496
2020	144,909	19,588	164,497
2021	148,451	16,046	164,497
2022-2025	548,747	26,990	575,737
Totals	\$ 1,250,993	\$ 147,227	\$ 1,398,220

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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, 2016, is \$2,379,240. The annual amounts to amortize the loan are as follows:

December 31,	Principal	Interest	Total
2017	\$ 267,258	\$ 88,508	\$ 355,766
2018	277,200	78,566	355,766
2019	287,512	68,254	355,766
2020	298,208	57,558	355,766
2021	309,301	46,465	355,766
2022-2024	939,761	68,631	1,008,392
Totals	<u>\$ 2,379,240</u>	<u>\$ 407,982</u>	<u>\$ 2,787,222</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, 2016, Industrial Revenue Bonds relating to nine entities were outstanding with a total balance of approximately \$93,900,568.

Crossover Refunding

In 2012, the City issued Series 2012C General Obligation Refunding bonds in the amount of \$4,895,000. The proceeds were used to crossover refund Series 2004A, Series 2004B, and Series 2006B General Obligation bonds in the amounts of \$635,000, \$555,000, and \$3,715,000, respectively. The proceeds were placed in an escrow account to provide for interest payments on the refunding bonds until the crossover dates. As a result, the refunded bonds are not considered to be defeased and the liability for the bonds and the assets of the related escrow account have been reported on the face of the financial statements. In 2014, the Series 2004A (\$635,000) and Series 2004B (\$555,000) General Obligation bonds matured and were paid off. In 2016, the Series 2006B (\$3,715,000) General Obligation bonds matured and were paid off.

In 2015, the City issued Series 2015B General Obligation Refunding bonds in the amount of \$4,805,000. The proceeds were used to crossover refund Series 2006A and Series 2007A General Obligation bonds in the amounts of \$930,000 and \$4,125,000, respectively. The proceeds were placed in an escrow account to provide for interest payments on the refunding bonds until the crossover dates. As a result, the refunded bonds are not considered to be defeased and the liability for the bonds and the assets of the related escrow account have been reported on the face of the financial statements. In 2016, the Series 2006A (\$930,000) General Obligation bonds matured and were paid off.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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 CoreSource 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 \$1,760,934 at December 31, 2016. The claims liability of \$384,006 reported in the Fund at December 31, 2016 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 2016 and 2015 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	Balance at Fiscal Year End
2015-2016	\$ 434,397	\$ 4,036,829	\$ 4,087,220	\$ 384,006
2014-2015	\$ 229,732	\$ 5,033,136	\$ 4,828,471	\$ 434,397

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 2016 and 2015 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	Balance at Fiscal Year End
2015-2016	\$ 305,543	\$ 153,137	\$ 99,762	\$ 358,918
2014-2015	\$ 246,284	\$ 226,915	\$ 167,656	\$ 305,543

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

B. Contingent Liabilities

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

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

C. Defined Benefit Pension Plan

Plan Description

The City of Manhattan participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERs), a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
 - State/School employees
 - Local employees
- Police and Firemen
- Judges

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

Those employees participating in the Pension Plan for the City of Manhattan are included in the Local and Police and Firemen employee groups.

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Plan Description (continued)

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

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

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

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the KPERS fiscal year ended June 30, 2015.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

The actuarially determined employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate were 9.48% for the Local Group and 21.36% for the Police and Firemen Group for the year ended December 31, 2016. Contributions to the Pension Plan from the City of Manhattan were \$1,349,413 for the Local Group and \$962,890 for the Police and Firemen Group for the year ended December 31, 2016.

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

At December 31, 2016, the City of Manhattan reported a liability of \$12,828,541 for the Local Group and \$8,821,609 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, 2016, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. 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, 2016. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the City of Manhattan's proportion and change from its proportion measured as of June 30, 2015 were as follows:

	Net Pension Liability as of December 31, 2016	Proportion as of June 30, 2016	Increase in Proportion From June 30, 2015
Local Group	\$ 12,828,541	0.829237%	0.008022%
Police and Firemen Group	<u>8,821,609</u>	0.949823%	-0.028657%
	\$ 21,650,150		

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

For the year ended December 31, 2016, the City of Manhattan recognized pension expense of \$1,261,743 for the Local Group and \$1,091,627 for the Police and Firemen Group. At December 31, 2016, 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	\$ 540,051	\$ 322,580
Net difference between projected and actual earnings on pension plan investments	2,670,456	-
Changes of assumptions	-	174,389
Changes in proportionate share	634,565	179,013
City of Manhattan's contributions subsequent to measurement date	1,178,667	-
	\$ 5,023,739	\$ 675,982
Total	\$ 5,023,739	\$ 675,982

The \$1,136,193 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, 2016. 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 June 30,			
2017	\$	505,513	
2018		505,513	
2019		1,292,017	
2020		816,731	
2021		49,314	
		\$ 3,169,088	
		\$ 3,169,088	

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	3.00 percent
Wage inflation	4.00 percent
Salary increases, including wage increases	4.00 to 16.00 percent, including inflation
Long-term rate of return net of investment expense, and including price inflation	8.00 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for the three year period ending December 31, 2012.

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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.80%
Fixed income	13%	1.25%
Yield driven	8%	6.55%
Real return	11%	1.71%
Real estate	11%	5.05%
Alternatives	8%	9.85%
Short-term investments	2%	(0.25%)
Total	<u>100%</u>	

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Discount rate. The discount rate used by KPERS to measure the total pension liability was 8.00%. 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 8.00%, 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 (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City of Manhattan's Local Group proportionate share of the collective net pension liability	\$ 17,583,590	\$ 12,828,541	\$ 8,796,629
City of Manhattan's Police and Firemen Group proportionate share of the collective net pension liability	12,101,443	8,821,609	6,050,531
	\$ 29,685,033	\$ 21,650,150	\$ 14,847,160

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

D. Postemployment Benefits Other Than Pensions

Plan Description

As required by Kansas statutes, the City provides postemployment healthcare benefits to electing retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The accounting for health insurance for retirees is included in the City's Health Care Fund, with the subsidy provided from the Health Care Fund.

Funding Policy

The City provides health insurance to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). This statute, which may be amended by the state legislature, establishes 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 102 percent of the premium cost of active employees.

The City provides funding for the expenditures on a pay-as-you-go basis through the Health Care Fund. In 2016, active and retired plan members contributed \$707,254 to the plan and the City contributed \$3,438,064 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB (other postemployment benefit) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of not to exceed thirty years. The following table presents the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution (ARC)	\$ 216,946
Interest on net OPEB obligation	82,929
Adjustment to ARC	<u>(92,143)</u>
Annual OPEB cost (expense)	\$ 207,732
Contributions made	<u>(52,000)</u>
Increase in net OPEB obligation	\$ 155,732
Net OPEB obligation January 1, 2016	<u>2,764,302</u>
Net OPEB obligation December 31, 2016	<u>\$2,920,034</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows in the table below:

Year Ended	OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	\$ 449,985	16.7%	\$ 1,420,781
12/31/2012	472,736	11.6%	1,838,517
12/31/2013	497,704	15.7%	2,258,221
12/31/2014	306,191	15.0%	2,518,412
12/31/2015	320,890	23.4%	2,764,302
12/31/2016	207,732	25.0%	2,920,034

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Note 4: Other Information (continued)

D. Postemployment Benefits Other Than Pensions (continued)

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,745,469. The City's policy is to fund the benefits on a pay-as-you-go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,745,469. The covered payroll (annual payroll of active employees covered by the plan) in 2016 was \$19,410,097 and the ratio of the UAAL to covered payroll was 9.0 percent.

Actuarial Methods and Assumptions

The cost of the plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc., which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long-term assumptions, the cost determined by the valuation must be regarded as estimates of the true costs of the plan. Actuarially determined amounts reflect a long-term view and are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial liabilities and comparative costs were computed using the unprojected unit credit actuarial cost method and the following assumptions:

Amortization Method:	Level percent of payroll, open
Amortization Period:	30 years
Discount rate:	3.00% per annum, compounded annually
Mortality rate:	RP-2000 Mortality Tables for Healthy Annuitants and Employees for Males and Females with generational projection, ages set forward on year
Withdrawal rates:	Past history of City used to establish rates
Retirement rates:	Past history of City used to establish rates
Marriage and family assumptions:	Wives are assumed to be three years younger than husbands and 50% of members who elect coverage are assumed to have spouses who will also elect coverage.
Price inflation:	3.0% per year
Payroll growth:	3.0% per year
Health care cost trend rate:	0.00% grading up to 4.1%
Participation rate:	40% of members are assumed to elect coverage upon retirement

City of Manhattan
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the City of Manhattan's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Two Fiscal Years

	<u>2016</u>	<u>2015</u>
City of Manhattan's proportion of the collective net pension liability	0.829237%	0.821215%
KPERS	0.949823%	0.978480%
KP&F		
City of Manhattan's proportionate share of the collective net pension liability	\$ 21,650,150	\$ 17,887,831
City of Manhattan's covered-employee payroll	\$ 18,727,868	\$ 18,132,433
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	116%	99%
Plan fiduciary net position as a percentage of the total pension liability	65.10%	64.95%

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

City of Manhattan
REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of City of Manhattan's Contributions
 Kansas Public Employees Retirement System
 Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
KPERS/Ret Contractually required contributions	1,382,451	1,454,056	1,304,973	1,145,040	1,026,736	893,886	815,626	704,786	538,332	441,562
KP&F Contractually required contributions	962,890	952,624	874,519	730,347	623,028	512,620	467,903	598,214	558,258	513,210
Contributions in relation to the contractually required contributions	(2,345,299)	(2,406,680)	(2,179,492)	(1,875,387)	(1,648,729)	(1,406,571)	(1,284,499)	(1,303,000)	(1,096,590)	(954,772)
Contribution deficiency (excess)	\$ 42	\$ -	\$ -	\$ -	\$ 1,035	\$ (65)	\$ (970)	\$ -	\$ -	\$ -
City of Manhattan's covered-employee payroll	\$ 19,410,097	\$ 18,422,768	\$ 18,016,283	\$ 17,139,649	\$ 16,232,981	\$ 15,167,579	\$ 15,098,217	\$ 15,179,204	\$ 13,040,404	\$ 11,852,936
Contributions as a percentage of covered-employee payroll	12.1%	13.1%	12.1%	10.9%	10.2%	9.3%	8.5%	8.6%	8.4%	8.1%

The data is presented on a calendar year end basis.

CITY OF MANHATTAN, KANSAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2010	\$ -	\$ 3,534,909	\$ 3,534,909	0.00%	\$ 14,399,071	24.55%
1/1/2012	\$ -	\$ 3,781,944	\$ 3,781,944	0.00%	\$ 15,418,180	24.53%
1/1/2014	\$ -	\$ 2,554,263	\$ 2,554,263	0.00%	\$ 16,277,538	15.69%
1/1/2016	\$ -	\$ 1,745,469	\$ 1,745,469	0.00%	\$ 17,950,750	9.72%

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

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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 alphabetically by budgeted and non-budgeted funds.

BUDGETED SPECIAL REVENUE FUNDS:

Aggieville Business Improvement District Fund

Funds the beautification of the Aggieville Business District.

City/University Projects Fund

An agreement with Kansas State University for special joint projects.

Downtown Business Improvement District Fund

Funds the beautification of the Downtown Business District.

Economic Development Fund

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

Employee Benefit Contribution Fund

Provides for the funding of employees' retirement.

Fire Equipment Reserve Fund

Funds the purchase of fire equipment.

Fire Pension KP&F Fund

Special levy for Firemen's Retirement.

General Improvement Fund

Provides for the cost of general improvements.

Industrial Promotion Fund

Special tax for the promotion of industrial development.

Library Fund

Funds the operation of the municipal library.

Library Employee Benefit Contribution Fund

Provides for the funding of library employees' retirement.

Park Development Fund

Provides for park capital improvements.

Sales Tax Fund

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

SPECIAL REVENUE FUNDS

Special Alcohol Programs Fund

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

Special Parks and Recreation Fund

Special alcohol liquor tax for recreation.

Special Street and Highway Fund

State gasoline tax monies for streets and highways.

Special Sunset Zoo Fund

Special fees for zoo improvements.

Tourism and Convention Promotion Fund

Special hotel guest tax for tourism.

Capital Improvement Reserve Fund

Revenue may be credited to this fund from any source including budgeted transfers from other funds, investment income, or reimbursements from bond proceeds, special assessments, state or federal aid. Moneys in the capital improvements reserve fund may be used to finance, in whole or in part, any public improvement within the City's annual capital improvement plan, including the repair, restoration and rehabilitation of existing public facilities, or for engineering and other public improvement plans or studies.

NON-BUDGETED SPECIAL REVENUE FUNDS:

Airport Federal Grant No. 42 Fund

This federal grant pays for 90% of the cost of designing the airport terminal expansion.

Airport Federal Grant No. 43 Fund

This federal grant pays for 90% of the cost of construction the aircraft parking apron.

Airport TVOR Land Acquisition Grant Fund

This Federal Grant pays for 95% of the cost of acquiring the land needed to construct a wildlife fence around the Airport and to protect the critical area around the Federal Aviation Administration (FAA) electronic equipment used by pilots for navigating aircraft.

Airport Federal Grant No. 44 Fund

This federal grant pays for 90% of the eligible cost of construction for the airport terminal expansion project

Airport Federal Grant No. 46 Fund

This federal grant pays for 90% of the eligible cost of construction for the airport terminal expansion project

Alcohol and Drug Safety Fund - (K.S.A. 8-1008)

Money derived from DUI convictions and diversions is deposited into this fund. Monies are used for pre-sentence alcohol and drug evaluations. Each year 10% of the revenue is transferred to the General Fund to cover administrative overhead.

CDBG Program Income

CDBG funds reimbursed to the City by homeowners who wish to end the agreement for participation in one fo the CDBG Housing Rehabilitation Projects.

NON-BUDGETED SPECIAL REVENUE FUNDS:

Emergency Shelter Grant Funds

Funds received from the Kansas Housing Resources Corporation to provide assistance to local homeless shelters and social service agencies.

CDBG/Federal Entitlement Funds

Community Development Block Grant Funds for Entitlement Communities received from the Department of Housing and Urban Development for developing viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

FHDC Archeology Grant Fund

Funds received from the Kansas State Historical Society to conduct workshops at the Flint Hills Discovery Center to train teachers to use Kansas Project Archeology educational materials.

FHDC Sponsored Events

Sponsorships received to help fund the Flint Hill's Discovery Center's programming efforts.

Firefighter Memorial Fund

Donations and other funds received to go toward the construction of a firefighter memorial.

HOME Investment Partnerships Program Funds

Funds received from the Kansas Housing Resources Corporation to provide assistance to low and moderate-income homeowners in the form of deferred loans for home repairs needed to bring properties into compliance with local building codes.

Juneteenth Grant-2009

Donations received to help fund the City's Juneteenth celebration.

Norvell Band Shell Fund

This fund was created by Lowell Jack to raise private dollars to renovate the Arts in the Park stage, which includes a covering. The new stage has been named after Larry Norvell, a long time music teacher at Manhattan High School who also played in the Municipal Band and served on the Municipal Band Board for years.

Old Engine One Fund

Funds received are used for fire prevention awareness and the maintenance of the historic 1947 Old Engine One Fire Truck.

Park Improvement Fund

This fund receives donations for improvements to the various parks in the City, the Rose Garden, etc.

Share the Story Grant

Funds received by the Flint Hills Discovery Center Foundation to provide a free outreach program for preschool groups to receive a story time activity at the Flint Hills Discovery Center.

Special Taxi Fund

This fund was set up by resolution to handle the citizens portion (user fees) of the elderly and handicapped taxi coupons issued.

NON-BUDGETED SPECIAL REVENUE FUNDS:

Sunset Zoo Animals Fund

The proceeds from the sale of zoo animals and the donations for the purchase of new animals go into this fund to be used to purchase animals for the zoo.

Westar Energy Solar Photovoltaic Grant

Funds received from Westar Energy to be used install a 10 kilowatt solar array at the Nature Exploration Center.

Wetland Development Grant

Funds received from the Kansas Alliance for Wetlands and Streams for wetland management in Frank Anneberg Park

Yes! Grant Funds

A grant from the Manhattan Yes! Fund to fund Z.O.O. Crew, an educational program for high school students interested in pursuing a career in the zoo field.

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 Fund

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.

Downtown Redevelopment Sub Lien TIF Bonds Fund

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

Downtown Redevelopment STAR Bonds Fund

This fund was established to account for the payment of principal and interest on the Sales Tax and Revenue (STAR) Bonds that were issued to retire the Taxable Special Obligation Revenue Bonds for the South Project Area of the Downtown Redevelopment Project. State sales tax revenues from the North District and state and local sales tax revenues from the South district, which are pledged as security on the bonds and will be used to retire the bonds, are also accounted for in this fund.

Downtown Redevelopment Taxable STAR Bonds Fund

This fund was established to account for the payment of principal and interest on the Taxable STAR Bonds that were issued to finance eligible facilities and infrastructure costs within the South Project Area of the Downtown Redevelopment Project. State sales tax revenues from the North District and state and local sales tax revenues from the South district, which are pledged as security on the bonds and will be used to retire the bonds, are also accounted for in this fund.

Downtown Redevelopment TDD Fund

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

DEBT SERVICE FUNDS

Limey Pointe TDD Fund

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

Downtown South End TDD Fund

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

McDonald's TDD

This fund was established to account for the McDonald's Transportation Development District excise/sales tax revenues, which will be used to pay for the costs of the public improvements.

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 Perpetual Care Fund

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, 2016

	Aggieville Business Improvement District	City/ University Projects	Downtown Business Improvement District	Economic Development
Assets				
Cash	\$ 21,738	\$ 100,785	\$ 6,251	\$ 7,422,687
Cash with special obligation bonds trustee	-	-	-	-
Investment in joint venture	-	-	-	198,214
Receivables	2,044	-	-	272,653
Intergovernmental receivables	-	-	-	-
Sales tax receivable	-	-	-	353,229
Transient guest tax receivable	-	-	-	-
Property tax receivable	-	-	-	-
Economic development loans	-	-	-	-
Total Assets	\$ 23,782	\$ 100,785	\$ 6,251	\$ 8,246,783
Liabilities				
Accounts payable	\$ 20,985	\$ -	\$ -	\$ 5,233
Accrued payroll	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	2,044	-	-	272,653
Total Liabilities	\$ 23,029	\$ -	\$ -	\$ 277,886
Deferred Inflow of Resources				
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -
Fund Balance				
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -	\$ -
Restricted:				
Urban Development & Housing	753	-	6,251	7,968,897
General Government	-	-	-	-
Capital Projects	-	-	-	-
Public Safety	-	-	-	-
Culture & Recreation	-	-	-	-
Public Works	-	-	-	-
Debt Service	-	-	-	-
Committed - Urban Development	-	100,785	-	-
Committed - Culture & Recreation	-	-	-	-
Assigned - Purchases on Order	-	-	-	-
Assigned - Subsequent Year Budget	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	\$ 753	\$ 100,785	\$ 6,251	\$ 7,968,897
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 23,782	\$ 100,785	\$ 6,251	\$ 8,246,783

(Continued)

Special Revenue

<u>Employee Benefit Contribution</u>	<u>Fire Equipment Reserve</u>	<u>Fire Pension KP&F</u>	<u>General Improvement</u>	<u>Industrial Promotion</u>	<u>Library</u>
\$ 210,163	\$ 126,176	\$ 123,690	\$ 146,108	\$ 168,945	\$ 3,485
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,341	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,643,000	387,710	847,000	-	-	2,210,500
-	-	-	-	-	-
<u>\$ 1,853,163</u>	<u>\$ 513,886</u>	<u>\$ 970,690</u>	<u>\$ 146,108</u>	<u>\$ 170,286</u>	<u>\$ 2,213,985</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,265	\$ 36
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,341	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,606</u>	<u>\$ 36</u>
<u>\$ 1,643,000</u>	<u>\$ 387,710</u>	<u>\$ 847,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,210,500</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	145,180	-
210,163	-	-	-	-	-
-	-	-	-	-	-
-	126,176	123,690	-	-	-
-	-	-	-	-	3,449
-	-	-	134,928	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11,180	19,500	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 210,163</u>	<u>\$ 126,176</u>	<u>\$ 123,690</u>	<u>\$ 146,108</u>	<u>\$ 164,680</u>	<u>\$ 3,449</u>
<u>\$ 1,853,163</u>	<u>\$ 513,886</u>	<u>\$ 970,690</u>	<u>\$ 146,108</u>	<u>\$ 170,286</u>	<u>\$ 2,213,985</u>

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

December 31, 2016

	Library Employee Benefit Contribution	Park Development	Sales Tax	Special Alcohol Programs
Assets				
Cash	\$ 1,002	\$ 139,205	\$ 210,851	\$ 186,207
Cash with special obligation bonds trustee	-	-	-	-
Investment in joint venture	-	-	-	-
Receivables	-	-	-	-
Intergovernmental receivables	-	-	-	-
Sales tax receivable	-	-	1,020,991	-
Transient guest tax receivable	-	-	-	-
Property tax receivable	558,150	-	-	-
Economic development loans	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 559,152</u>	<u>\$ 139,205</u>	<u>\$ 1,231,842</u>	<u>\$ 186,207</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflow of Resources				
Unavailable revenue - Property Taxes	\$ 558,150	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -	\$ -
Restricted:				
Urban Development & Housing	-	-	-	-
General Government	-	-	1,231,842	186,207
Capital Projects	-	-	-	-
Public Safety	-	-	-	-
Culture & Recreation	1,002	139,205	-	-
Public Works	-	-	-	-
Debt Service	-	-	-	-
Committed - General Government	-	-	-	-
Committed - Culture & Recreation	-	-	-	-
Assigned - Purchases on Order	-	-	-	-
Assigned - Subsequent Year Budget	-	-	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>\$ 1,002</u>	<u>\$ 139,205</u>	<u>\$ 1,231,842</u>	<u>\$ 186,207</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balance				
	<u>\$ 559,152</u>	<u>\$ 139,205</u>	<u>\$ 1,231,842</u>	<u>\$ 186,207</u>

(Continued)

Special Revenue

Special Parks and Recreation	Special Street and Highway	Special Sunset Zoo	Tourism and Convention Promotion	Capital Improvement Reserve	Airport Federal Grant No. 42
\$ 1,484,943	\$ 1,585,124	\$ 196,565	\$ 413,406	\$ 34,013	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	375,902	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,484,943</u>	<u>\$ 1,585,124</u>	<u>\$ 196,565</u>	<u>\$ 789,308</u>	<u>\$ 34,013</u>	<u>\$ -</u>
\$ 14,219	\$ 83,186	\$ 12,470	\$ -	\$ -	\$ -
-	1,383	11,611	-	-	-
-	-	-	-	-	54,527
-	-	-	-	-	-
<u>\$ 14,219</u>	<u>\$ 84,569</u>	<u>\$ 24,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,527</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	789,308	-	-
-	-	-	-	34,013	-
-	-	-	-	-	-
-	-	-	-	-	-
1,443,010	-	172,484	-	-	-
-	666,040	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,714	834,515	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(54,527)
<u>\$ 1,470,724</u>	<u>\$ 1,500,555</u>	<u>\$ 172,484</u>	<u>\$ 789,308</u>	<u>\$ 34,013</u>	<u>\$ (54,527)</u>
<u>\$ 1,484,943</u>	<u>\$ 1,585,124</u>	<u>\$ 196,565</u>	<u>\$ 789,308</u>	<u>\$ 34,013</u>	<u>\$ -</u>

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

December 31, 2016

	Airport TVOR Land Acquisition Grant	Airport Federal Grant No. 45	Alcohol and Drug Safety	Emergency Shelter 2015
Assets				
Cash	\$ (1,229,389)	\$ -	\$ 30,553	\$ -
Cash with special obligation bonds trustee	-	-	-	-
Investment in joint venture	-	-	-	-
Receivables	-	-	3,304	-
Intergovernmental receivables	1,112,650	-	-	19,987
Sales tax receivable	-	-	-	-
Transient guest tax receivable	-	-	-	-
Property tax receivable	-	-	-	-
Economic development loans	-	-	-	-
Total Assets	\$ (116,739)	\$ -	\$ 33,857	\$ 19,987
Liabilities				
Accounts payable	\$ -	\$ -	\$ 16,687	\$ 19,987
Accrued payroll	-	-	-	-
Interfund payable	-	307,728	-	-
Deferred revenue	-	-	3,304	-
Total Liabilities	\$ -	\$ 307,728	\$ 19,991	\$ 19,987
Deferred Inflow of Resources				
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -
Fund Balance				
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -	\$ -
Restricted:				
Urban Development & Housing	-	-	-	-
General Government	-	-	13,866	-
Capital Projects	-	-	-	-
Public Safety	-	-	-	-
Culture & Recreation	-	-	-	-
Public Works	-	-	-	-
Debt Service	-	-	-	-
Committed - General Government	-	-	-	-
Committed - Culture & Recreation	-	-	-	-
Assigned - Purchases on Order	-	-	-	-
Assigned - Subsequent Year Budget	-	-	-	-
Unassigned	(116,739)	(307,728)	-	-
Total Fund Balance	\$ (116,739)	\$ (307,728)	\$ 13,866	\$ -
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ (116,739)	\$ -	\$ 33,857	\$ 19,987

(Continued)

Special Revenue

<u>CDBG/Federal Entitlement</u>	<u>FHDC Sponsored Events</u>	<u>Firefighter Memorial</u>	<u>Home Investment Partnerships Program-2011</u>	<u>Juneteenth Grant-2009</u>	<u>Norvell Band Shell</u>
\$ -	\$ 5,000	\$ 2,993	\$ -	\$ 2,261	\$ 1,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 2,993</u>	<u>\$ -</u>	<u>\$ 2,261</u>	<u>\$ 1,864</u>
\$ -	\$ 934	\$ -	\$ -	\$ -	\$ -
3,050	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,050</u>	<u>\$ 934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,993	-	-	-
-	4,066	-	-	2,261	1,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,050)	-	-	-	-	-
<u>\$ (3,050)</u>	<u>\$ 4,066</u>	<u>\$ 2,993</u>	<u>\$ -</u>	<u>\$ 2,261</u>	<u>\$ 1,864</u>
<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 2,993</u>	<u>\$ -</u>	<u>\$ 2,261</u>	<u>\$ 1,864</u>

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

December 31, 2016

	Old Engine One Fund	Park Improvement	Special Taxi	CDBG/Federal Entitlement Year 1
Assets				
Cash	\$ 50	\$ 2,200	\$ 53,559	\$ -
Cash with special obligation bonds trustee	-	-	-	-
Investment in joint venture	-	-	-	-
Receivables	-	-	-	-
Intergovernmental receivables	-	-	-	13,302
Sales tax receivable	-	-	-	-
Transient guest tax receivable	-	-	-	-
Property tax receivable	-	-	-	-
Economic development loans	-	-	-	-
Total Assets	\$ 50	\$ 2,200	\$ 53,559	\$ 13,302
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 13,040
Accrued payroll	-	-	-	-
Interfund payable	-	-	-	262
Deferred revenue	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ 13,302
Deferred Inflow of Resources				
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -
Fund Balance				
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -	\$ -
Restricted:				
Urban Development & Housing	-	-	-	-
General Government	-	-	53,559	-
Capital Projects	-	-	-	-
Public Safety	-	-	-	-
Culture & Recreation	50	2,200	-	-
Public Works	-	-	-	-
Debt Service	-	-	-	-
Committed - General Government	-	-	-	-
Committed - Culture & Recreation	-	-	-	-
Assigned - Purchases on Order	-	-	-	-
Assigned - Subsequent Year Budget	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	\$ 50	\$ 2,200	\$ 53,559	\$ -
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 50	\$ 2,200	\$ 53,559	\$ 13,302

(Continued)

Special Revenue

Wetland Development Grant	Yes! Grant-2012	Share the Story	CDBG Program Income	Airport Federal Grant No. 46
\$ 2,183	\$ 5,957	\$ 11,587	\$ 1,038	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,780,905
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,183</u>	<u>\$ 5,957</u>	<u>\$ 11,587</u>	<u>\$ 1,038</u>	<u>\$ 1,780,905</u>
\$ -	\$ -	\$ -	\$ 1,038	\$ 97,029
-	-	-	-	-
-	-	-	-	288,962
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,038</u>	<u>\$ 385,991</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,394,914
-	-	-	-	-
2,183	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,957	11,587	-	-
<u>\$ 2,183</u>	<u>\$ 5,957</u>	<u>\$ 11,587</u>	<u>\$ -</u>	<u>\$ 1,394,914</u>
<u>\$ 2,183</u>	<u>\$ 5,957</u>	<u>\$ 11,587</u>	<u>\$ 1,038</u>	<u>\$ 1,780,905</u>

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

December 31, 2016

	Special Revenue			Total	Downtown Redevelopment Senior Lien TIF Bonds
	Westar Energy Solar Grant	CDBG/Federal Entitlement Year 2			
Assets					
Cash	\$ 2,500	\$ -	\$ 11,473,700	\$ 75,760	
Cash with special obligation bonds trustee	-	-	-	3,073,276	
Investment in joint venture	-	-	198,214	-	
Receivables	-	-	279,342	-	
Intergovernmental receivables	-	31,472	2,958,316	-	
Sales tax receivable	-	-	1,374,220	174,241	
Transient guest tax receivable	-	-	375,902	-	
Property tax receivable	-	-	5,646,360	-	
Economic development loans	-	-	-	-	
Total Assets	\$ 2,500	\$ 31,472	\$ 22,306,054	\$ 3,323,277	
Liabilities					
Accounts payable	\$ -	\$ 19,352	\$ 308,461	\$ -	
Accrued payroll	-	-	16,044	-	
Interfund payable	-	12,120	663,599	-	
Deferred revenue	-	-	279,342	-	
Total Liabilities	\$ -	\$ 31,472	\$ 1,267,446	\$ -	
Deferred Inflow of Resources					
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ 5,646,360	\$ -	
Fund Balance					
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -	\$ -	
Restricted:					
Urban Development & Housing	-	-	8,910,389	-	
General Government	-	-	1,729,650	-	
Capital Projects	-	-	1,394,914	-	
Public Safety	-	-	252,859	-	
Culture & Recreation	2,500	-	1,774,274	-	
Public Works	-	-	800,968	-	
Debt Service	-	-	-	3,323,277	
Committed - General Government	-	-	100,785	-	
Committed - Culture & Recreation	-	-	-	-	
Assigned - Purchases on Order	-	-	892,909	-	
Assigned - Subsequent Year Budget	-	-	-	-	
Unassigned	-	-	(464,500)	-	
Total Fund Balance	\$ 2,500	\$ -	\$ 15,392,248	\$ 3,323,277	
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 2,500	\$ 31,472	\$ 22,306,054	\$ 3,323,277	

(Continued)

Debt Service

Downtown Redevelopment TDD	Limey Pointe TDD	Downtown South End TDD	McDonald's TDD	Total
\$ 697,459	\$ -	\$ 175,383	\$ 55,270	\$ 1,003,872
-	-	-	-	3,073,276
-	-	-	-	-
-	-	-	-	-
69,881	8,458	5,866	3,477	261,923
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 767,340</u>	<u>\$ 8,458</u>	<u>\$ 181,249</u>	<u>\$ 58,747</u>	<u>\$ 4,339,071</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
767,340	8,458	181,249	58,747	4,339,071
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 767,340</u>	<u>\$ 8,458</u>	<u>\$ 181,249</u>	<u>\$ 58,747</u>	<u>\$ 4,339,071</u>
<u>\$ 767,340</u>	<u>\$ 8,458</u>	<u>\$ 181,249</u>	<u>\$ 58,747</u>	<u>\$ 4,339,071</u>

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

December 31, 2016

	Permanent	Total
	Sunrise Perpetual Care	Nonmajor Governmental Funds
Assets		
Cash	\$ 484,605	\$ 12,962,177
Cash with special obligation bonds trustee	-	3,073,276
Investment in joint venture	-	198,214
Receivables	-	279,342
Intergovernmental receivables	-	2,958,316
Sales tax receivable	-	1,636,143
Transient guest tax receivable	-	375,902
Property tax receivable	-	5,646,360
Economic development loans	-	-
	\$ 484,605	\$ 27,129,730
Liabilities		
Accounts payable	\$ 2,500	\$ 310,961
Accrued payroll	-	16,044
Interfund payable	-	663,599
Deferred revenue	-	279,342
	\$ 2,500	\$ 1,269,946
Deferred Inflow of Resources		
Unavailable revenue - Property Taxes	\$ -	\$ 5,646,360
Fund Balance		
Nonspendable - Perpetual Care	\$ 482,105	\$ 482,105
Restricted:		
Urban Development & Housing	-	8,910,389
General Government	-	1,729,650
Capital Projects	-	1,394,914
Public Safety	-	252,859
Culture & Recreation	-	1,774,274
Public Works	-	800,968
Debt Service	-	4,339,071
Committed - General Government	-	100,785
Committed - Culture & Recreation	-	-
Assigned - Purchases on Order	-	892,909
Assigned - Subsequent Year Budget	-	-
Unassigned	-	(464,500)
	\$ 482,105	\$ 20,213,424
Total Fund Balance	\$ 482,105	\$ 20,213,424
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 484,605	\$ 27,129,730

(Continued)

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

For The Year Ended December 31, 2016

	Aggieville Business Improvement District	City/ University Projects	Downtown Business Improvement District	Economic Development
REVENUES				
Taxes	\$ -	\$ 461,060	\$ -	\$ 1,989,792
Intergovernmental	-	-	-	-
Charges for services	70,136	-	75,302	-
Investment income	-	-	-	84,557
Miscellaneous	-	-	-	214,430
Total Revenue	\$ 70,136	\$ 461,060	\$ 75,302	\$ 2,288,779
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	68,000	-	68,000	734,321
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	379,283	-	4,550
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 68,000	\$ 379,283	\$ 68,000	\$ 738,871
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,136	\$ 81,777	\$ 7,302	\$ 1,549,908
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Speical obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	248,880	-	-
Transfers out	(1,500)	(256,297)	(2,000)	(1,007,533)
Total Other Financing Sources (Uses)	\$ (1,500)	\$ (7,417)	\$ (2,000)	\$ (1,007,533)
NET CHANGE IN FUND BALANCES	\$ 636	\$ 74,360	\$ 5,302	\$ 542,375
FUND BALANCE-BEGINNING OF PERIOD	117	26,425	949	7,426,522
FUND BALANCE - END OF PERIOD	\$ 753	\$ 100,785	\$ 6,251	\$ 7,968,897

(Continued)

Special Revenue

Employee Benefit Contribution	Fire Equipment Reserve	Fire Pension KP&F	General Improvement	Industrial Promotion
\$ 1,530,403	\$ 142,385	\$ 728,475	\$ -	\$ 2
-	-	-	-	-
-	-	-	-	-
-	397	-	501	649
-	-	-	120	80,367
<u>\$ 1,530,403</u>	<u>\$ 142,782</u>	<u>\$ 728,475</u>	<u>\$ 621</u>	<u>\$ 81,018</u>
\$ 637,237	\$ -	\$ -	\$ 9,585	\$ -
183,501	950,000	963,114	-	-
479,926	-	-	-	-
85,879	-	-	-	122,224
758,902	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	249,489	-	-	-
-	-	-	-	-
-	25,604	-	-	-
<u>\$ 2,145,445</u>	<u>\$ 1,225,093</u>	<u>\$ 963,114</u>	<u>\$ 9,585</u>	<u>\$ 122,224</u>
<u>\$ (615,042)</u>	<u>\$ (1,082,311)</u>	<u>\$ (234,639)</u>	<u>\$ (8,964)</u>	<u>\$ (41,206)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	950,000	-	-	-
810,000	-	300,000	10,000	-
-	-	-	-	-
<u>\$ 810,000</u>	<u>\$ 950,000</u>	<u>\$ 300,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
\$ 194,958	\$ (132,311)	\$ 65,361	\$ 1,036	\$ (41,206)
15,205	258,487	58,329	145,072	205,886
<u>\$ 210,163</u>	<u>\$ 126,176</u>	<u>\$ 123,690</u>	<u>\$ 146,108</u>	<u>\$ 164,680</u>

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

For The Year Ended December 31, 2016

	Library	Library Employee Benefit Contribution	Park Development	Sales Tax
REVENUES				
Taxes	\$ 2,308,401	\$ 599,370	\$ -	\$ 5,794,011
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	816	211	440	-
Miscellaneous	-	-	-	-
Total Revenue	\$ 2,309,217	\$ 599,581	\$ 440	\$ 5,794,011
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,306,414	601,201	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 2,306,414	\$ 601,201	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,803	\$ (1,620)	\$ 440	\$ 5,794,011
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Speical obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	20,000	-
Transfers out	-	-	-	(5,940,000)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 20,000	\$ (5,940,000)
NET CHANGE IN FUND BALANCES	\$ 2,803	\$ (1,620)	\$ 20,440	\$ (145,989)
FUND BALANCE-BEGINNING OF PERIOD	646	2,622	118,765	1,377,831
FUND BALANCE - END OF PERIOD	\$ 3,449	\$ 1,002	\$ 139,205	\$ 1,231,842

(Continued)

Special Revenue

Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway	Special Sunset Zoo	Tourism and Convention Promotion
\$ -	\$ -	\$ -	\$ -	\$ 1,536,416
478,150	478,150	1,665,546	-	-
-	-	-	578,147	-
411	4,957	5,661	865	-
896	-	7,000	21,379	-
<u>\$ 479,457</u>	<u>\$ 483,107</u>	<u>\$ 1,678,207</u>	<u>\$ 600,391</u>	<u>\$ 1,536,416</u>
\$ 551,040	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	46,136	-	-
-	-	-	-	1,149,361
-	16,172	-	603,290	-
-	-	-	-	-
-	163,371	1,275,497	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 551,040</u>	<u>\$ 179,543</u>	<u>\$ 1,321,633</u>	<u>\$ 603,290</u>	<u>\$ 1,149,361</u>
\$ (71,583)	\$ 303,564	\$ 356,574	\$ (2,899)	\$ 387,055
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(156,595)	(255,207)	(27,600)	(348,333)
<u>\$ -</u>	<u>\$ (156,595)</u>	<u>\$ (255,207)</u>	<u>\$ (27,600)</u>	<u>\$ (348,333)</u>
\$ (71,583)	\$ 146,969	\$ 101,367	\$ (30,499)	\$ 38,722
257,790	1,323,755	1,399,188	202,983	750,586
<u>\$ 186,207</u>	<u>\$ 1,470,724</u>	<u>\$ 1,500,555</u>	<u>\$ 172,484</u>	<u>\$ 789,308</u>

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

For The Year Ended December 31, 2016

	Capital Improvement Reserve	Airport Federal Grant No. 42	Airport Federal Grant No. 43	Airport TVOR Land Acquisition Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	(39,486)	-	1,112,649
Charges for services	-	-	-	-
Investment income	137	-	-	-
Miscellaneous	2	-	-	-
Total Revenue	\$ 139	\$ (39,486)	\$ -	\$ 1,112,649
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	38,466	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	12,320
Total Expenditures	\$ 38,466	\$ -	\$ -	\$ 12,320
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (38,327)	\$ (39,486)	\$ -	\$ 1,100,329
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ (1,760,000)
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	199,114
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (1,560,886)
NET CHANGE IN FUND BALANCES	\$ (38,327)	\$ (39,486)	\$ -	\$ (460,557)
FUND BALANCE-BEGINNING OF PERIOD	72,340	(15,041)	-	343,818
FUND BALANCE - END OF PERIOD	\$ 34,013	\$ (54,527)	\$ -	\$ (116,739)

(Continued)

Special Revenue

Airport Federal Grant No. 44	Alcohol and Drug Safety	Emergency Shelter 2015
\$ -	\$ -	\$ -
(161,780)	-	173,449
-	-	-
-	-	-
-	76	-
<u>\$ (161,780)</u>	<u>\$ 76</u>	<u>\$ 173,449</u>
\$ 1	\$ -	\$ -
-	-	-
-	-	-
-	-	171,876
-	-	-
763,701	-	-
-	-	-
-	-	-
55,300	-	-
<u>\$ 819,002</u>	<u>\$ -</u>	<u>\$ 171,876</u>
\$ (980,782)	\$ 76	\$ 1,573
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	(5,155)	(1,573)
<u>\$ -</u>	<u>\$ (5,155)</u>	<u>\$ (1,573)</u>
\$ (980,782)	\$ (5,079)	\$ -
673,054	18,945	-
<u>\$ (307,728)</u>	<u>\$ 13,866</u>	<u>\$ -</u>

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

For The Year Ended December 31, 2016

	CDBG/Federal Entitlement	FHDC Sponsored Events	Firefighter Memorial	Home Investment Partnerships Program-2011
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	31,245	300	-
Total Revenue	\$ -	\$ 31,245	\$ 300	\$ -
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	364	-	-	33,724
Culture/recreation	-	45,749	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 364	\$ 45,749	\$ -	\$ 33,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (364)	\$ (14,504)	\$ 300	\$ (33,724)
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCES	\$ (364)	\$ (14,504)	\$ 300	\$ (33,724)
FUND BALANCE-BEGINNING OF PERIOD	(2,686)	18,570	2,693	33,724
FUND BALANCE - END OF PERIOD	\$ (3,050)	\$ 4,066	\$ 2,993	\$ -

(Continued)

Special Revenue

Juneteenth Grant-2009	Norvell Band Shell	Old Engine One Fund	Park Improvement	Special Taxi
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	10,730
-	-	-	-	-
2,520	-	19,070	1,030	-
<u>\$ 2,520</u>	<u>\$ -</u>	<u>\$ 19,070</u>	<u>\$ 1,030</u>	<u>\$ 10,730</u>
\$ 2,500	\$ -	\$ -	\$ -	\$ 16,039
-	-	19,020	-	-
-	-	-	-	-
-	-	-	70	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 19,020</u>	<u>\$ 70</u>	<u>\$ 16,039</u>
\$ 20	\$ -	\$ 50	\$ 960	\$ (5,309)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20	\$ -	\$ 50	\$ 960	\$ (5,309)
2,241	1,864	-	1,240	58,868
<u>\$ 2,261</u>	<u>\$ 1,864</u>	<u>\$ 50</u>	<u>\$ 2,200</u>	<u>\$ 53,559</u>

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

For The Year Ended December 31, 2016

	CDBG/Federal Entitlement Year 1	Wetland Development Grant	Yes! Grant	CDBG/Federal Entitlement Year 5
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	458,670	-	6,000	37,023
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	\$ 458,670	\$ -	\$ 6,000	\$ 37,023
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	446,794	-	-	37,023
Culture/recreation	-	-	3,774	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 446,794	\$ -	\$ 3,774	\$ 37,023
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 11,876	\$ -	\$ 2,226	\$ -
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	4,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 4,000	\$ -
NET CHANGE IN FUND BALANCES	\$ 11,876	\$ -	\$ 6,226	\$ -
FUND BALANCE-BEGINNING OF PERIOD	(11,876)	2,183	(269)	-
FUND BALANCE - END OF PERIOD	\$ -	\$ 2,183	\$ 5,957	\$ -

(Continued)

Special Revenue

Share the Story	CDBG Program Income	Airport Federal Grant No. 46	Westar Energy Solar Grant	CDBG/Federal Entitlement Year 2	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,090,315
5,906	-	3,766,241	-	113,355	8,093,873
-	-	-	-	-	734,315
-	-	-	-	-	99,602
-	17,457	-	-	-	395,892
<u>\$ 5,906</u>	<u>\$ 17,457</u>	<u>\$ 3,766,241</u>	<u>\$ -</u>	<u>\$ 113,355</u>	<u>\$ 24,413,997</u>
\$ -	\$ -	\$ 369	\$ -	\$ 113,355	\$ 1,330,126
-	-	-	-	-	2,115,635
-	-	-	-	-	526,062
-	17,457	-	-	-	2,935,023
-	-	-	-	-	1,427,957
-	-	-	-	-	2,907,615
-	-	5,876,112	-	-	8,500,980
-	-	-	-	-	249,489
-	-	-	-	-	-
-	-	88,138	-	-	181,362
<u>\$ -</u>	<u>\$ 17,457</u>	<u>\$ 5,964,619</u>	<u>\$ -</u>	<u>\$ 113,355</u>	<u>\$ 20,174,249</u>
\$ 5,906	\$ -	\$ (2,198,378)	\$ -	\$ -	\$ 4,239,748
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,760,000)
-	-	-	-	-	-
-	-	-	-	-	199,114
-	-	-	-	-	-
-	-	-	-	-	950,000
-	-	-	-	-	1,392,880
-	-	-	-	-	(8,001,793)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,219,799)</u>
\$ 5,906	\$ -	\$ (2,198,378)	\$ -	\$ -	\$ (2,980,051)
5,681	-	3,593,292	2,500	-	18,372,299
<u>\$ 11,587</u>	<u>\$ -</u>	<u>\$ 1,394,914</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 15,392,248</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For The Year Ended December 31, 2016

	Debt Service			
	Downtown Redevelopment Senior Lien TIF Bonds	Downtown Redevelopment TDD	Limey Pointe TDD	Downtown South End TDD
REVENUES				
Taxes	\$ 9,275,065	\$ 370,044	\$ 54,022	\$ 38,642
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	84,718	2,690	729	-
Miscellaneous	-	-	-	-
Total Revenue	\$ 9,359,783	\$ 372,734	\$ 54,751	\$ 38,642
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	6,420,000	145,000	220,000	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	2,527,171	234,750	8,801	-
Total Expenditures	\$ 8,947,171	\$ 379,750	\$ 228,801	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 412,612	\$ (7,016)	\$ (174,050)	\$ 38,642
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	5,253	-
Transfers out	(171,763)	-	-	(7,471)
Total Other Financing Sources (Uses)	\$ (171,763)	\$ -	\$ 5,253	\$ (7,471)
NET CHANGE IN FUND BALANCES	\$ 240,849	\$ (7,016)	\$ (168,797)	\$ 31,171
FUND BALANCE-BEGINNING OF PERIOD	3,082,428	774,356	177,255	150,078
FUND BALANCE - END OF PERIOD	\$ 3,323,277	\$ 767,340	\$ 8,458	\$ 181,249

(Continued)

McDonald's TDD	Total	Permanent	
		Sunrise Perpetual Care	Total Nonmajor Governmental Funds
\$ 21,327	\$ 9,759,100	\$ -	\$ 24,849,415
-	-	-	8,093,873
-	-	12,888	747,203
-	88,137	1,655	189,394
-	-	-	395,892
<u>\$ 21,327</u>	<u>\$ 9,847,237</u>	<u>\$ 14,543</u>	<u>\$ 34,275,777</u>
\$ -	\$ -	\$ -	\$ 1,330,126
-	-	-	2,115,635
-	-	-	526,062
-	-	-	2,935,023
-	-	12,295	1,440,252
-	-	-	2,907,615
-	-	-	8,500,980
-	6,785,000	-	7,034,489
-	-	-	-
-	2,770,722	-	2,952,084
<u>\$ -</u>	<u>\$ 9,555,722</u>	<u>\$ 12,295</u>	<u>\$ 29,742,266</u>
\$ 21,327	\$ 291,515	\$ 2,248	\$ 4,533,511
\$ -	\$ -	\$ -	\$ (1,760,000)
-	-	-	-
-	-	-	199,114
-	-	-	-
-	-	-	950,000
-	5,253	-	1,398,133
-	(179,234)	-	(8,181,027)
<u>\$ -</u>	<u>\$ (173,981)</u>	<u>\$ -</u>	<u>\$ (7,393,780)</u>
\$ 21,327	\$ 117,534	\$ 2,248	\$ (2,860,269)
37,420	4,221,537	479,857	23,073,693
<u>\$ 58,747</u>	<u>\$ 4,339,071</u>	<u>\$ 482,105</u>	<u>\$ 20,213,424</u>

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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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,681,879	\$ 6,681,879	\$ 5,103,779	\$ (1,578,100)
Special assessments	6,160,000	6,160,000	6,415,105	255,105
Investment income	-	-	53,683	53,683
Miscellaneous revenues	6,320,741	6,320,741	450,428	(5,870,313)
Total Revenues	\$ 19,162,620	\$ 19,162,620	\$ 12,022,995	\$ (7,139,625)
EXPENDITURES				
Current				
General government	\$ 100,414	100,414	\$ 521,525	\$ (421,111)
Debt service				
Bonds to be issued	7,390,000	7,390,000	-	7,390,000
Principal	11,880,000	11,880,000	14,917,673	(3,037,673)
Interest and fiscal charges	4,095,400	4,095,400	3,851,420	243,980
Bond issuance costs	-	-	361,034	(361,034)
Other	5,859,741	5,859,741	-	5,859,741
Total Expenditures	\$ 29,325,555	\$ 29,325,555	\$ 19,651,652	\$ 9,673,903
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (10,162,935)	\$ (10,162,935)	\$ (7,628,657)	\$ 2,534,278
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	\$ -	\$ -	\$ 14,322,831	\$ 14,322,831
Payment of bond refunding escrow agent	-	-	(16,406,114)	(16,406,114)
Premium on refunding bonds	-	-	2,468,854	
Temporary notes retired	-	-	-	-
Transfers in	3,202,935	3,202,935	1,823,240	(1,379,695)
Transfers out	-	-	(483,889)	(483,889)
Total Other Financing Sources (Uses)	\$ 3,202,935	\$ 3,202,935	\$ 1,724,922	\$ (3,946,867)
NET CHANGE IN FUND BALANCES	\$ (6,960,000)	\$ (6,960,000)	\$ (5,903,735)	\$ (1,412,589)
FUND BALANCE-BEGINNING OF YEAR			19,974,970	
FUND BALANCE - END OF YEAR			\$ 14,071,235	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE - GAAP BASIS			\$ 14,071,235	

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, 2016

Aggieville Business Improvement District

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	70,000	70,000	70,136	136
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	\$ 70,000	\$ 70,000	\$ 70,136	\$ 136
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	68,500	68,500	68,000	500
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 68,500	\$ 68,500	\$ 68,000	\$ 500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,500	\$ 1,500	\$ 2,136	\$ 636
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(1,500)	(1,500)	(1,500)	-
Total Other Financing Sources (Uses)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ -
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ 636	\$ 636
FUND BALANCE - BEGINNING OF PERIOD			117	
FUND BALANCE - END OF PERIOD			\$ 753	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 753	

(Continued)

City/University Projects				Downtown Business Improvement District			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 461,060	\$ 461,060	\$ 461,060	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	68,000	68,000	75,302	7,302
-	-	-	-	-	-	-	-
\$ 461,060	\$ 461,060	\$ 461,060	\$ -	\$ 68,000	\$ 68,000	\$ 75,302	\$ 7,302
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	68,000	68,000	68,000	-
-	-	-	-	-	-	-	-
425,708	425,708	379,283	46,425	-	-	-	-
-	-	-	-	-	-	-	-
\$ 425,708	\$ 425,708	\$ 379,283	\$ 46,425	\$ 68,000	\$ 68,000	\$ 68,000	\$ -
\$ 35,352	\$ 35,352	\$ 81,777	\$ 46,425	\$ -	\$ -	\$ 7,302	\$ 7,302
\$ 168,223	\$ 168,223	\$ 248,880	\$ 80,657	\$ -	\$ -	\$ -	\$ -
(230,000)	-	(256,297)	(256,297)	(2,000)	(2,000)	(2,000)	-
\$ (61,777)	\$ 168,223	\$ (7,417)	\$ (175,640)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ -
\$ (26,425)	\$ 203,575	\$ 74,360	\$ (129,215)	\$ (2,000)	\$ (2,000)	5,302	\$ 7,302
		26,425				949	
		\$ 100,785				\$ 6,251	
		-				-	
		\$ 100,785				\$ 6,251	

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

For The Year Ended December 31, 2016

	Economic Development			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 1,879,000	\$ 1,879,000	\$ 1,989,792	\$ 110,792
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	39,900	39,900	84,557	44,657
Miscellaneous	155,700	155,700	214,430	58,730
Total Revenue	<u>\$ 2,074,600</u>	<u>\$ 2,074,600</u>	<u>\$ 2,288,779</u>	<u>\$ 214,179</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	5,707,333	5,707,333	734,321	4,973,012
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	4,550	(4,550)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 5,707,333</u>	<u>\$ 5,707,333</u>	<u>\$ 738,871</u>	<u>\$ 4,968,462</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (3,632,733)</u>	<u>\$ (3,632,733)</u>	<u>\$ 1,549,908</u>	<u>\$ 5,182,641</u>
OTHER FINANCING SOURCES (USES)				
OFS - Capital leases	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	(1,270,267)	(1,270,267)	(1,007,533)	262,734
Total Other Financing Sources (Uses)	<u>\$ (1,270,267)</u>	<u>\$ (1,270,267)</u>	<u>\$ (1,007,533)</u>	<u>\$ 262,734</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,903,000)</u>	<u>\$ (4,903,000)</u>	<u>542,375</u>	<u>\$ 5,445,375</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>7,426,522</u>	
FUND BALANCE - END OF PERIOD			\$ 7,968,897	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 7,968,897</u>	

(Continued)

Employee Benefit Contribution				Fire Equipment Reserve			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 1,547,000	\$ 1,547,000	\$ 1,530,403	\$ (16,597)	\$ 140,843	\$ 140,843	\$ 142,385	\$ 1,542
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	250	250	397	147
-	-	-	-	-	-	-	-
<u>\$ 1,547,000</u>	<u>\$ 1,547,000</u>	<u>\$ 1,530,403</u>	<u>\$ (16,597)</u>	<u>\$ 141,093</u>	<u>\$ 141,093</u>	<u>\$ 142,782</u>	<u>\$ 1,689</u>
\$ 2,357,000	\$ 2,357,000	\$ 637,237	\$ 1,719,763	\$ -	\$ -	\$ -	\$ -
-	-	183,501	(183,501)	315,093	315,093	950,000	(634,907)
-	-	479,926	(479,926)	-	-	-	-
-	-	85,879	(85,879)	-	-	-	-
-	-	758,902	(758,902)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	50,000	50,000	-	50,000
-	-	-	-	-	-	249,489	(249,489)
-	-	-	-	-	-	25,604	(25,604)
<u>\$ 2,357,000</u>	<u>\$ 2,357,000</u>	<u>\$ 2,145,445</u>	<u>\$ 211,555</u>	<u>\$ 365,093</u>	<u>\$ 365,093</u>	<u>\$ 1,225,093</u>	<u>\$ (860,000)</u>
<u>\$ (810,000)</u>	<u>\$ (810,000)</u>	<u>\$ (615,042)</u>	<u>\$ 194,958</u>	<u>\$ (224,000)</u>	<u>\$ (224,000)</u>	<u>\$ (1,082,311)</u>	<u>\$ (858,311)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 950,000	\$ -
810,000	810,000	810,000	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 810,000</u>	<u>\$ 810,000</u>	<u>\$ 810,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 950,000</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>194,958</u>	<u>\$ 194,958</u>	<u>\$ (224,000)</u>	<u>\$ (224,000)</u>	<u>(132,311)</u>	<u>\$ (858,311)</u>
		15,205				258,487	
		\$ 210,163				\$ 126,176	
		-				-	
		<u>\$ 210,163</u>				<u>\$ 126,176</u>	

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

For The Year Ended December 31, 2014

	Fire Pension KP&F			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 734,000	\$ 734,000	\$ 728,475	\$ (5,525)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 734,000</u>	<u>\$ 734,000</u>	<u>\$ 728,475</u>	<u>\$ (5,525)</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	1,034,000	1,034,000	963,114	70,886
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>\$ 1,034,000</u>	<u>\$ 1,034,000</u>	<u>\$ 963,114</u>	<u>\$ 70,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (234,639)</u>	<u>\$ 65,361</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>65,361</u>	<u>\$ 65,361</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>58,329</u>	
FUND BALANCE - END OF PERIOD			\$ 123,690	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 123,690</u>	

(Continued)

General Improvement				Industrial Promotion			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
-	-	-	-	-	-	-	-
-	-	501	501	35,200	35,200	649	(34,551)
-	-	120	120	-	-	80,367	80,367
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621</u>	<u>\$ 621</u>	<u>\$ 35,200</u>	<u>\$ 35,200</u>	<u>\$ 81,018</u>	<u>\$ 45,818</u>
\$ -	\$ -	\$ 20,765	\$ (20,765)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	235,200	235,200	141,724	93,476
-	-	-	-	-	-	-	-
50,000	100,000	-	100,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 50,000</u>	<u>\$ 100,000</u>	<u>\$ 20,765</u>	<u>\$ 79,235</u>	<u>\$ 235,200</u>	<u>\$ 235,200</u>	<u>\$ 141,724</u>	<u>\$ 93,476</u>
<u>\$ (50,000)</u>	<u>\$ (100,000)</u>	<u>\$ (20,144)</u>	<u>\$ 79,856</u>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ (60,706)</u>	<u>\$ 139,294</u>
\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (40,000)</u>	<u>\$ (90,000)</u>	<u>(10,144)</u>	<u>\$ 79,856</u>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>(60,706)</u>	<u>\$ 139,294</u>
		<u>145,072</u>				<u>205,886</u>	
		\$ 134,928				\$ 145,180	
		<u>11,180</u>				<u>19,500</u>	
		<u>\$ 146,108</u>				<u>\$ 164,680</u>	

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

For The Year Ended December 31, 2014

	Library			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 2,329,300	\$ 2,329,300	\$ 2,308,401	\$ (20,899)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	816	816
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 2,329,300</u>	<u>\$ 2,329,300</u>	<u>\$ 2,309,217</u>	<u>\$ (20,083)</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,329,300	2,329,300	2,306,414	22,886
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 2,329,300</u>	<u>\$ 2,329,300</u>	<u>\$ 2,306,414</u>	<u>\$ 22,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,803</u>	<u>\$ 2,803</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>2,803</u>	<u>\$ 2,803</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>646</u>	
FUND BALANCE - END OF PERIOD			\$ 3,449	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 3,449</u>	

(Continued)

Library Employee Benefit Contribution				Park Development			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 604,250	\$ 604,250	\$ 599,370	\$ (4,880)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	211	211	-	-	440	440
-	-	-	-	-	-	-	-
<u>\$ 604,250</u>	<u>\$ 604,250</u>	<u>\$ 599,581</u>	<u>\$ (4,669)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440</u>	<u>\$ 440</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
604,250	604,250	601,201	3,049	-	-	-	-
-	-	-	-	37,500	37,500	-	37,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 604,250</u>	<u>\$ 604,250</u>	<u>\$ 601,201</u>	<u>\$ 3,049</u>	<u>\$ 37,500</u>	<u>\$ 37,500</u>	<u>\$ -</u>	<u>\$ 37,500</u>
\$ -	\$ -	\$ (1,620)	\$ (1,620)	\$ (37,500)	\$ (37,500)	\$ 440	\$ 37,940
\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(1,620)</u>	<u>\$ (1,620)</u>	<u>\$ (17,500)</u>	<u>\$ (17,500)</u>	<u>20,440</u>	<u>\$ 37,940</u>
		2,622				118,765	
		\$ 1,002				\$ 139,205	
		-				-	
		<u>\$ 1,002</u>				<u>\$ 139,205</u>	

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

For The Year Ended December 31, 2014

	Sales Tax			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 5,640,000	\$ 5,640,000	\$ 5,794,011	\$ 154,011
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 5,640,000</u>	<u>\$ 5,640,000</u>	<u>\$ 5,794,011</u>	<u>\$ 154,011</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 5,640,000</u>	<u>\$ 5,640,000</u>	<u>\$ 5,794,011</u>	<u>\$ 154,011</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(5,940,000)	(5,940,000)	(5,940,000)	-
Total Other Financing Sources (Uses)	<u>\$ (5,940,000)</u>	<u>\$ (5,940,000)</u>	<u>\$ (5,940,000)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (145,989)</u>	<u>\$ 154,011</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,377,831</u>	
FUND BALANCE - END OF PERIOD			\$ 1,231,842	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 1,231,842</u>	

(Continued)

Special Alcohol Programs				Special Parks and Recreation			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
498,000	498,000	478,150	(19,850)	498,000	498,000	478,150	(19,850)
-	-	-	-	-	-	-	-
400	400	411	11	600	600	4,957	4,357
500	500	896	396	-	-	-	-
<u>\$ 498,900</u>	<u>\$ 498,900</u>	<u>\$ 479,457</u>	<u>\$ (19,443)</u>	<u>\$ 498,600</u>	<u>\$ 498,600</u>	<u>\$ 483,107</u>	<u>\$ (15,493)</u>
\$ 758,900	\$ 758,900	\$ 551,040	\$ 207,860	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,493,600	1,493,600	16,172	1,477,428
-	-	-	-	-	-	-	-
-	-	-	-	185,000	185,000	167,506	17,494
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 758,900</u>	<u>\$ 758,900</u>	<u>\$ 551,040</u>	<u>\$ 207,860</u>	<u>\$ 1,678,600</u>	<u>\$ 1,678,600</u>	<u>\$ 183,678</u>	<u>\$ 1,494,922</u>
<u>\$ (260,000)</u>	<u>\$ (260,000)</u>	<u>\$ (71,583)</u>	<u>\$ 188,417</u>	<u>\$ (1,180,000)</u>	<u>\$ (1,180,000)</u>	<u>\$ 299,429</u>	<u>\$ 1,479,429</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	(10,000)	(10,000)	(156,595)	(146,595)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ (156,595)</u>	<u>\$ (146,595)</u>
<u>\$ (260,000)</u>	<u>\$ (260,000)</u>	<u>\$ (71,583)</u>	<u>\$ 188,417</u>	<u>\$ (1,190,000)</u>	<u>\$ (1,190,000)</u>	<u>\$ 142,834</u>	<u>\$ 1,332,834</u>
		257,790				1,300,176	
		\$ 186,207				\$ 1,443,010	
		-				27,714	
		<u>\$ 186,207</u>				<u>\$ 1,470,724</u>	

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

For The Year Ended December 31, 2014

	Special Street and Highway			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,541,000	1,541,000	1,665,546	124,546
Charges for services	-	-	-	-
Investment income	-	-	5,661	5,661
Miscellaneous	-	-	7,000	7,000
Total Revenue	<u>\$ 1,541,000</u>	<u>\$ 1,541,000</u>	<u>\$ 1,678,207</u>	<u>\$ 137,207</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	327,150	327,150	46,136	281,014
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	1,559,000	1,559,000	1,691,979	(132,979)
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 1,886,150</u>	<u>\$ 1,886,150</u>	<u>\$ 1,738,115</u>	<u>\$ 148,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (345,150)</u>	<u>\$ (345,150)</u>	<u>\$ (59,908)</u>	<u>\$ 285,242</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(154,850)	(154,850)	(255,207)	(100,357)
Total Other Financing Sources (Uses)	<u>\$ (154,850)</u>	<u>\$ (154,850)</u>	<u>\$ (255,207)</u>	<u>\$ (100,357)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (315,115)</u>	<u>\$ 184,885</u>
FUND BALANCE - BEGINNING OF PERIOD			981,155	
FUND BALANCE - END OF PERIOD			\$ 666,040	
ADJUSTMENTS TO GAAP				
Encumbrances			834,515	
Cancellation of prior year encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 1,500,555</u>	

(Continued)

Special Sunset Zoo				Tourism and Convention Promotion			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 1,365,000	\$ 1,365,000	\$ 1,536,416	\$ 171,416
-	-	-	-	-	-	-	-
524,750	524,750	578,147	53,397	-	-	-	-
-	-	865	865	-	-	-	-
25,000	25,000	21,379	(3,621)	-	-	-	-
<u>\$ 549,750</u>	<u>\$ 549,750</u>	<u>\$ 600,391</u>	<u>\$ 50,641</u>	<u>\$ 1,365,000</u>	<u>\$ 1,365,000</u>	<u>\$ 1,536,416</u>	<u>\$ 171,416</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,291,667	1,291,667	1,149,361	142,306
722,150	722,150	603,290	118,860	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 722,150</u>	<u>\$ 722,150</u>	<u>\$ 603,290</u>	<u>\$ 118,860</u>	<u>\$ 1,291,667</u>	<u>\$ 1,291,667</u>	<u>\$ 1,149,361</u>	<u>\$ 142,306</u>
\$ (172,400)	\$ (172,400)	\$ (2,899)	\$ 169,501	\$ 73,333	\$ 73,333	\$ 387,055	\$ 313,722
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27,600)	(27,600)	(27,600)	-	(258,333)	(258,333)	(348,333)	(90,000)
<u>\$ (27,600)</u>	<u>\$ (27,600)</u>	<u>\$ (27,600)</u>	<u>\$ -</u>	<u>\$ (258,333)</u>	<u>\$ (258,333)</u>	<u>\$ (348,333)</u>	<u>\$ (90,000)</u>
<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ (30,499)</u>	<u>\$ 169,501</u>	<u>\$ (185,000)</u>	<u>\$ (185,000)</u>	<u>\$ 38,722</u>	<u>\$ 223,722</u>
		202,983				750,586	
		\$ 172,484				\$ 789,308	
		-				-	
		-				-	
		<u>\$ 172,484</u>				<u>\$ 789,308</u>	

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

For The Year Ended December 31, 2013

	Capital Improvement Reserve			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	137	137
Miscellaneous	-	-	2	2
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 139</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	38,466	(38,466)
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,466</u>	<u>\$ (38,466)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,327)</u>	<u>\$ (38,327)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,327)</u>	<u>\$ (38,327)</u>
FUND BALANCE - BEGINNING OF PERIOD			72,340	
FUND BALANCE - END OF PERIOD			\$ 34,013	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 34,013</u>	

Downtown Redevelopment Senior Lien TIF Bonds

Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 2,280,000	\$ 2,280,000	\$ 9,275,065	\$ 6,995,065
-	-	-	-
-	-	-	-
-	-	84,718	84,718
-	-	-	-
<u>\$ 2,280,000</u>	<u>\$ 2,280,000</u>	<u>\$ 9,359,783</u>	<u>\$ 7,079,783</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,280,000	2,280,000	6,420,000	(4,140,000)
-	-	-	-
-	-	2,527,171	(2,527,171)
<u>\$ 2,280,000</u>	<u>\$ 2,280,000</u>	<u>\$ 8,947,171</u>	<u>\$ (6,667,171)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,612</u>	<u>\$ 412,612</u>
\$ -	\$ -	\$ -	\$ -
-	-	(171,763)	(171,763)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (171,763)</u>	<u>\$ (171,763)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,849</u>	<u>\$ 240,849</u>
		<u>3,082,428</u>	
		\$ 3,323,277	
		<u>-</u>	
		<u>\$ 3,323,277</u>	

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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
INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF NET POSITION
December 31, 2016

	Motor Pool	Health Care	Workers' Compensation
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 96,606	\$ 2,162,267	\$ 1,760,652
Accounts receivable	-	6,812	-
Inventories	23,128	-	-
Total Current Assets	\$ 119,734	\$ 2,169,079	\$ 1,760,652
Capital Assets			
Equipment and improvements	\$ -	\$ 19,673	\$ -
Less accumulated depreciation	-	(19,673)	-
Net Capital Assets	\$ -	\$ -	\$ -
 TOTAL ASSETS	 \$ 119,734	 \$ 2,169,079	 \$ 1,760,652
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 58,914	\$ 24,139	\$ 454
Estimated insurance claims payable	-	384,006	358,918
TOTAL LIABILITIES	\$ 58,914	\$ 408,145	\$ 359,372
NET POSITION			
Unrestricted	\$ 60,820	\$ 1,760,934	\$ 1,401,280
TOTAL NET POSITION	\$ 60,820	\$ 1,760,934	\$ 1,401,280
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

<u>Photocopy Services</u>	<u>Total</u>
\$ 9,787	\$ 4,029,312
-	6,812
630	23,758
\$ 10,417	\$ 4,059,882
\$ -	\$ 19,673
-	(19,673)
\$ -	\$ -
\$ 10,417	\$ 4,059,882
\$ 7,724	\$ 91,231
-	742,924
\$ 7,724	\$ 834,155
\$ 2,693	\$ 3,225,727
\$ 2,693	\$ 3,225,727
\$ -	\$ -
\$ -	\$ -

CITY OF MANHATTAN, KANSAS
INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2016

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers'</u> <u>Compensation</u>
OPERATING REVENUES			
Service charges	\$ 34,618	\$ 5,037,088	\$ 270,000
Miscellaneous	-	118,614	2,773
Total Operating Revenues	<u>\$ 34,618</u>	<u>\$ 5,155,702</u>	<u>\$ 272,773</u>
 OPERATING EXPENSES			
Commodities	\$ 20,819	\$ 59	\$ -
Contractual services	3,870	4,703,473	236,767
Total Operating Expenses	<u>\$ 24,689</u>	<u>\$ 4,703,532</u>	<u>\$ 236,767</u>
 OPERATING INCOME (LOSS)	<u>\$ 9,929</u>	<u>\$ 452,170</u>	<u>\$ 36,006</u>
 NON-OPERATING REVENUE			
Investment income	<u>\$ -</u>	<u>\$ 7,703</u>	<u>\$ 5,676</u>
 INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 9,929</u>	<u>\$ 459,873</u>	<u>\$ 41,682</u>
Transfers in	-	-	-
Transfers (out)	-	-	(50,000)
 CHANGE IN NET ASSETS	<u>\$ 9,929</u>	<u>\$ 459,873</u>	<u>\$ (8,318)</u>
 TOTAL NET POSITION - BEGINNING	<u>50,891</u>	<u>1,301,061</u>	<u>1,409,598</u>
 TOTAL NET POSITION - ENDING	<u><u>\$ 60,820</u></u>	<u><u>\$ 1,760,934</u></u>	<u><u>\$ 1,401,280</u></u>

Photocopy Services	Total
\$ 56,117	\$ 5,397,823
-	121,387
<u>\$ 56,117</u>	<u>\$ 5,519,210</u>
\$ 5,328	\$ 26,206
50,494	4,994,604
<u>\$ 55,822</u>	<u>\$ 5,020,810</u>
<u>\$ 295</u>	<u>\$ 498,400</u>
<u>\$ -</u>	<u>\$ 13,379</u>
\$ 295	\$ 511,779
-	-
<u>-</u>	<u>(50,000)</u>
\$ 295	\$ 461,779
<u>2,398</u>	<u>2,763,948</u>
<u>\$ 2,693</u>	<u>\$ 3,225,727</u>

CITY OF MANHATTAN, KANSAS
INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2016

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers' Compensation</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 34,618	\$ 5,459,308	\$ 272,773
Payments to suppliers	<u>(30,918)</u>	<u>(4,756,983)</u>	<u>(189,698)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,700</u>	<u>\$ 702,325</u>	<u>\$ 83,075</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	\$ -	\$ -	\$ -
Transfers (out)	<u>-</u>	<u>-</u>	<u>(50,000)</u>
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>\$ -</u>	<u>\$ 7,703</u>	<u>\$ 5,676</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 3,700	\$ 710,028	\$ 38,751
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>92,906</u>	<u>1,452,239</u>	<u>1,721,901</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 96,606</u></u>	<u><u>\$ 2,162,267</u></u>	<u><u>\$ 1,760,652</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ 9,929</u>	<u>\$ 452,170</u>	<u>\$ 36,006</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	\$ -	\$ -	\$ -
(Increase) decrease in receivables	-	303,606	-
(Increase) decrease in inventory	(1,071)	-	-
Increase (decrease) in accounts payable and accrued expenses	<u>(5,158)</u>	<u>(53,451)</u>	<u>47,069</u>
Total Adjustments	<u>\$ (6,229)</u>	<u>\$ 250,155</u>	<u>\$ 47,069</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 3,700</u></u>	<u><u>\$ 702,325</u></u>	<u><u>\$ 83,075</u></u>

<u>Photocopy Services</u>	<u>Total</u>
\$ 56,117 <u>(58,722)</u>	\$ 5,822,816 <u>(5,036,321)</u>
<u>\$ (2,605)</u>	<u>\$ 786,495</u>
\$ - <u>-</u>	\$ - <u>(50,000)</u>
<u>\$ -</u>	<u>\$ (50,000)</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 13,379</u>
\$ (2,605)	\$ 749,874
<u>12,392</u>	<u>3,279,438</u>
<u><u>\$ 9,787</u></u>	<u><u>\$ 4,029,312</u></u>
<u>\$ 295</u>	<u>\$ 498,400</u>
\$ - - (295)	\$ - 303,606 (1,366)
<u>(2,605)</u>	<u>(14,145)</u>
<u>\$ (2,900)</u>	<u>\$ 288,095</u>
<u><u>\$ (2,605)</u></u>	<u><u>\$ 786,495</u></u>

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STATISTICAL SECTION

This part of the City of Manhattan's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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

CITY OF MANHATTAN, KANSAS

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ (149,237)	\$ 503,672	\$ (8,650,155)	\$ 4,933,739
Restricted	79,516,619	100,974,706	123,438,073	115,871,934
Unrestricted	(1,888,077)	(1,972,316)	(15,854,643)	(27,721,787)
Total governmental activities Net Position	\$ 77,479,305	\$ 99,506,062	\$ 98,933,275	\$ 93,083,886
Business-type activities				
Net investment in capital assets	\$ 68,575,348	\$ 72,497,433	\$ 74,558,929	\$ 79,402,336
Restricted	-	-	-	-
Unrestricted	10,020,584	7,862,491	7,886,180	10,716,663
Total business-type activities Net Position	\$ 78,595,932	\$ 80,359,924	\$ 82,445,109	\$ 90,118,999
Primary government				
Net investment in capital assets	\$ 68,426,111	\$ 73,001,105	\$ 65,908,774	\$ 84,336,075
Restricted	79,516,619	100,974,706	123,438,073	115,871,934
Unrestricted	8,132,507	5,890,175	(7,968,463)	(17,005,124)
Total primary government Net Position	\$ 156,075,237	\$ 179,865,986	\$ 181,378,384	\$ 183,202,885

(continued)

Fiscal Year

2011	2012	2013	2014	2015	2016
\$ 11,604,164	\$ (7,750,318)	\$ 17,482,048	\$ 22,478,602	\$ 15,153,617	\$ 20,803,629
110,959,126	117,628,046	81,794,527	87,708,105	104,518,014	112,486,099
(18,098,318)	3,904,246	11,065,220	10,109,991	(8,104,652)	(9,171,110)
<u>\$ 104,464,972</u>	<u>\$ 113,781,974</u>	<u>\$ 110,341,795</u>	<u>\$ 120,296,698</u>	<u>\$ 111,566,979</u>	<u>\$ 124,118,618</u>
\$ 79,345,330	\$ 87,379,688	\$ 88,798,571	\$ 95,208,986	\$ 101,071,661	\$ 110,296,275
-	-	-	-	-	-
10,986,068	2,633,077	3,436,268	6,209,185	(37,872)	(4,012,674)
<u>\$ 90,331,398</u>	<u>\$ 90,012,765</u>	<u>\$ 92,234,839</u>	<u>\$ 101,418,171</u>	<u>\$ 101,033,789</u>	<u>\$ 106,283,601</u>
\$ 90,949,494	\$ 79,629,370	\$ 106,280,619	\$ 117,687,588	\$ 116,225,278	\$ 131,099,904
110,959,126	117,628,046	81,794,527	87,708,105	104,518,014	112,486,099
(7,112,250)	6,537,323	14,501,488	16,319,176	(8,142,524)	(13,183,784)
<u>\$ 194,796,370</u>	<u>\$ 203,794,739</u>	<u>\$ 202,576,634</u>	<u>\$ 221,714,869</u>	<u>\$ 212,600,768</u>	<u>\$ 230,402,219</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 11,364,213	\$ 12,829,036	\$ 14,306,640	\$ 20,972,740
Public safety	14,676,580	15,917,237	17,410,323	17,638,865
Public works	7,079,426	7,689,400	7,853,696	8,833,653
Urban development and housing	12,242,830	3,966,578	13,113,182	3,805,938
Culture and recreation	4,666,046	5,118,870	5,242,521	5,672,709
Culture and recreation (payments to Library)	1,900,410	2,147,807	2,326,251	2,419,344
Interest on long-term debt	4,134,577	5,215,511	6,143,930	7,748,900
Total governmental activities expenses	<u>56,064,082</u>	<u>52,884,439</u>	<u>66,396,543</u>	<u>67,092,149</u>
Business-type activities:				
Water	5,850,953	6,573,170	7,045,534	7,203,256
Wastewater	4,773,432	5,138,975	5,506,505	5,710,774
Storm water management	436,351	828,879	617,627	869,211
Total business-type activities expenses	<u>11,060,736</u>	<u>12,541,024</u>	<u>13,169,666</u>	<u>13,783,241</u>
Total primary government expenses	<u>\$ 67,124,818</u>	<u>\$ 65,425,463</u>	<u>\$ 79,566,209</u>	<u>\$ 80,875,390</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,558,023	\$ 4,958,815	\$ 4,511,875	\$ 5,131,309
Public safety	639,711	565,892	576,964	909,505
Public works	414,376	754,083	446,133	178,967
Urban development and housing	98,658	108,026	101,495	103,065
Culture and recreation	913,578	983,589	950,140	1,165,866
Operating grants and contributions	3,482,457	3,554,445	3,253,286	4,494,839
Capital grants and contributions	17,655,503	25,874,349	19,810,546	11,975,164
Total governmental activities program revenues	<u>27,762,306</u>	<u>36,799,199</u>	<u>29,650,439</u>	<u>23,958,715</u>
Business-type activities:				
Charges for services:				
Water	5,486,560	5,789,434	5,989,318	6,898,082
Wastewater	4,133,603	4,049,883	4,819,899	6,148,740
Storm water management	826,176	1,033,734	1,178,772	1,284,632
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	6,699	-	780,026
Total business-type activities program revenues	<u>10,446,339</u>	<u>10,879,750</u>	<u>11,987,989</u>	<u>15,111,480</u>
Total primary government program revenues	<u>\$ 38,208,645</u>	<u>\$ 47,678,949</u>	<u>\$ 41,638,428</u>	<u>\$ 39,070,195</u>
Net (expense)/revenue				
Governmental activities	\$ (28,301,776)	\$ (16,085,240)	\$ (36,746,104)	\$ (43,133,434)
Business-type activities	(614,397)	(1,661,274)	(1,181,677)	1,328,239
Total primary government net expense	<u>\$ (28,916,173)</u>	<u>\$ (17,746,514)</u>	<u>\$ (37,927,781)</u>	<u>\$ (41,805,195)</u>

(Continued)

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	12,783,282	\$	14,150,646	\$	12,184,815	\$	11,875,764	\$	13,303,797	\$	14,881,392
	18,221,529		20,038,497		21,870,430		21,882,904		24,016,656		23,944,176
	8,820,381		9,611,675		9,855,929		10,836,220		10,673,143		11,208,494
	3,668,229		3,831,509		4,246,269		4,866,173		3,830,335		3,709,900
	6,350,056		7,954,509		8,898,223		9,304,434		10,273,507		10,520,660
	2,439,394		2,481,954		2,710,583		2,758,804		2,903,361		2,935,903
	8,240,975		8,103,115		7,368,568		7,112,471		7,012,106		7,574,049
	<u>60,523,846</u>		<u>66,171,905</u>		<u>67,134,817</u>		<u>68,636,770</u>		<u>72,012,905</u>		<u>74,774,574</u>
	8,068,281		7,828,021		7,486,394		8,080,052		7,861,973		8,086,542
	6,258,103		6,502,206		7,783,979		8,994,204		7,649,478		8,210,933
	1,111,373		1,127,681		1,001,630		1,092,027		1,122,262		1,219,045
	<u>15,437,757</u>		<u>15,457,908</u>		<u>16,272,003</u>		<u>18,166,283</u>		<u>16,633,713</u>		<u>17,516,520</u>
\$	<u>75,961,603</u>	\$	<u>81,629,813</u>	\$	<u>83,406,820</u>	\$	<u>86,803,053</u>	\$	<u>88,646,618</u>	\$	<u>92,291,094</u>
\$	5,073,680	\$	2,881,010	\$	2,801,355	\$	2,927,581	\$	2,968,749	\$	3,022,281
	711,309		547,626		629,877		678,543		651,670		750,769
	108,039		86,761		226,856		219,547		129,254		385,735
	108,209		127,966		126,973		133,669		144,190		159,778
	1,281,595		1,897,490		1,828,343		2,161,901		1,967,670		2,531,162
	4,586,011		3,667,084		4,066,771		3,926,624		4,226,572		-
	4,248,884		5,597,801		2,186,597		18,102,297		7,435,992		-
	<u>16,117,727</u>		<u>14,805,738</u>		<u>11,866,772</u>		<u>28,150,162</u>		<u>17,524,097</u>		<u>6,849,725</u>
	8,057,214		9,639,695		8,331,963		9,025,858		9,374,774		10,176,576
	7,621,553		8,859,560		8,957,234		9,191,695		9,645,758		9,885,370
	1,354,542		1,471,039		1,549,749		1,610,773		1,691,371		1,727,191
	-		-		-		-		-		-
	80,000		-		-		-		-		-
	<u>17,113,309</u>		<u>19,970,294</u>		<u>18,838,946</u>		<u>19,828,326</u>		<u>20,711,903</u>		<u>21,789,137</u>
\$	<u>33,231,036</u>	\$	<u>34,776,032</u>	\$	<u>30,705,718</u>	\$	<u>47,978,488</u>	\$	<u>38,236,000</u>	\$	<u>28,638,862</u>
\$	(44,406,119)	\$	(51,366,167)	\$	(55,268,045)	\$	(40,486,608)	\$	(54,488,808)	\$	(67,924,849)
	1,675,552		4,512,386		2,566,943		1,662,043		4,078,190		4,272,617
\$	<u>(42,730,567)</u>	\$	<u>(46,853,781)</u>	\$	<u>(52,701,102)</u>	\$	<u>(38,824,565)</u>	\$	<u>(50,410,618)</u>	\$	<u>(63,652,232)</u>

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

	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 12,862,373	\$ 14,155,988	\$ 15,461,552	\$ 16,619,713
Property taxes, levied for debt service	593,988	514,484	622,156	939,686
Franchise taxes	2,478,108	2,964,974	3,023,374	3,216,639
Sales taxes	15,496,467	15,895,779	16,214,434	19,823,920
Transient guest taxes	684,047	902,088	844,129	976,839
Unrestricted grants and contributions	346,241	401,352	406,339	393,862
Investment earnings	1,714,084	1,042,391	545,131	180,576
Miscellaneous	1,292,569	5,204,348	2,009,066	1,152,817
Transfers	(9,601,446)	(2,969,407)	(2,952,864)	(6,020,007)
Total governmental activities	<u>25,866,431</u>	<u>38,111,997</u>	<u>36,173,317</u>	<u>37,284,045</u>
Business-type activities:				
Investment earnings	668,525	260,900	98,606	27,991
Miscellaneous	216,766	194,959	215,392	297,653
Transfers	9,601,446	2,969,407	2,952,864	6,020,007
Total business-type activities	<u>10,486,737</u>	<u>3,425,266</u>	<u>3,266,862</u>	<u>6,345,651</u>
Total primary government	<u>\$ 36,353,168</u>	<u>\$ 41,537,263</u>	<u>\$ 39,440,179</u>	<u>\$ 43,629,696</u>
Change in Net Position				
Governmental activities	\$ (2,435,345)	\$ 22,026,757	\$ (572,787)	\$ (5,849,389)
Business-type activities	9,872,340	1,763,992	2,085,185	7,673,890
Total primary government	<u>\$ 7,436,995</u>	<u>\$ 23,790,749</u>	<u>\$ 1,512,398</u>	<u>\$ 1,824,501</u>

2011	2012	2013	2014	2015	2016
\$ 17,541,340	\$ 18,247,779	\$ 20,102,584	\$ 21,794,957	\$ 22,821,549	\$ 26,671,105
2,442,504	2,583,453	2,725,834	2,089,846	2,448,114	3,003,296
3,279,897	3,329,606	3,571,175	3,845,886	3,662,022	3,728,027
27,194,560	26,653,421	24,902,090	26,895,621	26,797,630	27,786,733
1,035,636	1,172,953	1,242,054	1,336,815	1,516,102	1,536,416
408,281	880,440	1,479,566	488,471	478,102	478,150
185,320	711,726	105,672	373,923	23,023	300,749
1,982,385	1,994,784	2,095,510	729,315	1,197,877	740,592
1,717,282	1,820,836	856,597	(7,113,323)	2,554,154	(578,684)
<u>55,787,205</u>	<u>57,394,998</u>	<u>57,081,082</u>	<u>50,441,511</u>	<u>61,498,573</u>	<u>63,666,384</u>
33,182	35,617	8,001	18,830	21,960	48,734
220,947	242,371	503,727	389,136	363,504	349,777
(1,717,282)	(1,820,836)	(856,597)	7,113,323	(2,554,154)	578,684
<u>(1,463,153)</u>	<u>(1,542,848)</u>	<u>(344,869)</u>	<u>7,521,289</u>	<u>(2,168,690)</u>	<u>977,195</u>
<u>\$ 54,324,052</u>	<u>\$ 55,852,150</u>	<u>\$ 56,736,213</u>	<u>\$ 57,962,800</u>	<u>\$ 59,329,883</u>	<u>\$ 64,643,579</u>
\$ 11,381,086	\$ 6,028,831	\$ 1,813,037	\$ 9,954,903	\$ 7,009,765	\$ (4,258,465)
212,399	2,969,538	2,222,074	9,183,332	1,909,500	5,249,812
<u>\$ 11,593,485</u>	<u>\$ 8,998,369</u>	<u>\$ 4,035,111</u>	<u>\$ 19,138,235</u>	<u>\$ 8,919,265</u>	<u>\$ 991,347</u>

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

(modified accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
General fund				
Reserved	\$ 50,262	\$ 178,129	\$ 139,851	\$ 179,366
Unreserved	3,911,850	5,670,740	4,732,050	5,024,683
Total general fund	<u>\$ 3,962,112</u>	<u>\$ 5,848,869</u>	<u>\$ 4,871,901</u>	<u>\$ 5,204,049</u>
All other governmental funds				
Reserved	\$ 3,488,115	\$ 3,581,928	\$ 3,648,726	\$ 3,785,479
Unreserved, reported in:				
Special revenue funds	12,107,549	14,945,628	14,453,466	14,547,330
Debt service funds	4,840,072	6,892,172	18,969,751	15,306,276
Capital projects funds	(793,492)	(2,353,806)	32,937,186	18,073,855
Total all other governmental funds	<u>\$ 19,642,244</u>	<u>\$ 23,065,922</u>	<u>\$ 70,009,129</u>	<u>\$ 51,712,940</u>

(continued)

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

	Fiscal Year					
	2011	2012	2013	2014	2015	2016
General fund						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,555,085	1,799,177	1,573,139	1,696,660	1,900,129	2,698,680
Committed	-	-	-	-	-	-
Assigned	2,358,505	2,645,765	2,084,997	2,023,100	2,073,337	67,945
Unassigned	1,224,557	39,152	354,488	573,403	(144,413)	788,329
Total general fund	\$ 5,138,147	\$ 4,484,094	\$ 4,012,624	\$ 4,293,163	\$ 3,829,053	\$ 3,554,954
All other governmental funds						
Nonspendable	442,420	453,499	463,401	469,235	479,857	482,105
Restricted	26,877,922	31,327,467	25,824,272	36,005,251	53,939,156	62,958,652
Committed	54,977	57,936	54,677	100,226	26,425	100,785
Assigned	8,462,306	12,655,430	15,063,270	7,957,147	8,514,095	892,909
Unassigned	(14,391)	-	-	(232,595)	(24,191)	(464,500)
Total all other governmental funds	\$ 35,823,234	\$ 44,494,332	\$ 41,405,620	\$ 44,299,264	\$ 62,935,342	\$ 63,969,951

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

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes	\$ 32,114,981	\$ 35,620,565	\$ 36,165,644	\$ 41,576,796
Special assessments	4,352,940	5,475,190	5,844,297	6,045,853
Licenses and permits	714,917	620,719	638,579	1,013,462
Intergovernmental revenues	4,629,131	5,590,098	9,459,687	8,946,214
Charges for services	3,630,468	4,131,180	3,822,507	4,048,310
Fines and forfeitures	1,608,250	1,775,516	1,503,776	1,473,418
Investment income	1,496,784	954,355	478,569	169,013
Miscellaneous revenues	1,621,878	6,583,038	2,495,786	1,373,777
Total revenues	<u>50,169,349</u>	<u>60,750,661</u>	<u>60,408,845</u>	<u>64,646,843</u>
Expenditures				
General government	8,513,849	9,519,200	10,255,979	11,519,118
Public safety	14,354,830	15,453,858	17,167,683	17,468,437
Public works	3,904,928	4,225,414	3,588,161	4,157,760
Urban development and housing	12,208,269	3,943,454	13,080,747	3,778,991
Culture/recreation	4,159,424	4,584,179	4,672,874	4,916,228
Culture/recreation-payments to Library	1,900,410	2,147,807	2,326,251	2,419,344
Capital outlay	31,971,763	24,935,200	28,034,313	33,561,639
Debt service				
Principal	21,612,181	26,972,384	48,920,416 ¹	11,356,963
Bond issuance costs	218,190	346,994	481,642	397,910
Interest and fiscal charges	3,979,874	4,945,877	6,100,062	7,696,664
Refunding costs	-	65,117	205,865	-
Total expenditures	<u>102,823,718</u>	<u>97,139,484</u>	<u>134,833,993</u>	<u>97,273,054</u>
Excess of revenues over (under) expenditures	(52,654,369)	(36,388,823)	(74,425,148)	(32,626,211)
Other financing sources (uses)				
General obligation bonds issued	15,710,000	16,555,000	12,875,000	15,640,000
Premium on general obligation bonds	-	-	-	343,748
Proceeds from sales of capital assets	-	-	-	-
Discount on general obligation bonds	(337,053)	(280,170)	(267,630)	-
Special obligation bonds issued	11,722,828	10,799,228	86,393,577	5,610,000
Discount on special obligation bonds	-	-	(1,843,090)	(174,704)
Temporary notes issued	23,370,000	5,150,000	20,475,000	15,460,000
Temporary notes retired	-	-	(10,675,000)	(22,640,000)
Transportation revolving fund loan	541,090	-	-	-
Capital leases	447,827	622,452	85,000	33,335
Transfers in	8,120,145	7,569,335	9,198,522	11,344,279
Transfers out	(8,095,451)	(7,570,402)	(9,207,677)	(11,429,507)
Insurance recoveries	-	1,497,829	-	175,019
Refunding bonds issued	-	2,495,000	13,145,000	-
Premium on refunding bonds	-	-	212,685	-
Refunding special obligation bonds issued	-	4,860,986	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>51,479,386</u>	<u>41,699,258</u>	<u>120,391,387</u>	<u>14,362,170</u>
Net change in fund balances	<u>\$ (1,174,983)</u>	<u>\$ 5,310,435</u>	<u>\$ 45,966,239</u>	<u>\$ (18,264,041)</u>
Debt service as a percentage of noncapital expenditures	36.9%	44.1%	51.5%	31.4%

(1) In 2009, principal on various issues of special obligation bonds in the amount of \$37,205,875 was retired with the proceeds from various issues of special obligation bonds as the permanent financing mechanisms.

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 51,493,936	\$ 51,992,408	\$ 52,543,737	\$ 55,963,123	\$ 57,245,417	\$ 62,725,576
6,634,031	6,908,756	6,601,450	6,423,571	6,423,035	6,502,769
824,265	662,517	736,026	669,088	688,324	781,313
6,203,331	7,542,013	6,342,587	14,142,519	7,910,181	8,963,061
4,188,845	2,715,993	2,595,552	3,447,684	3,397,834	3,991,901
1,507,722	1,694,334	1,461,807	1,520,408	1,395,059	1,586,113
174,483	684,688	309,980	369,467	15,447	287,371
2,399,167	2,660,000	2,592,512	2,310,729	2,437,227	2,497,104
73,425,780	74,860,709	73,183,651	84,846,589	79,512,524	87,335,208
10,268,174	10,743,369	9,814,354	\$ 10,376,834	\$ 10,843,137	\$ 12,030,741
17,939,802	19,446,303	20,956,458	21,414,073	22,980,982	24,339,265
3,981,450	4,218,770	4,049,467	4,767,198	4,210,621	4,790,370
3,647,493	3,506,316	3,943,368	4,578,877	3,439,663	3,440,261
5,364,066	6,243,829	6,913,056	7,418,491	8,094,979	8,537,445
2,439,394	2,481,954	2,620,658	2,708,169	2,756,181	2,907,615
56,571,545	20,298,332	14,907,497	28,418,348	20,900,705	25,560,489
16,879,662	14,647,648	14,845,930	15,574,605	18,512,788	23,408,250
191,318	419,151	167,325	657,434	449,799	549,015
8,270,760	7,600,910	7,521,046	7,486,127	7,621,319	7,179,688
-	-	-	-	-	-
125,553,664	89,606,582	85,739,159	103,400,156	99,810,174	112,743,139
(52,127,884)	(14,745,873)	(12,555,508)	(18,553,567)	(20,297,650)	(25,407,931)
8,290,000	14,350,000	5,305,000	\$ 23,085,000	\$ 10,280,000	\$ 20,115,000
183,103	738,219	500,825	447,854	1,042,461	2,468,854
-	-	-	14,189	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,475,000	7,265,000	14,735,000	14,970,000	27,215,000	25,330,000
(8,825,000)	(11,385,000)	(13,420,000)	(19,970,000)	(3,635,000)	(9,445,000)
-	-	-	-	-	-
1,053,802	443,597	56,384	398,605	577,825	1,229,128
19,110,266	13,919,505	15,851,315	14,009,272	18,153,584	12,341,019
(14,971,014)	(11,272,654)	(13,077,801)	(11,227,170)	(15,164,252)	(9,464,446)
-	-	-	-	-	-
2,790,000	4,895,000	-	-	-	-
66,119	521,080	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(16,406,114)
36,172,276	19,474,747	9,950,723	21,727,750	38,469,618	26,168,441
\$ (15,955,608)	\$ 4,728,874	\$ (2,604,785)	\$ 3,174,183	\$ 18,171,968	\$ 760,510

32.7% 31.1% 31.0% 27.1% 32.2% 32.5%

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
2007	13,456,361	15,496,467	2,478,108	684,047	32,114,983
2008	14,670,472	15,895,779	2,964,974	902,088	34,433,313
2009	16,083,708	16,214,434	3,023,374	844,129	36,165,645
2010	17,559,399	19,823,920	3,216,639	976,839	41,576,797
2011	19,983,844	27,194,560	3,279,897	1,035,636	51,493,937
2012	20,831,232	26,653,421	3,329,606	1,172,953	51,987,212
2013	22,828,418	24,902,090	3,571,175	1,242,054	52,543,737
2014	23,884,803	26,895,621	3,845,886	1,336,815	55,963,125
2015	25,269,663	26,797,630	3,662,022	1,516,102	57,245,417
2016	29,674,401	27,786,733	3,728,027	1,536,416	62,725,577

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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
2007	334,683,928	2,416,513,837	22,815,711	98,139,501	12,168,827	36,875,233
2008	381,365,196	2,807,057,814	20,143,702	87,215,955	12,308,445	37,298,318
2009	401,976,282	2,832,096,061	16,602,368	73,753,880	11,398,227	34,540,082
2010	406,989,077	2,986,485,074	14,200,634	63,678,519	10,655,599	32,289,694
2011	413,087,980	3,029,945,127	12,624,975	56,687,231	10,789,293	32,694,827
2012	426,359,106	3,216,392,575	11,373,002	49,322,708	11,344,925	34,378,561
2013	440,075,747	3,349,740,850	10,562,955	48,883,363	12,343,351	37,404,094
2014	461,230,951	3,474,962,883	10,365,196	43,182,777	13,543,233	41,040,100
2015	478,344,105	4,854,407,500	7,980,226	35,560,133	14,359,041	43,512,245
2016	497,836,343	5,017,538,169	6,943,650	34,297,855	15,900,217	48,182,476

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

<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
369,668,466	33.088	2,551,528,571	14.49%
413,817,343	31.683	2,931,572,087	14.12%
429,976,877	34.268	2,940,390,023	14.62%
431,845,310	37.289	3,082,453,287	14.01%
436,502,248	41.917	3,119,327,185	13.99%
449,077,033	42.156	3,300,093,844	13.61%
462,982,053	43.439	3,436,028,307	13.47%
485,139,380	43.424	3,559,185,760	13.63%
500,683,372	43.963	4,933,479,878	10.15%
520,680,210	46.951	5,100,018,500	10.21%

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Fund Levies In Mills</i>										
General Operating	2.730	2.976	2.787	2.721	2.692	2.445	2.372	3.669	3.936	4.146
Bond & Interest ¹	1.078	1.037	1.361	2.096	5.497	5.409	5.412	3.881	4.108	4.719
Employment Benefit Contributor	0.757	0.627	0.344	0.737	1.439	1.533	1.487	2.039	2.529	2.761
Fire Equipment Reserve	0.276	0.122	0.119	0.116	0.115	0.111	0.108	0.451	0.266	0.250
Fire Pension KP&F	0.259	0.211	0.193	0.347	0.172	0.167	0.162	1.069	1.263	1.309
General Improvement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Industrial Promotion	0.249	0.121	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Library ²	3.644	3.378	3.499	4.247	4.175	4.238	4.309	4.215	4.098	4.120
Library-Employee Benefit Contributor	0.645	0.723	0.878	0.932	0.916	0.891	0.932	0.941	0.977	1.078
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	0.521	0.487	0.519	0.531	0.612	0.000	0.000	0.000	0.000	0.000
Riley County Police Department	22.929	22.001	24.568	25.562	26.299	27.362	28.657	27.159	26.786	28.568
TOTAL: City Mill Rate	33.088	31.683	34.268	37.289	41.917	42.156	43.439	43.424	43.963	46.951

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

¹In 2007, the Bond & Interest Fund was funded more significantly with transfers from the Sales Tax Fund and special assessment collections, which significantly reduced the required mill rate

²In 2006, the Library Fund was funded significantly with transfers from the Sales Tax Fund, which significantly reduced the required mill rate. Sales tax funding was decreased in 2007, which increased the required mill rate for that year

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>
2007	33.088	32.182	22.680	43.821
2008	31.683	31.140	22.217	43.440
2009	34.268	30.030	26.137	43.448
2010	37.289	31.268	26.137	47.847
2011	41.917	32.281	25.976	49.283
2012	42.156	34.782	25.986	51.637
2013	43.439	35.401	25.975	50.396
2014	43.424	37.327	26.001	52.453
2015	43.963	37.532	25.729	52.507
2016	46.951	38.267	26.409	55.960

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>	<u>2016</u>			<u>2007</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Westar Energy	Utility	12,281,420	1	2.36%	6,145,725	2	2.08%
Manhattan Town Center Mall	Retail	9,737,500	2	1.87%	9,051,151	1	3.07%
Individual	Residential	6,460,938	3	1.24%	-		0.00%
Westloop Center Association	Retail	5,742,909	4	1.10%	3,739,550	5	1.27%
Manhattan Marketplace	Shopping Center	5,623,750	5	1.08%	-		0.00%
Manhattan Medical Center	Medical Complex	4,932,100	6	0.95%	-		0.00%
HCW-Manhattan LLC	Hotel	3,377,205	7	0.65%	-		0.00%
Wal-Mart Stores Inc.	Retail	3,212,463	8	0.62%	3,446,975	4	1.17%
GJL Real Estate	Commercial	2,953,717	9	0.57%	-		0.00%
Menards Inc.	Retail	2,927,217	10	0.56%	-		0.00%
Southwestern Bell	Utility	-		0.00%	3,834,176	3	1.30%
Kansas Farm Bureau	Insurance	-		0.00%	3,091,874	6	1.05%
Professional Center Medical Complex	Real Estate/Commercial	-		0.00%	2,482,295	7	0.84%
Target Corporation	Retail	-		0.00%	2,239,529	8	0.76%
Dial Manhattan LLC	Real Estate/Commercial	-		0.00%	2,232,341	9	0.76%
McCall Pattern Company	Manufacturing	-		0.00%	2,203,492	10	0.75%
Total		<u>57,249,219</u>		<u>11.00%</u>	<u>38,467,108</u>		<u>13.05%</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>	Percentage of Current Collections to Current <u>Levy</u>	Delinquent Property Taxes <u>Collected</u>	<u>Total Tax Collections</u>	Percentage of Total Collections to Current <u>Levy</u>
2007	12,157,635	11,763,885	96.76%	194,361	11,958,246	98.36%
2008	13,110,873	12,888,741	98.31%	229,424	13,118,165	100.06%
2009	14,734,675	14,366,090	97.50%	209,513	14,575,603	98.92%
2010	16,102,722	15,600,136	96.88%	269,384	15,869,520	98.55%
2011	18,296,294	17,881,828	97.73%	372,646	18,254,474	99.77%
2012	18,932,078	18,479,520	97.61%	284,710	18,764,230	99.11%
2013	19,850,805	19,858,991	100.04%	402,304	20,261,295	102.07%
2014	21,067,088	20,733,876	98.42%	197,250	20,931,126	99.35%
2015	22,011,724	21,858,471	99.30%	342,194	22,200,666	100.86%
2016	24,154,696	24,370,245	100.89%	313,795	24,684,040	102.19%

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Utilities	\$ 48,810,744	\$ 53,483,039	\$ 46,844,368	\$ 50,673,215
Construction	25,710,753	20,900,046	17,814,284	20,305,980
Manufacturing	27,546,189	22,774,274	19,365,639	21,007,993
Wholesale	51,267,430	48,857,423	40,752,414	43,156,462
Retail	491,433,252	570,245,375	590,686,296	592,012,033
Information	48,622,705	41,723,079	47,878,972	46,731,108
Accommodation and food services	111,952,779	105,188,266	98,851,406	100,134,295
Services	21,635,358	20,722,647	19,472,283	19,026,101
Other	64,303,790	61,538,038	48,312,789	51,569,986
Total	<u>\$ 891,283,000</u>	<u>\$ 945,432,187</u>	<u>\$ 929,978,451</u>	<u>\$ 944,617,173</u>
City direct sales tax rate	1.00%	1.00%	1.25% (1)	1.25%

(1) Effective October 1, 2009, the City increased its sales tax rate by 0.25%. This additional 0.25% dedicated to pay debt service on the debt issued for various quality-of-life projects within the City.

Source: Kansas Department of Revenue

2011	2012	2013	2014	2015	2016
\$ 49,737,744	\$ 53,105,248	\$ 59,160,213	\$ 67,926,637	\$ 62,227,642	\$ 60,245,559
19,572,141	19,221,222	18,792,852	20,482,710	18,478,493	21,746,657
20,396,696	24,082,264	19,095,534	22,658,540	21,211,828	24,135,901
41,275,002	42,171,041	43,037,782	36,234,135	38,289,992	43,061,694
611,319,978	628,543,906	650,912,056	687,840,138	663,013,103	664,876,484
46,388,328	48,616,262	47,853,827	57,795,367	59,867,107	55,903,722
108,208,474	133,925,014	128,203,960	137,239,162	143,335,204	148,791,089
20,137,517	18,045,652	18,934,268	18,901,220	18,285,879	19,233,312
53,666,722	67,031,028	61,851,086	62,817,264	69,590,002	79,357,148
\$ 970,702,602	\$ 1,034,741,637	\$ 1,047,841,578	\$ 1,111,895,173	\$ 1,094,299,250	\$ 1,117,351,566
1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

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>	<u>School Dist. 383</u>
2007	1.00%	1.00%	1.00%	-
2008	1.00%	1.00%	1.00%	-
2009	1.25% (1)	1.00%	1.00%	-
2010	1.25%	1.00%	1.00%	-
2011	1.25%	1.00%	1.00%	-
2012	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%	-

(1) Effective October 1, 2009, the City increased its sales tax rate by 0.25%. This additional 0.25% is dedicated to pay debt service on the debt issued for various quality-of-life projects within the City.

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 2018 and 2009

	2016				2007			
	<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	1,222	31.21%	\$ 8,327,839	59.51%	688	30.77%	\$ 4,490,795	62.10%
Accommodation and food services	178	4.55%	1,863,704	13.32%	110	4.92%	802,600	11.10%
Other	738	18.85%	993,979	7.10%	414	18.52%	414,414	5.73%
Utilities	11	0.28%	754,599	5.39%	9	0.40%	372,309	5.15%
Information	230	5.87%	700,216	5.00%	202	9.03%	334,819	4.63%
Wholesale	439	11.21%	539,365	3.85%	269	12.03%	323,085	4.47%
Manufacturing	336	8.58%	302,312	2.16%	200	8.94%	199,033	2.75%
Construction	437	11.16%	272,385	1.95%	150	6.71%	148,062	2.05%
Services	325	8.30%	240,905	1.72%	194	8.68%	146,040	2.02%
Total	<u>3,916</u>	<u>100.00%</u>	<u>\$ 13,995,305</u>	<u>100.00%</u>	<u>2,236</u>	<u>100.00%</u>	<u>\$ 7,231,157</u>	<u>100.00%</u>

Note: Effective October 1, 2009, the City increased its sales tax rate by 0.25%. This additional 0.25% is dedicated to pay debt service on the debt issued for various quality-of-life projects within the City.

Note: 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							Capital Leases
	General Obligation Bonds	Special Assessment Bonds	Special Obligation Bonds	Temporary Notes	Notes Payable	Sales Tax Revenue Bonds	Transportation Revolving Fund Loan	
2007	16,956,756	46,213,244	16,112,084	27,595,000	-	555,000	4,391,994	861,598
2008	17,930,537	59,404,463	26,697,298	19,915,000	-	-	4,199,610	1,231,605
2009	19,900,461	71,939,539	75,380,000	25,890,000	300,000	505,000	4,000,070	1,000,393
2010	29,305,246	67,149,754	75,380,000	22,930,000	240,000	6,050,000	3,793,106	687,229
2011	31,393,273	64,321,727	76,585,000	41,135,000	180,000	5,980,000	3,578,444	1,555,084
2012	45,350,577	60,124,423	65,800,000	36,120,000	120,000	5,845,000	3,355,796	1,799,176
2013	43,476,781	56,778,219	61,890,000	34,560,000	60,000	5,665,000	3,124,866	1,573,138
2014	56,220,206	56,999,794	57,185,000	29,560,000	-	5,490,000	2,885,345	1,696,660
2015	52,298,515	57,701,485	52,950,000	53,140,000	-	5,335,000	2,636,913	1,900,129
2016	57,032,675	43,327,325	46,530,000	68,045,000	-	4,970,000	2,379,240	2,698,680

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

¹See the Schedule of Demographic and Economic Statistics on page 193 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			
2,325,000	4,749,118	-	119,759,794	7.5%	2,318.19
2,405,000	5,248,561	-	137,032,074	7.9%	2,626.44
4,130,000	5,986,497	100,000	209,131,960	11.8%	3,958.13
5,485,000	16,308,285	75,188	227,403,808	11.9%	4,349.65
7,000,000	43,885,556	160,449	275,774,533	13.7%	5,137.57
6,090,000	50,637,614	109,157	275,351,743	8.0%	4,910.94
6,345,000	55,264,202	56,141	268,793,347	13.3%	4,787.66
8,295,000	55,222,769	141,429	273,696,203	13.1%	4,880.63
7,155,000	52,831,275	84,672	286,032,989	14.2%	5,079.79
5,960,000	49,060,876	147,200	280,150,996	12.9%	4,975.33

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

Fiscal Year	Governmental Activities General Obligation Bonds¹	Business-Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Value³ of Property	Per Capita⁴
2007	63,170,000	2,325,000	3,627,187	61,867,813	2.4%	1,197.57
2008	77,335,000	2,405,000	5,766,501	73,973,499	2.5%	1,417.82
2009	91,840,000	4,130,000	12,412,298	83,557,702	2.8%	1,581.45
2010	96,455,000	5,485,000	6,692,149	95,247,851	3.1%	1,821.84
2011	95,715,000	7,000,000	8,052,900	94,662,100	3.0%	1,763.52
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%	1,677.77

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 176 for property value data.

⁴Population data can be found in the Schedule of Demographic and Economic Statistics on page 193.

CITY OF MANHATTAN, KANSAS
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u> ¹	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Overlapping debt			
Unified School Dist. #383	\$ 95,827,195	76.00%	\$ 72,828,668
Unified School Dist. #378	680,000	19.20%	130,560
Riley County	3,285,000	81.10%	2,664,135
Pottawatomie County	10,165,000	8.20%	833,530
			<hr/>
Total overlapping debt			76,456,893
Direct debt			
Bonded debt:			
General obligation debt			\$ 58,867,675
Special assessment debt			43,327,325
Total general obligation bonded debt			<hr/> 102,195,000
Special obligation bonded debt			46,530,000
Sales tax revenue bonded debt			4,970,000
Temporary note debt			68,045,000
Notes payable			-
Transportation revolving fund loan			2,379,240
Capital leases			2,845,880
			<hr/>
Total direct debt			226,965,120
			<hr/>
Total Direct and Overlapping Debt			\$ 303,422,013
			<hr/> <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			
	2007	2008	2009	2010
Debt limit ¹	\$121,577,656	\$135,179,174	\$140,952,445	\$140,952,445
Total net debt applicable to limit	<u>54,967,050</u>	<u>59,027,855</u>	<u>67,946,855</u>	<u>72,739,910</u>
Legal debt margin	<u>\$66,610,606</u>	<u>\$76,151,319</u>	<u>\$73,005,590</u>	<u>\$68,212,535</u>
Total net debt applicable to the limit as a percentage of debt limit	45.21%	43.67%	48.21%	51.61%

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

	Fiscal Year				
2011	2012	2013	2014	2015	2016
\$142,176,832	\$146,043,310	\$150,315,801	\$157,111,561	\$161,970,200	\$168,166,947
90,779,021	92,945,516	96,958,394	97,436,828	106,666,447	100,788,268
<u>\$51,397,811</u>	<u>\$53,097,794</u>	<u>\$53,357,407</u>	<u>\$59,674,733</u>	<u>\$55,303,753</u>	<u>\$67,378,679</u>
63.85%	63.64%	64.50%	62.02%	65.86%	59.93%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Valuation of Taxable Tangible Property	\$ 520,680,210
Motor Vehicle Valuation	<u>39,876,281</u>
Total Valuation	<u>560,556,491</u>
Debt Limit Ratio	<u>30%</u>
December 31, 2016 Debt Limit	<u>\$168,166,947</u>
Outstanding Debt Subject to Debt Limit	<u>100,788,268</u>
Debt Authority Remaining December 31, 2016	<u>\$ 67,378,679</u>

12/31/16 G.O.Bonds Outstanding	\$ 102,195,000
Add: Amount for Refunded Bonds	2,321,963
Less: Amount for Refunding, Water, Sewer and Storm water projects	<u>47,926,695</u>
	<u>56,590,268</u>
12/31/16 Temporary Notes Outstanding	68,045,000
Less: Amount for Water, Sewer & Storm water Projects	<u>23,847,000</u>
	<u>44,198,000</u>
Total Outstanding Debt Subject to Debt Limit 12/31/16	<u>* \$ 100,788,268</u>

CITY OF MANHATTAN, KANSAS
Pledged Revenue Coverage

<u>Fiscal Year</u>	<u>Special Assessment Collections</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2010	\$ 6,045,853	\$ 3,959,785	\$ 2,157,724	0.99
2011	6,634,031	3,650,057	2,200,261	1.13
2012	6,908,756	3,907,420	2,264,366	1.12
2013	6,601,450	4,236,204	1,944,640	1.07
2014	6,423,571	4,098,425	2,080,865	1.04
2015	6,423,035	4,378,295	2,141,928	0.99
2016	6,502,769	4,581,308	2,104,156	0.97

Note: Amounts for years prior to 2010 are not available.

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

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

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

Fiscal Year	Population¹	Public School Enrollment²	Personal Income	Per Capita Income	Average Wage per Job³	Unemployment Rate⁴
2007	51,661	5,764	1,595,325,177	30,881	34,605	3.1%
2008	52,174	6,141	1,732,262,032	33,202	36,599	3.5%
2009	52,836	6,193	1,780,119,491	33,691	36,965	4.4%
2010	52,281	6,375	1,915,312,162	36,635	38,280	5.0%
2011	53,678	6,552	2,011,265,355	37,469	39,848	4.8%
2012	56,069	6,385	2,065,432,738	36,837	40,516	4.4%
2013	56,143	6,562	2,017,786,991	35,940	40,513	4.2%
2014	56,078	6,571	2,090,877,895	37,285	41,573	3.7%
2015	56,308	6,579	2,167,760,746	38,498	43,307	3.3%
2016	54,983	6,620	2,244,152,800	40,815	Unavailable	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

Fiscal Year	Riley County Personal Income^{1,2}	Riley County Population³	City of Manhattan Population	Population as a Percentage of Riley County Population	City of Manhattan Personal Income
2007	2,143,390,000	69,406	51,661	74.43%	1,595,325,177
2008	2,360,995,000	71,113	52,174	73.37%	1,732,262,032
2009	2,403,618,000	71,341	52,836	74.06%	1,780,119,491
2010	2,605,158,000	71,115	52,281	73.52%	1,915,312,162
2011	2,735,299,000	72,997	53,678	73.53%	2,011,265,355
2012	2,781,353,000	75,508	56,069	74.26%	2,065,432,738
2013	2,709,530,000	75,394	56,143	74.47%	2,017,786,991
2014	2,803,537,000	75,194	56,078	74.58%	2,090,877,895
2015	2,896,914,000	75,247	56,308	74.83%	2,167,760,746
2016	2,993,401,094	73,343	54,983	74.97%	2,244,152,800

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>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Riley County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Riley County Employment</u>
Fort Riley Military Base (military) ¹	15,417	1		14,470	1	
Kansas State University	6,000	2	16.27%	6,030	2	17.42%
Fort Riley Military Base (civilian) ¹	5,363	3		5,805	3	
U.S.D. No. 383 - Manhattan Schools	1,600	4	4.34%	1,400	4	4.04%
Via Christi Hospital	800	5	2.17%	960	5	2.77%
GTM Sportswear	500	6	1.36%	494	9	1.43%
Wal-Mart	450	7	1.22%	500	8	1.44%
Florence Corporation	450	7	1.22%	523	7	1.51%
City of Manhattan	378	8	1.02%	-		0.00%
Meadowlark Hill Retirement Community	352	9	0.95%	-		0.00%
Pawnee Mental health Services	250	10	0.68%	-		0.00%
Alorica			0.00%	595	6	1.72%
Alltel	-		0.00%	400	10	1.16%
Total	<u>31,560</u>		<u>29.23%</u>	<u>31,177</u>		<u>31.49%</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Full-time	50	52	56	57	56	53	52	56	54	60
Part-time	4	4	4	4	5	4	3	8	9	9
Seasonal/temporary	13	13	13	15	16	15	14	8	10	9
Public safety										
Full-time	81	81	81	83	85	96	98	99	98	102
Part-time	2	3	3	3	3	3	4	5	5	4
Seasonal/temporary	10	10	11	11	11	6	6	6	6	8
Public works										
Full-time	44	46	47	47	49.5	55	55	51	52	62
Part-time	1	-	-	-	-	-	-	-	-	-
Seasonal/temporary	9	8	9	9	7	2	2	2	2	5
Urban development and housing										
Full-time	9	9	9	9	10	10	10	10	10	8
Part-time	-	-	-	-	-	-	-	-	1	0
Seasonal/temporary	1	1	2	4	3	3	3	1	1	2
Culture and recreation										
Full-time	66	72	74	75	76.5	88.5	87.5	87	90	92
Part-time	8	6	7	7	7	12	12	11	10	10
Seasonal/temporary	1146	912	818	849	871	893	892	726	723	741
Water										
Full-time	25	26	26	25	25.5	29.5	29.5	29.3	30.3	25.9
Part-time	-	-	-	-	1	1	-	-	-	-
Seasonal/temporary	1	3	3	7	3	5	5	5	5	4
Wastewater										
Full-time	24	24	24	24	25.5	26.5	27.5	29.8	30.8	27.8
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	-	-	-	1	3	2	2	2	2	3
Storm Water Management										
Full-time	1	1	2	2	2	2	2	2	2.3	4.3
Totals										
Full-time	300	311	319	322	330	361	362	364	367	382
Part-time	15	13	14	14	16	20	19	24	25	23
Seasonal/temporary	1180	947	856	896	914	926	924	750	749	772

Source: City of Manhattan Finance Department

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public safety										
Incident responses	2,554	2,511	2,514	2,334	2,345	2,672	2,385	2,392	2,581	2,563
Fire inspections	2,700	2,562	2,567	2,786	1,763	1,969	1,855	1,897	2,397	2,527
Construction inspections	7,361	5,885	6,476	7,094	7,108	6,129	5,053	5,876	5,121	5,210
Public works										
Road added (square yards)	105,009	72,804	26,769	35,267	21,948	52,354	33,690	73,169	52,406	47,099
Asphalt placed for street repairs (tons)	257	248	379	822	350	299	457	798	1,020	1,068
Call backs for signal problems	62	43	43	40	49	52	68	89	73	62
Urban development and housing										
Annexations	5	2	2	2	2	1	1	6	3	6
Rezoning	18	19	10	8	8	5	13	16	15	20
Culture and recreation										
Annual swimming pool attendance ¹	60,049	55,507	39,115	87,674	96,528	128,602	108,050	131,876	123,160	135,912
Annual zoo attendance	60,206	51,985	57,969	62,668	63,066	71,936	74,542	79,269	85,772	82,043
Annual registrations in recreation programs ²	13,267	11,828	11,630	11,206	9,022	10,579	11,144	12,122	9,298	10,786
Water										
New taps	551	254	414	420	383	342	209	266	205	189
Total water metered in distribution system (MG)	3,176	2,286	2,391	2,448	2,597	2,800	2,481	2,468	2,417	2,514
Wastewater										
Total influent flow (MG)	1,824	1,859	1,780	1,779	1,734	1,695	1,763	1,757	1,853	1,886

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

¹City Park Pool was closed for the entire summer season of 2009. The new City Park Aquatics Center opened July 4, 2010.

²In 2011, the method of counting P&R registrations changed with the implementation of a new software program.

Sources: Various City of Manhattan departments

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public safety											
Fire stations	4	4	4	4	4	4	5	5	5	5	5
Public works											
Streets (miles)	190.6	194.9	196.03	201.53	204.09	206.27	218.79	217.47	218	222	226
Traffic signals	57	63	64	64	66	68	68	68	68	73	74
Culture and recreation											
Park acreage (developed)	550	555	555	561	561	580	580	600	600	600	600
Parks (developed)	16	16	16	17	17	25	25	28	28	28	28
Swimming pools	3	3	2	2	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1	1
Water											
Water mains (lineal feet)	1,286,600	1,347,605	1,384,655	1,400,490	1,416,503	1,440,818	1,447,307	1,501,115	1,474,935	1,483,053	1,506,989
Maximum daily capacity (millions of gallons)	20	20	20	20	20	20	20	15	16	12	16
Wastewater											
Sewer lines (lineal feet)	1,151,149	1,220,716	1,252,811	1,262,509	1,275,547	1,319,407	1,234,648	1,304,271	1,349,568	1,265,760	1,296,384
Maximum daily treatment capacity (millions of gallons)	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.5	8.7	9.5	10.4

Sources: Various City of Manhattan departments

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September 28, 2017

The Honorable Mayor and City Commission
City of Manhattan, Kansas

INDEPENDENT AUDITOR'S 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

We have audited, in accordance with 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 28, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

September 28, 2017
City of Manhattan, Kansas
Page two

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.

Vainey & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas



September 28, 2017

The Honorable Mayor and City Commission
City of Manhattan, Kansas

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

We have audited the City of Manhattan, Kansas (the City) and its compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City has complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

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 each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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.

Vannoy + Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF MANHATTAN, KANSAS
 Manhattan, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grant Number</u>	<u>Federal Award Expenditures</u>	<u>Subrecipient Expenditures</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants Passed through the Kansas Housing Resources Corp.	14.218	-	\$ 597,173	\$ -
HOME Investments Partnership Program	14.239	HR10-0101	33,724	-
Emergency Shelter Grants Program	14.231	ESG FFY201X	173,449	-
Total U.S. Department of Housing and Urban Development			<u>\$ 804,346</u>	<u>\$ -</u>
Environmental Protection Agency:				
Passed through the Kansas Department of Health and Environment Capitalization Grants for Drinking Water State Revolving Funds (ARRA)	66.468	2743	<u>\$ 3,800</u>	<u>\$ -</u>
U.S. Department of Transportation				
Airport Improvement Program	20.106	-	<u>\$ 4,569,443</u>	<u>\$ -</u>
TOTAL			<u><u>\$ 5,377,589</u></u>	<u><u>\$ -</u></u>

See notes to schedule of expenditures of federal awards.

CITY OF MANHATTAN, KANSAS
Manhattan, Kansas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2016

Note 1: General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the City of Manhattan, Kansas (the City). The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2: Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the cash basis of accounting modified to include accounts payable. Additionally, this schedule reports only the federally funded portion of qualifying program expenditures.

Note 3: Noncash Assistance, Insurance, Loans or Loan Guarantees

The City did not receive any Federal awards in the form of noncash assistance, insurance, loans, or loan guarantees for the year ended December 31, 2016.

Note 4: Indirect Cost Rate

The City does not allocate indirect costs to its federal award programs. Accordingly, use of the 10% de minimis cost rate provisioned by the Uniform Guidance, section 414, is not applicable.

CITY OF MANHATTAN, KANSAS
 Manhattan, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	<u>X</u> No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	<u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes	<u>X</u> No

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	<u>X</u> No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	<u>X</u> None reported

Type of auditor's report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	<u>X</u> No
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Identification of major programs:

Name of Federal program	<u>CFDA Number</u>
Airport Improvement Program	20.106

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?	<u>X</u> Yes	___ No
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Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported

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