

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022



# **CITY OF MANHATTAN, KANSAS**

## **Annual Comprehensive Financial Report**

**Year Ended  
December 31, 2022**

**Prepared by:**

**Department of Finance**

CITY OF MANHATTAN, KANSAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Year Ended December 31, 2022

TABLE OF CONTENTS

	<u>Page</u>
 <b><u>Introductory Section</u></b>	
Letter of Transmittal	i - iv
Organization Chart	v
List of Principal Officials	vi
 <b><u>Financial Section</u></b>	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14 - 15
Statement of Activities	16 - 17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20 - 21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	23 - 24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - Riley County Police Department Fund	25
Proprietary Funds - Statement of Net Position	26 - 27
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Net Position	28
Proprietary Funds - Statement of Cash Flows	29 - 30
Notes to the Basic Financial Statements	31 - 81
Required Supplementary Information:	
Schedule of the City of Manhattan's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	82
Schedule of the City of Manhattan's Contributions – Kansas Public Employees Retirement System	83
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Retiree Medical Plan	84
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Disability Benefits and Life Insurance	85

CITY OF MANHATTAN, KANSAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Year Ended December 31, 2022

TABLE OF CONTENTS  
(Continued)

	Page
Other Supplementary Information:	
Nonmajor Governmental Funds:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	86 - 89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	90 - 94
Budgetary Schedules:	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis):	
Separately Budgeted Funds Included with the General Fund	95 - 104
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis): Debt Service Fund	105
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis): Nonmajor Governmental Funds	106 - 119
Internal Service Funds:	
Combining Statement of Net Position - Internal Service Funds	120
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	121
Combining Statement of Cash Flows - Internal Service Funds	122
 <b><u>Statistical Section</u></b>	
Net Position by Component	123
Changes in Net Position	124 - 127
Fund Balances of Governmental Funds	128
Change in Fund Balances of Governmental Funds	129 - 130
Tax Revenues by Source, Governmental Activities	131
Assessed and Estimated Actual Value of Taxable Property	132
City Mill Rates	133
Direct and Overlapping Property Tax Rates	134
Principal Property Taxpayers	135
Property Tax Levies and Collections	136
Taxable Sales by Category	137
Direct and Overlapping Sales Tax Rates	138
Sales Tax Revenue Payers by Industry	139
Ratios of Outstanding Debt by Type	140
Ratios of General Bonded Debt Outstanding	141
Direct and Overlapping Governmental Activities Debt	142
Legal Debt Margin Information	143
Pledged Revenue Coverage	144
Demographic and Economic Statistics	145
Personal Income	146
Principal Employers	147
City Government Employees by Function	148

CITY OF MANHATTAN, KANSAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Year Ended December 31, 2022

TABLE OF CONTENTS  
(Continued)

	<u>Page</u>
Operating Indicators by Function	149
Capital Asset Statistics by Function	150
 <b><u>Single Audit Section</u></b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	151 - 152
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	153 - 155
Schedule of Expenditures of Federal Awards	156 - 157
Notes to Schedule of Expenditures of Federal Awards	158
Schedule of Findings and Questioned Costs	159 - 161



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Introductory Section**

**For the Year Ended  
December 31, 2022**



October 1, 2024

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

RE: 2022 Annual Comprehensive Financial Report

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

The Finance Department is pleased to submit the Annual Comprehensive Financial Report of the City of Manhattan, Kansas (the "City") for the fiscal year ended December 31, 2022. State law requires that all general-purpose local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis ("MDA"). This letter of transmittal is designed to complement the MDA and should be read in conjunction with it. The MDA can be found immediately following the report of the independent auditor.

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

The City's financial statements have been audited by BT&Co., P.A. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2022, are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the City's financial statements for the year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

### **Profile of the City of Manhattan**

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

The City is in Pottawatomie and Riley Counties and is located at the confluence of the Blue and Kansas Rivers in Northeast Kansas approximately 116 miles west of Kansas City (56 miles west of Topeka, the Kansas State Capital). The City encompasses approximately 18 square miles and has a current population of 53,682 persons.

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

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

### **Primary City Functions**

The City provides a full range of services including fire protection, construction and maintenance of streets, storm drainage facilities and other infrastructure, comprehensive

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

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

### **Local Economy**

The major influences on the City's economy continue to be Fort Riley and Kansas State University. The University had an enrollment of 19,722 in the fall of 2022. Fort Riley has a military strength of approximately 14,869 soldiers and 15,327 family members. In addition to the military personnel at Fort Riley, approximately 5,145 civilians work at the installation and 4,751 military retirees along with 22,951 veterans live in the region. Fort Riley's direct fiscal year (FY) 2022 economic impact to the State of Kansas was \$1,876,966,265.

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

The economy is varied and diverse, producing a wide variety of products and services. Approximately 61% of the sales taxes generated in the City come from retail sales. About 13% comes from accommodation and food services. In December 2022, the City's unemployment rate was 2.3% compared to the 2.4% for Riley County, 2.8% for the State of Kansas, and the national rate of 3.5%.

### **Financial Policies**

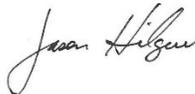
The City has focused on adopting policies which provide ongoing guidance in the administration of City financial decisions. The following policies are considered most relevant to this report:

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

### **Acknowledgments**

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of Allen Gibbs and Houlik, L.C. and the staff of the Finance Department. We want to express our appreciation to all members of the department that contributed to its preparation. We would also like to thank the City Commission and the City Manager's office for the direction and support necessary to plan and conduct the financial operations of the City in a responsible, sound manner. Finally, we would like to extend the City's thanks to BT & Co., P.A. for the cooperation and professional assistance provided during the audit of the City's 2022 financial records.

Respectfully submitted,

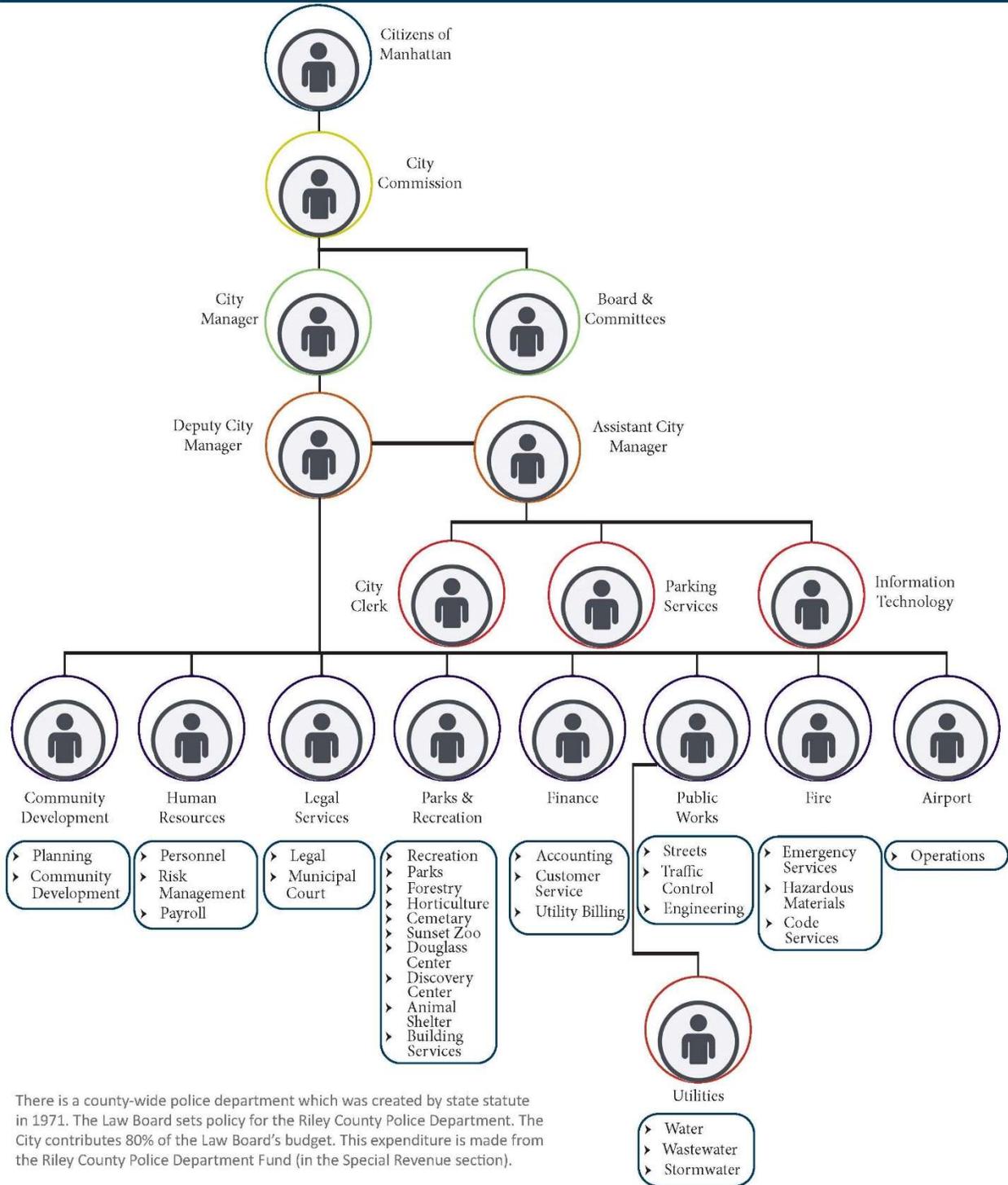


Jason Hilgers  
Interim City Manager



Rina D. Neal  
Director of Finance

# Organization Chart





## List of Principal Officials

### Elected Officials



**Mayor Mark Hatesohl**



Commissioner Usha Reddi



Commissioner Jon Matta



Commissioner Wynn Butler



Commissioner Linda Morse

### Appointed Officials

City Manager	Ron R. Fehr
Deputy City Manager	Jason Hilgers
Assistant City Manager	Jared Wasinger
City Clerk/Communications Manager	Brenda Wolf
City Attorney	Katherine Jackson
Airport Director	Brandon Keazer
Director of Community Development	Stephanie Peterson
Director of Finance	Rina Neal
Director of Fire Services	Scott French
Director of Human Resources	Tammy Galvan
Director of Parks and Recreation	Edward Eastes
Director of Public Works/Utilities	Rob Ott



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Financial Section**

**For the Year Ended  
December 31, 2022**



## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the Riley County Police Department fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Manhattan Public Library (the Library) or the Manhattan Housing Authority (the Authority) discretely presented component units as of December 31, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Library and the Authority, are based solely on the reports of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States; and the Kansas Municipal Audit and Accounting Guide (KMAAG). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Library were not audited in accordance with Government Auditing Standards. The financial statements of the Authority were not audited in accordance with the KMAAG.

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States

of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations, (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BT & Co., P.A.

October 1, 2024  
Topeka, Kansas

## Management's Discussion and Analysis

This section of the City's annual financial report presents our discussion and analysis of the City's financial performance during the year that ended on December 31, 2022. Please read it in conjunction with the City's financial statements, which follow this section, for a well-rounded picture of the City's financial condition.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2022 by \$380,970,394. Of this amount, \$78,218,644 in governmental activities is unrestricted.
- The City's total net position increased by \$22,069,624 over the course of this year's operations. The net position of our governmental activities increased by \$9,901,898 (5.1 percent) and the net position of our business-type activities increased by \$12,167,726 (9.2 percent).
- As of the end of 2022, the City's governmental funds reported combined ending fund balances of \$131,687,933, an increase of \$24,508,939 in comparison with the prior year. Approximately 16 percent of this total amount, \$22,202,389, is unassigned and related to the general fund.
- The City's total debt increased by \$25,979,496 during 2022. General obligation bonds outstanding decreased by \$8,745,000 in 2022. General obligation bonds in the amount of \$2,100,000 were issued in 2022, while \$10,845,000 was retired. The balance of temporary notes decreased by \$26,015,000 from 2021 to 2022. The commencement of several construction projects contributed to the increase in temporary notes issued.

### Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City'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 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 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 include general government, public safety, public works, urban development and housing, and culture and recreation. The business-type activities of the City include water, wastewater, and stormwater management.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate library and housing authority for which the City is financially accountable. Financial information for these two component units are reported separately from the financial information presented for the primary government itself in the government-wide financial statements. Separately issued audited financial statements for the Manhattan Public Library may be obtained at 629 Poyntz Avenue, Manhattan, KS 66502. Separately issued audited financial statements for the Manhattan Housing Authority may be obtained at 300 N. 5<sup>th</sup> Street, Manhattan, KS 66502.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 maintains 22 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 18 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 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 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 uses enterprise funds to account for its water, wastewater, and stormwater management operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its motor pool services, its health care program, its workers' compensation program, and its photocopy services. Because these four services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

## Government-wide Financial Analysis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$380,970,394 at the close of 2022.

A large portion of the City's net position (50 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, plus any unspent proceeds of related debt. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 270,600,600	\$ 244,146,097	\$ (9,430,771)	\$ (16,388,594)	\$ 261,169,829	\$ 227,757,503
Capital assets	318,590,192	294,585,546	210,883,053	208,748,777	529,473,245	503,334,323
Total assets	589,190,792	538,731,643	201,452,282	192,360,183	790,643,074	731,091,826
Deferred outflows	9,930,991	6,899,806	1,597,890	1,005,996	11,528,881	7,905,802
Long-term liabilities outstanding	330,881,615	291,033,290	56,086,716	59,232,763	386,968,331	350,266,053
Other liabilities	20,719,802	21,378,507	1,984,547	1,272,593	22,704,349	22,651,100
Total liabilities	351,601,417	312,411,797	58,071,263	60,505,356	409,672,680	372,917,153
Deferred inflows	41,939,391	37,540,575	1,158,504	1,208,144	43,097,895	38,748,719
Net position:						
Net investment in capital assets	19,368,252	49,907,471	160,008,867	153,314,982	179,377,119	203,222,453
Restricted	107,994,079	97,398,460	-	-	107,994,079	97,398,460
Unrestricted	78,218,644	48,373,146	(16,188,462)	(21,662,303)	62,030,182	26,710,843
Total net position	\$ 205,580,975	\$ 195,679,077	\$ 143,820,405	\$ 131,652,679	\$ 349,401,380	\$ 327,331,756

An additional portion of the City's net position (32 percent) represents resources that are subject to external restrictions on how they may be used. The positive balance of net position for governmental activities represents the City's growth in capital assets, specifically construction in progress. The City has met all statutory funding levels set by the State of Kansas.

The City's balance for restricted net position increased in 2022, while investment in capital assets net position decreased by 14 percent since the end of 2021. In 2022, the City's net position, for governmental and business activities, increased by \$22,069,624.

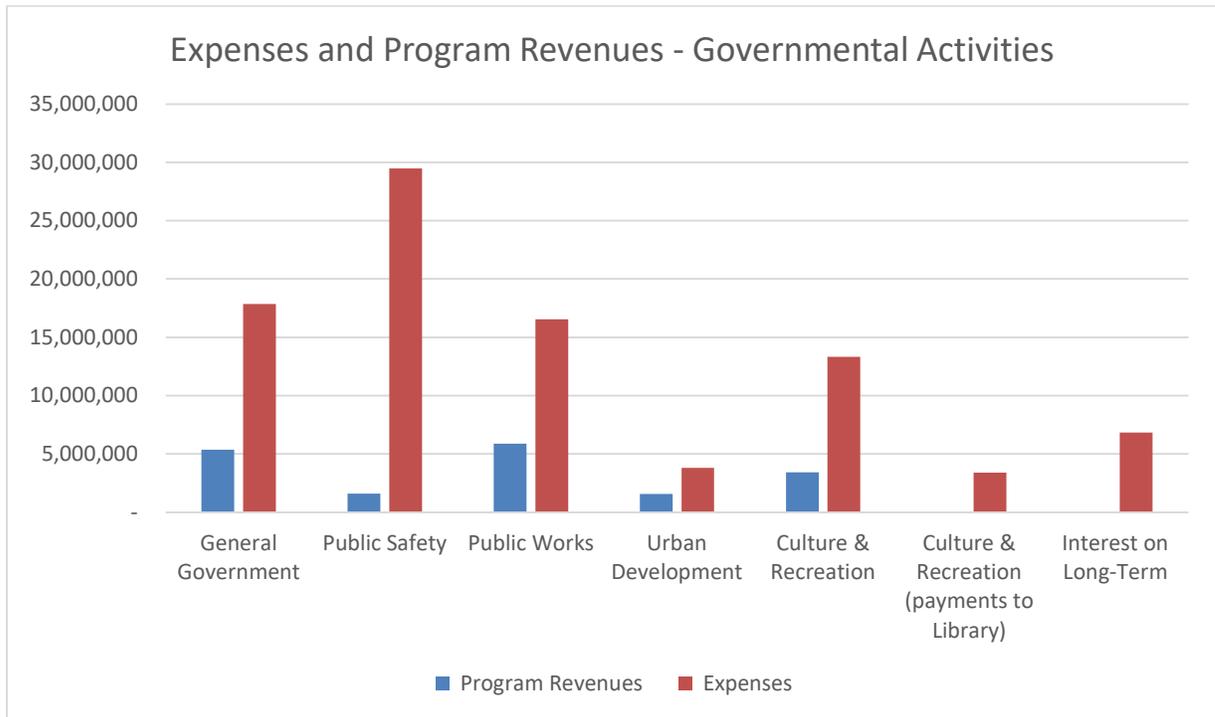
**Governmental activities.** Governmental activities increased the City's net position by \$9,901,898. Key elements of this increase are as follows:

CITY OF MANHATTAN'S CHANGES IN NET POSITION						
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 7,920,914	\$ 6,141,558	\$ 32,347,292	\$ 29,377,942	\$ 40,268,206	\$ 35,519,500
Operating grants and contributions	5,174,103	4,784,088	-	-	5,174,103	4,784,088
Capital grants and contributions	4,757,625	13,558,615	-	-	4,757,625	13,558,615
General revenues:						
Property taxes	35,428,824	33,812,531	-	-	35,428,824	33,812,531
Other taxes	42,985,331	41,184,184	-	-	42,985,331	41,184,184
Other	4,324,267	2,604,251	855,308	425,956	5,179,575	3,030,207
<b>Total revenues</b>	<b>100,591,064</b>	<b>102,085,227</b>	<b>33,202,600</b>	<b>29,803,898</b>	<b>133,793,664</b>	<b>131,889,125</b>
Expenses:						
General government	17,624,100	15,891,759	-	-	17,624,100	15,891,759
Public safety	28,916,830	27,489,565	-	-	28,916,830	27,489,565
Public works	16,366,018	14,722,396	-	-	16,366,018	14,722,396
Urban development and housing	3,736,000	4,150,196	-	-	3,736,000	4,150,196
Culture and recreation	13,121,443	10,475,640	-	-	13,121,443	10,475,640
(payments to Library)	3,395,290	3,347,403	-	-	3,395,290	3,347,403
Interest on long-term debt	6,846,722	6,183,019	-	-	6,846,722	6,183,019
Water	-	-	10,386,915	9,984,403	10,386,915	9,984,403
Wastewater	-	-	8,743,571	9,163,309	8,743,571	9,163,309
Storm Water Management	-	-	2,587,151	2,328,503	2,587,151	2,328,503
<b>Total expenses</b>	<b>90,006,403</b>	<b>82,259,978</b>	<b>21,717,637</b>	<b>21,476,215</b>	<b>111,724,040</b>	<b>103,736,193</b>
Increase in net position before transfers	10,584,661	19,825,249	11,484,963	8,327,683	22,069,624	28,152,932
Transfers	(682,763)	2,525,957	682,763	(2,525,957)	-	-
Increase in net position	9,901,898	22,351,206	12,167,726	5,801,726	22,069,624	28,152,932
Net position - 01/01	195,679,077	175,319,863	131,652,679	123,651,465	327,331,756	298,971,328
Prior period adjustment	-	(1,991,992)	-	2,199,488	-	207,496
Net position, beginning as restated	195,679,077	173,327,871	131,652,679	125,850,953	327,331,756	299,178,824
<b>Net position - 12/31</b>	<b>\$ 205,580,975</b>	<b>\$ 195,679,077</b>	<b>\$ 143,820,405</b>	<b>\$ 131,652,679</b>	<b>\$ 349,401,380</b>	<b>\$ 327,331,756</b>

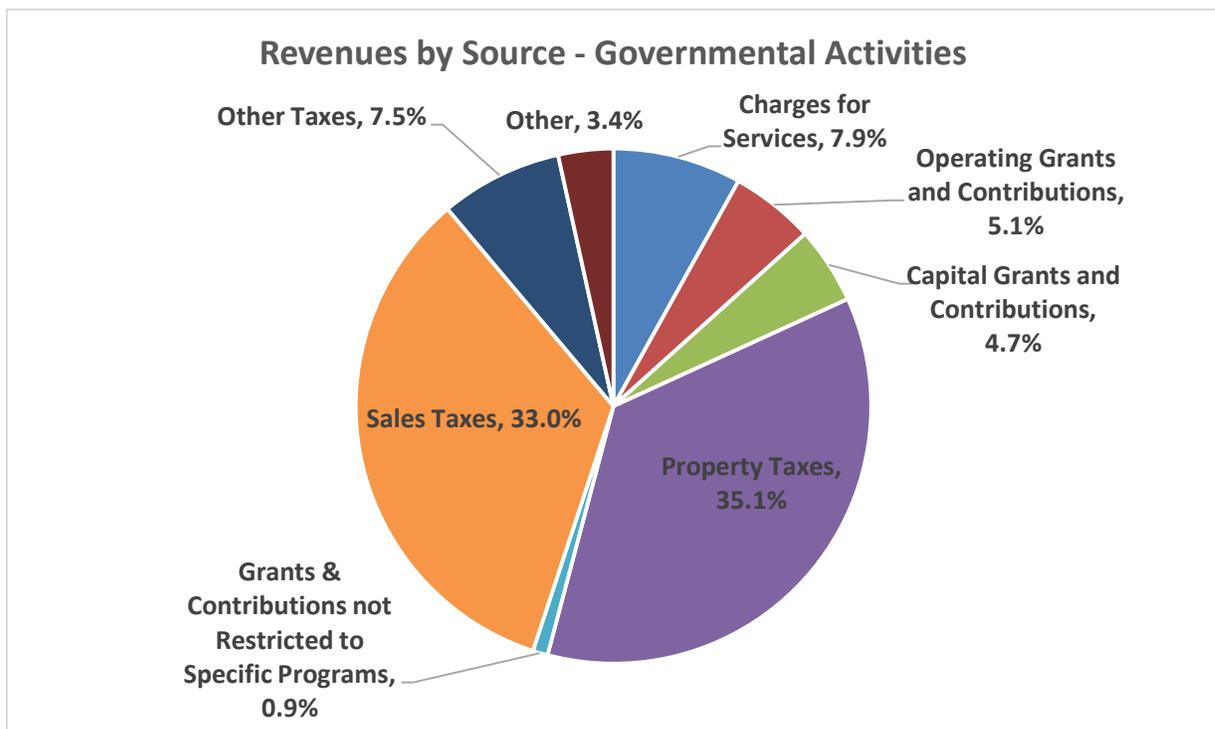
- Capital grants for governmental activities decreased by \$8,800,990 from 2021 to 2022. These decreases were primarily attributed to general government and urban development and housing program revenues. General government capital grant revenues decreased by \$5,846,967 while urban development and housing capital grant revenues decreased by \$2,949,259 from 2021 to 2022.
- Operating grants and contributions increased by \$390,015 from 2021 to 2022. This increase can be attributed to operating grants and contributions for public safety and public works.
- Property taxes increased by \$1,616,293 from 2021 to 2022. Other taxes increased by \$1,801,147 during 2022.
- Other general revenues increased by \$1,720,015 from 2021 to 2022.

Total expenses increased by \$7,746,425 from 2021 to 2022. In 2022, expenses for public safety, public works, culture and recreation and payments to library increased by \$5,764,577. The general government function increased expenses by \$1,732,341 (10.9 percent) from 2021 to 2022. Urban development and housing decreased expenses by \$414,196 (9.98 percent). Expenditures related to interest on long-term debt increased by \$663,703 (10.73 percent) from 2021 to 2022.

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



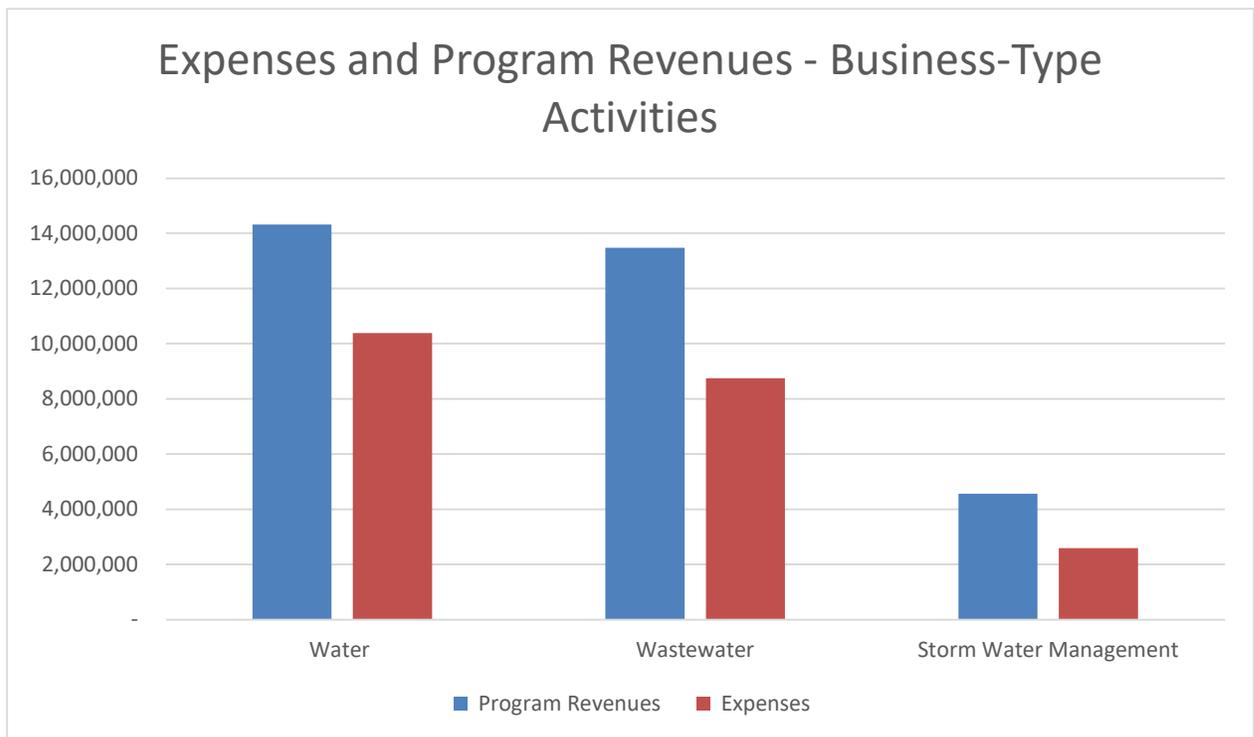
The following graph shows the composition of 2022 revenues for the governmental activities.



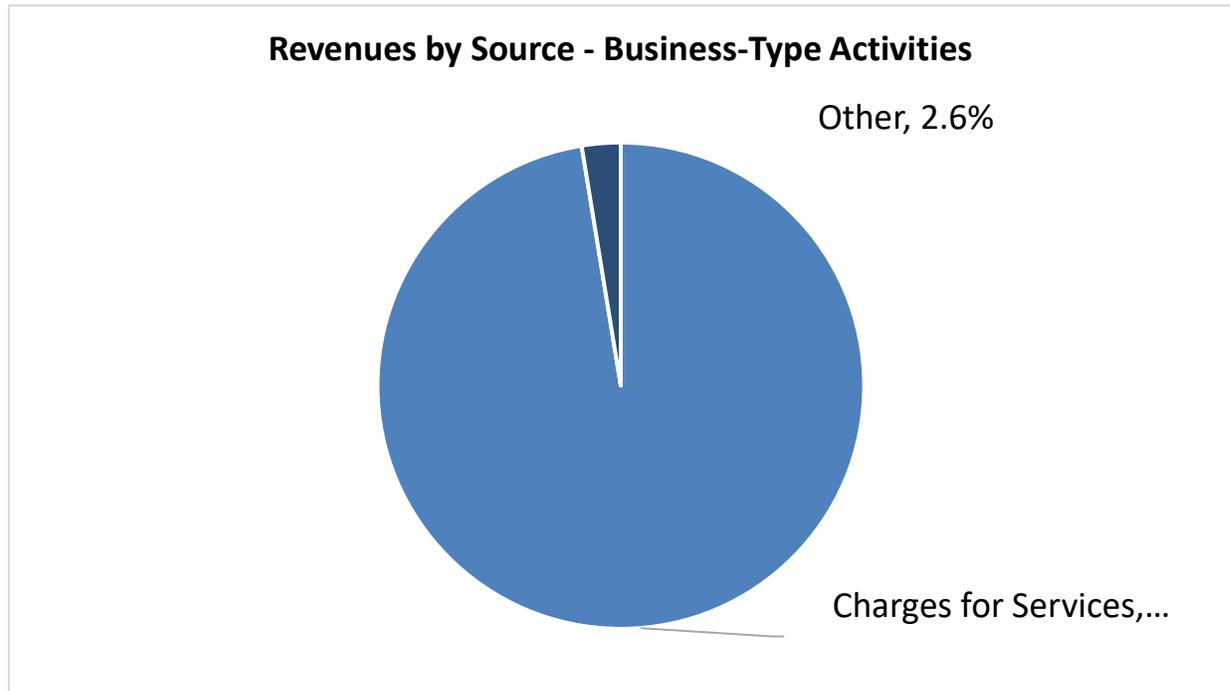
**Business-type activities.** Business-type activities increased the City’s net position by \$12,167,726 in 2022. Revenue received from service charges in 2022 totaled \$32,347,292 compared to \$29,377,942 in 2021. This is an increase of \$2,969,350 (10.1 percent) from 2021 to 2022. Other general revenues increased by \$429,352 (100.8 percent) from 2021 to 2022.

A rate increase of 3% went into effect January 1, 2022 for water and wastewater. Stormwater had a rate increase of 11% for residential customers and 18% for commercial customers. Capital contributions received in 2022 totaled \$8,135,489 while these contributions totaled \$5,772,887 in 2021. Total expenses increased \$241,422 (1.1 percent) from 2021 to 2022.

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



The following graph shows the composition of 2022 revenues for the business-type activities.



#### **Financial Analysis of the City's Funds**

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

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

At the end of 2022, the City's governmental funds reported combined ending fund balances of \$131,687,933 an increase of \$24,508,939 in comparison with the prior year. The available unassigned balance for governmental funds was \$22,202,389 at the completion of the 2022 fiscal year. The remainder of fund balance is classified as assigned, committed, restricted, or non-spendable, as described in the notes to the financial statements.

The general fund is the chief operating fund of the City. At the end of 2022, unassigned fund balance of the general fund was \$22,202,389. As a measure of the general fund's liquidity, it may be useful to compare the unassigned and assigned fund balance as well as the total fund balance to total fund expenditures. In total, the unassigned/total fund balance represents 55 percent of total general fund expenditures.

In 2022, the City's general fund balance increased by \$9,685,952. An increase of \$3,460,165 was shown in 2021. Key elements of this are as follows:

- Taxes increased by \$2,413,523 in 2022. The increase is attributable to an increase in sales taxes, compensating use taxes, and franchise fees.
- Licenses and permits increased by \$23,132 in 2022. Most of this increase was related to more building permits being issued in 2022 compared to 2021.

- Intergovernmental revenues increased by \$1,123,751 from 2021 to 2022. This change was primarily related to receiving additional federal grant proceeds related to COVID-19 Pandemic in 2022.
- Charges for services increased by \$381,327 from 2021 to 2022. This change was related to the reopening of various Parks and Recreation facilities and providing recreation programs and services in 2022 since the COVID-19 pandemic.
- Investment income increased by \$396,508 from 2021 to 2022. This increase was due to purchasing investments in 2022.
- Expenditures increased by \$3,040,225 in 2022. The increase is primarily attributed to the City resuming spending habits since the COVID-19 pandemic.
- Net transfers increased by \$4,290,845 from 2021 to 2022. This increase is primarily attributed to the transfer of ARPA funds from Capital Projects.
- The Riley County Police Department fund provides for expenditures made to the Riley County Police Department (RCPD). Police protection is provided to the City by the RCPD under a statutory arrangement whereby the City is responsible for 80 percent of the RCPD's budget. This fund had a balance of \$9,746 at the end of 2022.

The debt service fund has a total fund balance of \$11,484,313 at the end of 2022, which is restricted for future debt service payments. The net increase in the debt service fund balance during the current year was \$5,657,934. Debt service expenditures were greater than revenues by \$406,959. 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 2022 was \$1,270,942 less than in 2021.

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 \$54,055,161 of which all is restricted. The capital projects fund balance decreased by \$5,997,140 during 2022.

***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 2022 amounted to \$4,951,854; the Wastewater Fund amounted to \$2,192,731, and the Stormwater Management Fund amounted to negative \$23,333,047. The Water Fund reported an increase of \$4,361,559 in net position; the Wastewater Fund reported an increase of \$6,072,128 in net position, and the Stormwater Management Fund reported an increase in net position of \$1,734,039. A key element of these changes is as follows:

- For the Water Fund, an increase in charges for services was the key element to the change in net position. The total charges for services for 2022 were \$14,316,664 compared to \$12,386,348 in 2021.
- For the Wastewater Fund, a change in capital asset balances was the key element for the change in net position plus an increase in charges for services of \$544,913 equals an increase of \$6,072,128 in net position over 2021.
- For the Stormwater Fund, an increase in charges for services was the key element to the change in net position. The total charges for services for 2022 were \$4,559,254 compared to \$4,065,133 in 2021.

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 charges for services, fines and forfeitures, and investment income. Total revenues exceeded budgetary estimates by \$6,331,052 (29 percent) of total budgeted revenues. Total expenditures were less than budgetary estimates by \$3,202,549 (9.3 percent) of total budgeted expenditures.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$526,220,216 (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 4.5 percent.

Major capital asset events during 2022 included the following:

- Construction of various North Campus Corridor street improvements increased assets by \$15,070,857.
- Construction of the Joint Maintenance Facility increased assets by \$10,484,809.
- Construction of the Aggieville Parking Garage increased assets by \$3,204,907.

### CITY OF MANHATTAN'S CAPITAL ASSETS

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 20,967,678	\$ 20,645,386	\$ 505,833	\$ 505,833	\$ 21,473,511	\$ 21,151,219
Buildings and improvements	106,305,291	83,460,983	40,744,956	42,054,530	147,050,247	125,515,513
Contents and equipment	2,704,501	2,467,057	1,648,869	1,986,590	4,353,370	4,453,647
Vehicles	2,243,146	3,239,891	1,045,300	1,171,124	3,288,446	4,411,015
Infrastructure	74,491,726	75,814,318	105,669,216	108,928,505	180,160,942	184,742,823
Construction in progress	108,875,361	108,957,911	61,018,339	54,102,195	169,893,700	163,060,106
Total	\$ 315,587,703	\$ 294,585,546	\$ 210,632,513	\$ 208,748,777	\$ 526,220,216	\$ 503,334,323

Additional information on the City's capital assets can be found in note 3.F on pages 46-49 of this report.

**Long-term debt.** At the end of 2022, the City had total bonded debt outstanding of \$130,285,000. Of this amount, \$57,668,461 comprises debt backed by the full faith and credit of the City and \$42,801,539 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 44,738,461	\$ 49,938,002	\$ 12,930,000	\$ 13,535,000	\$ 57,668,461	\$ 63,473,002
General obligation bonds (special assessment debt with governmental commitment)	42,801,539	45,741,998	-	-	42,801,539	45,741,998
Sales tax revenue bonds	3,805,000	4,040,000	-	-	3,805,000	4,040,000
Special obligation bonds	26,010,000	13,140,000	-	-	26,010,000	13,140,000
Total	\$ 117,355,000	\$ 112,860,000	\$ 12,930,000	\$ 13,535,000	\$ 130,285,000	\$ 126,395,000

The City's total outstanding debt increased by \$3,890,000 during 2022. General obligation bonds outstanding decreased by \$8,745,000 in 2022. General obligation bonds in the amount of \$2,100,000 were issued in 2022, while \$10,845,000 were retired. There was an increase of \$26,250,000 in temporary notes outstanding at the end of 2022 as compared to 2021. This increase was due to the commencement of several construction projects related to the North Campus Corridor, and Airport Runway and Parking Lot Improvements.

The City has a "Aa3" 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 \$203,929,482 which is significantly greater than the City's outstanding general obligation bonds.

Additional information on the City's long-term debt can be found in note 3.J on pages 51-66 of this report.

### **Economic Factors and Next Year's Budget and Rates**

- The unemployment rate for the City at the end of 2022 was 2.3 percent. This rate increased by 0.7 percent compared to the end of 2021. The City's unemployment rate remains very favorable compared to the state's average unemployment rate of 2.8 percent and the national average rate of 3.6 percent at the end of 2022.
- Inflationary trends in the region compare favorably to national indices.
- The 2023 budget authority for expenditures totaled \$192,749,490 which was a \$21.7 million increase over the 2022 budget of \$171,017,675.
- There was a 0 mill levy rate increase, with a total mill levy rate remaining at 52.143 mills for 2023.

### **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, 1101 Poyntz Avenue, Manhattan, Kansas 66502.



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Basic Financial Statements**

**For the Year Ended  
December 31, 2022**

**CITY OF MANHATTAN, KANSAS**  
**STATEMENT OF NET POSITION**  
December 31, 2022

	<b>Primary Government</b>			<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Manhattan Public Library</b>	<b>Manhattan Housing Authority</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 90,645,582	\$ 19,346,302	\$ 109,991,884	\$ 2,320,044	\$ 214,108
Investments with fiscal agent	20,574,157	-	20,574,157	-	-
Receivables:					
Accounts (net of allowance for uncollectibles)	569,850	3,507,722	4,077,572	-	303,795
Intergovernmental	2,517,688	-	2,517,688	-	-
Franchise tax	450,418	-	450,418	-	-
Sales tax	5,908,697	-	5,908,697	-	-
Transient guest tax	844,996	-	844,996	-	-
Property tax	33,057,149	-	33,057,149	3,575,500	-
Other loans	2,975,330	-	2,975,330	-	-
Notes:					
Current	90,000	-	90,000	-	-
Noncurrent	5,610,000	-	5,610,000	-	-
Leases	7,124,745	688,621	7,813,366	-	-
Inventories	58,535	103,423	161,958	-	1,924
Prepaid items	-	-	-	77,329	-
Internal balances	33,378,716	(33,378,716)	-	-	-
Restricted assets:					
Cash and cash equivalents					
Construction accounts	859,487	301,877	1,161,364	-	-
Other	-	-	-	-	73,861
Special assessments:					
Current	6,974,163	-	6,974,163	-	-
Noncurrent	58,961,087	-	58,961,087	-	-
Capital assets:					
Land	20,967,678	505,833	21,473,511	-	75,000
Infrastructure, net of accumulated depreciation	74,491,726	105,669,216	180,160,942	-	-
Other capital assets, net of accumulated depreciation	111,312,186	43,439,125	154,751,311	910,769	8,001,061
Construction in progress	110,167,736	61,018,339	171,186,075	-	-
Right to use lease assets, net of accumulated amortization	1,650,866	250,540	1,901,406	-	-
<b>Total Assets</b>	<b>589,190,792</b>	<b>201,452,282</b>	<b>790,643,074</b>	<b>6,883,642</b>	<b>8,669,749</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	624,229	-	624,229	-	-
Deferred outflows - pensions	8,773,817	1,425,970	10,199,787	734,437	218,762
Deferred outflows - OPEB	532,945	171,920	704,865	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 9,930,991</b>	<b>\$ 1,597,890</b>	<b>\$ 11,528,881</b>	<b>\$ 734,437</b>	<b>\$ 218,762</b>

(Continued)

**CITY OF MANHATTAN, KANSAS**  
**STATEMENT OF NET POSITION**  
**(Continued)**  
December 31, 2022

	<b>Primary Government</b>			<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Manhattan Public Library</b>	<b>Manhattan Housing Authority</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 6,693,726	\$ 1,362,619	\$ 8,056,345	\$ 17,734	\$ 300,764
Accrued payroll	474,760	114,987	589,747	45,583	45,945
Estimated insurance claims payable	916,766	-	916,766	-	-
Unearned revenue	7,798,621	22,215	7,820,836	-	28,495
Accrued interest payable	715,929	484,726	1,200,655	-	25,716
Tenant security deposits	-	-	-	-	55,708
Temporary notes payable	4,120,000	-	4,120,000	-	-
Long-term liabilities:					
Due within one year	23,164,776	5,904,252	29,069,028	-	186,589
Due in more than one year	307,716,839	50,182,464	357,899,303	2,248,909	2,900,160
<b>Total Liabilities</b>	<b>351,601,417</b>	<b>58,071,263</b>	<b>409,672,680</b>	<b>2,312,226</b>	<b>3,543,377</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred receivable - property taxes	33,057,149	-	33,057,149	3,575,500	-
Deferred inflows - pensions	620,000	76,417	696,417	71,448	3,158
Deferred inflows - OPEB	1,108,018	357,432	1,465,450	-	-
Deferred inflows - leases	7,154,224	724,655	7,878,879	-	-
<b>Total Deferred Inflows of Resources</b>	<b>41,939,391</b>	<b>1,158,504</b>	<b>43,097,895</b>	<b>3,646,948</b>	<b>3,158</b>
<b>NET POSITION</b>					
Net investment in capital assets	19,368,252	160,008,867	179,377,119	910,769	5,543,456
Restricted for:					
Perpetual care:					
Nonexpendable	275,100	-	275,100	582,393	-
Urban development and housing	3,851,999	-	3,851,999	-	-
Public safety	9,746	-	9,746	-	-
Culture and recreation	6,992,154	-	6,992,154	-	-
Public works	61,849,572	-	61,849,572	-	-
Debt service	32,720,533	-	32,720,533	-	-
Other purposes	2,294,975	-	2,294,975	-	-
Unrestricted	78,218,644	(16,188,462)	62,030,182	165,743	(201,480)
<b>Total Net Position</b>	<b>\$ 205,580,975</b>	<b>\$ 143,820,405</b>	<b>\$ 349,401,380</b>	<b>\$ 1,658,905</b>	<b>\$ 5,341,976</b>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
General government	\$ 17,624,100	\$ 3,013,949	\$ 665,301	\$ 1,687,316
Public safety	28,916,830	776,901	829,773	-
Public works	16,366,018	1,197,461	1,641,576	3,044,960
Urban development and housing	3,736,000	176,790	1,389,803	-
Culture and recreation	13,121,443	2,755,813	647,650	25,349
Culture and recreation (payments to Library)	3,395,290	-	-	-
Interest on long-term debt	6,846,722	-	-	-
Total governmental activities	90,006,403	7,920,914	5,174,103	4,757,625
Business-type activities				
Water	10,386,915	14,316,664	-	-
Wastewater	8,743,571	13,471,374	-	-
Stormwater management	2,587,151	4,559,254	-	-
Total business-type activities	21,717,637	32,347,292	-	-
Total primary government	\$ 111,724,040	\$ 40,268,206	\$ 5,174,103	\$ 4,757,625
<b>Component units</b>				
Manhattan Public Library	\$ 3,593,041	\$ 76,872	\$ 234,776	\$ 3,585
Manhattan Housing Authority	\$ 4,377,214	\$ 491,189	\$ 3,288,933	\$ 104,824

(Continued)

**CITY OF MANHATTAN, KANSAS**  
**STATEMENT OF ACTIVITIES**  
(Continued)  
For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position			Component Units	
	Primary Government			Manhattan Public Library	Manhattan Housing Authority
	Governmental Activities	Business-Type Activities	Total		
<b>Primary government</b>					
Governmental activities					
General government	\$ (12,257,534)	\$ -	\$ (12,257,534)	\$ -	\$ -
Public safety	(27,310,156)	-	(27,310,156)	-	-
Public works	(10,482,021)	-	(10,482,021)	-	-
Urban development and housing	(2,169,407)	-	(2,169,407)	-	-
Culture and recreation	(9,692,631)	-	(9,692,631)	-	-
Culture and recreation (payments to Library)	(3,395,290)	-	(3,395,290)	-	-
Interest on long-term debt	(6,846,722)	-	(6,846,722)	-	-
Total governmental activities	<u>(72,153,761)</u>	<u>-</u>	<u>(72,153,761)</u>	<u>-</u>	<u>-</u>
Business-type activities					
Water	-	3,929,749	3,929,749	-	-
Wastewater	-	4,727,803	4,727,803	-	-
Stormwater management	-	1,972,103	1,972,103	-	-
Total business-type activities	<u>-</u>	<u>10,629,655</u>	<u>10,629,655</u>	<u>-</u>	<u>-</u>
Total primary government	<u>(72,153,761)</u>	<u>10,629,655</u>	<u>(61,524,106)</u>	<u>-</u>	<u>-</u>
<b>Component units</b>					
Manhattan Public Library	-	-	-	(3,277,808)	-
Manhattan Housing Authority	-	-	-	-	(492,268)
General revenues:					
Taxes:					
Property taxes, levied for general purposes	32,142,039	-	32,142,039	-	-
Property taxes, levied for debt service	3,286,785	-	3,286,785	-	-
Franchise taxes	4,165,486	-	4,165,486	-	-
Sales taxes	35,455,492	-	35,455,492	-	-
Transient guest taxes	3,364,353	-	3,364,353	-	-
Payments from the City of Manhattan	-	-	-	3,395,290	-
Grants and contributions not restricted to specific programs	925,639	-	925,639	-	-
Unrestricted investment earnings	1,148,550	199,926	1,348,476	19,023	1,356
Miscellaneous	2,250,078	655,382	2,905,460	2,156	69,244
Gain on sales of capital assets	-	-	-	(59,062)	9,000
Transfers-internal activities	(682,763)	682,763	-	-	-
Total general revenues and transfers	<u>82,055,659</u>	<u>1,538,071</u>	<u>83,593,730</u>	<u>3,357,407</u>	<u>79,600</u>
Change in net position	<u>9,901,898</u>	<u>12,167,726</u>	<u>22,069,624</u>	<u>79,599</u>	<u>(412,668)</u>
Net position-beginning	<u>195,679,077</u>	<u>131,652,679</u>	<u>327,331,756</u>	<u>1,579,306</u>	<u>5,754,644</u>
Net position-ending	<u>\$ 205,580,975</u>	<u>\$ 143,820,405</u>	<u>\$ 349,401,380</u>	<u>\$ 1,658,905</u>	<u>\$ 5,341,976</u>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
December 31, 2022

	General	Riley County Police Department	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 19,654,873	\$ 9,746	\$ 11,212,824	\$ 35,230,138	\$ 19,726,252	\$ 85,833,833
Restricted cash	859,487	-	-	-	-	859,487
Investments with fiscal agent	-	-	-	-	20,574,157	20,574,157
Receivables:						
Accounts	522,094	-	5,148	1,316	4,041	532,599
Intergovernmental	571,662	-	-	1,447,902	498,124	2,517,688
Franchise tax	450,418	-	-	-	-	450,418
Sales tax	2,150,707	-	263,784	-	3,494,206	5,908,697
Transient guest tax	-	-	-	-	844,996	844,996
Property tax	7,894,500	18,734,125	3,037,276	-	3,391,248	33,057,149
Due from other funds	310,087	-	-	33,378,716	-	33,688,803
Other loans	-	-	-	-	3,663,332	3,663,332
Leases	5,961,209	-	1,163,536	-	-	7,124,745
Special assessments:						
Current	-	-	6,974,163	-	-	6,974,163
Noncurrent	-	-	58,961,087	-	-	58,961,087
<b>Total Assets</b>	<b>\$ 38,375,037</b>	<b>\$ 18,743,871</b>	<b>\$ 81,617,818</b>	<b>\$ 70,058,072</b>	<b>\$ 52,196,356</b>	<b>\$ 260,991,154</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,237,086	\$ -	\$ -	\$ 4,400,553	\$ 937,920	\$ 6,575,559
Accrued payroll	470,910	-	-	-	3,850	474,760
Unearned revenue	-	-	-	7,482,358	-	7,482,358
Temporary notes payable	-	-	-	4,120,000	-	4,120,000
Due to other funds	-	-	-	-	310,087	310,087
<b>Total Liabilities</b>	<b>1,707,996</b>	<b>-</b>	<b>-</b>	<b>16,002,911</b>	<b>1,251,857</b>	<b>18,962,764</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	7,894,500	18,734,125	3,037,276	-	3,391,248	33,057,149
Unavailable revenue - receivables	521,313	-	5,148	-	3,667,373	4,193,834
Unavailable revenue - special assessments	-	-	65,935,250	-	-	65,935,250
Unavailable revenue - leases	5,998,393	-	1,155,831	-	-	7,154,224
<b>Total Deferred Inflows of Resources</b>	<b>14,414,206</b>	<b>18,734,125</b>	<b>70,133,505</b>	<b>-</b>	<b>7,058,621</b>	<b>110,340,457</b>
<b>FUND BALANCES</b>						
Nonspendable:						
Perpetual care	-	-	-	-	275,100	275,100
Restricted:						
Urban development and housing	-	-	-	-	4,540,001	4,540,001
General government	-	-	-	-	2,294,975	2,294,975
Capital projects	-	-	-	54,055,161	2,706	54,057,867
Culture and recreation	-	-	-	-	6,992,154	6,992,154
Public safety	-	9,746	-	-	-	9,746
Public works	-	-	-	-	7,781,285	7,781,285
Debt service	-	-	11,484,313	-	21,952,145	33,436,458
Assigned:						
Purchases on order	50,446	-	-	-	47,512	97,958
Unassigned	22,202,389	-	-	-	-	22,202,389
<b>Total Fund Balances</b>	<b>22,252,835</b>	<b>9,746</b>	<b>11,484,313</b>	<b>54,055,161</b>	<b>43,885,878</b>	<b>131,687,933</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 38,375,037</b>	<b>\$ 18,743,871</b>	<b>\$ 81,617,818</b>	<b>\$ 70,058,072</b>	<b>\$ 52,196,356</b>	<b>\$ 260,991,154</b>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS**

December 31, 2022

Fund balances of governmental funds		\$ 131,687,933
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.		8,889,569
Capital assets net of depreciation are not financial resources and therefore have not been included in the funds.		316,939,326
Right to use lease assets net of amortization are not financial resources and therefore have not been included in the funds.		1,650,866
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	(87,540,000)	
Special obligation bonds payable	(15,045,000)	
Star bonds payable	(14,770,000)	
Temporary notes payable	(171,585,000)	
Premium on bonds payable	(5,428,303)	
Transportation revolving fund loan payable	(618,954)	
Notes payable - financed purchases	(3,478,376)	
Lease obligations payable	(1,380,532)	
Compensated absences	(3,150,238)	(302,996,403)
<hr style="border: 0.5px solid black;"/>		
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		624,229
Accrued interest payable on long-term debt has not been reported in the governmental funds.		(715,929)
Other long-term assets related to special assessments are not available to pay current period expenditures and therefore are deferred in the funds.		65,935,250
In the statement of net position, a long-term liability is recorded for the unfunded portion of postemployment benefits other than pensions as well as the related deferred inflows and outflows of resources.		
Total other postemployment benefit liability	(1,287,373)	
Deferred outflows of resources - OPEB	532,945	
Deferred inflows of resources - OPEB	(1,108,018)	(1,862,446)
<hr style="border: 0.5px solid black;"/>		
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	(26,597,839)	
Deferred outflows of resources - pension	8,773,817	
Deferred inflows of resources - pension	(620,000)	(18,444,022)
<hr style="border: 0.5px solid black;"/>		
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.		3,872,602
Net position of governmental activities		<u>\$ 205,580,975</u>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2022

	Riley County		
	General	Police Department	Debt Service
<b>REVENUES</b>			
Taxes	\$ 23,845,137	\$ 18,395,330	\$ 4,684,754
Special assessments	6,008	-	7,393,182
Licenses and permits	826,385	-	-
Intergovernmental revenues	3,091,829	-	-
Charges for services	3,349,287	-	357,155
Fines and forfeitures	955,389	3,114	-
Investment income	418,291	-	17,665
Miscellaneous	759,855	-	90,581
<b>Total Revenues</b>	<b>33,252,181</b>	<b>18,398,444</b>	<b>12,543,337</b>
<b>EXPENDITURES</b>			
Current			
General government	13,833,892	-	58,095
Public safety	9,262,914	18,388,698	-
Public works	4,403,341	-	-
Urban development and housing	985,333	-	-
Culture/recreation	10,080,391	-	-
Culture/recreation-payments to Library	-	-	-
Capital outlay	1,018,786	-	-
Debt service			
Principal	756,009	-	9,460,807
Bond issuance costs	-	-	65,909
Interest and fiscal charges	72,276	-	3,365,485
<b>Total Expenditures</b>	<b>40,412,942</b>	<b>18,388,698</b>	<b>12,950,296</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,160,761)</b>	<b>9,746</b>	<b>(406,959)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of general obligation bonds	-	-	60,000
Issuance of premium on general obligation bonds	-	-	1,322
Issuance of STAR bonds	-	-	-
Issuance of temporary notes	-	-	-
Issuance of notes payable - financed purchases	858,753	-	-
Issuance of lease obligations payable	452,373	-	-
Transfers in	16,257,824	-	6,489,295
Transfers out	(722,237)	-	(485,724)
<b>Total Other Financing Sources (Uses)</b>	<b>16,846,713</b>	<b>-</b>	<b>6,064,893</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,685,952</b>	<b>9,746</b>	<b>5,657,934</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>12,566,883</b>	<b>-</b>	<b>5,826,379</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 22,252,835</b>	<b>\$ 9,746</b>	<b>\$ 11,484,313</b>

(Continued)

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

For the Year Ended December 31, 2022

	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 31,488,934	\$ 78,414,155
Special assessments	177,693	-	7,576,883
Licenses and permits	-	-	826,385
Intergovernmental revenues	2,944,732	4,688,337	10,724,898
Charges for services	-	179,853	3,886,295
Fines and forfeitures	515,308	-	1,473,811
Investment income	-	382,892	818,848
Miscellaneous	1,541,181	730,489	3,122,106
<b>Total Revenues</b>	<u>5,178,914</u>	<u>37,470,505</u>	<u>106,843,381</u>
<b>EXPENDITURES</b>			
Current			
General government	3,548	470,960	14,366,495
Public safety	-	-	27,651,612
Public works	706,290	3,692,325	8,801,956
Urban development and housing	-	2,788,084	3,773,417
Culture/recreation	-	51,657	10,132,048
Culture/recreation-payments to Library	-	3,395,290	3,395,290
Capital outlay	43,484,536	621,863	45,125,185
Debt service			
Principal	14,070,000	12,466,531	36,753,347
Bond issuance costs	285,594	-	351,503
Interest and fiscal charges	1,386,612	1,963,440	6,787,813
<b>Total Expenditures</b>	<u>59,936,580</u>	<u>25,450,150</u>	<u>157,138,666</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(54,757,666)</u>	<u>12,020,355</u>	<u>(50,295,285)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of general obligation bonds	940,000	-	1,000,000
Issuance of premium on general obligation bonds	43,755	-	45,077
Issuance of STAR bonds	-	24,975,000	24,975,000
Issuance of temporary notes	40,320,000	-	40,320,000
Issuance of notes payable - financed purchases	-	-	858,753
Issuance of lease obligations payable	-	-	452,373
Transfers in	14,182,990	250,963	37,181,072
Transfers out	(6,726,219)	(22,093,871)	(30,028,051)
<b>Total Other Financing Sources (Uses)</b>	<u>48,760,526</u>	<u>3,132,092</u>	<u>74,804,224</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,997,140)	15,152,447	24,508,939
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>60,052,301</u>	<u>28,733,431</u>	<u>107,178,994</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 54,055,161</u>	<u>\$ 43,885,878</u>	<u>\$ 131,687,933</u>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds \$ 24,508,939

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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Expenditures for capital assets	\$ 38,029,700	
Less current year depreciation and amortization	<u>(13,576,471)</u>	24,453,229

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position. (460,892)

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 issued	(67,606,126)	
Premium on debt issued	(45,077)	
Amortization of bond premium	371,056	
Amortization on deferred charge on refunding	(97,283)	
Principal reductions	<u>36,753,347</u>	(30,624,083)

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	(291,216)	
Other postemployment benefits other than pensions	(41,340)	
Net pension liability	(1,255,202)	
Accrued interest on bonds	<u>18,821</u>	(1,568,937)

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	(770,804)	
Special assessments	<u>(6,287,146)</u>	(7,057,950)

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. 651,592

Change in net position of governmental activities \$ 9,901,898

See accompanying notes to basic financial statements.

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

For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 16,053,029	\$ 16,053,029	\$ 19,732,707	\$ 3,679,678
Licenses and permits	614,450	614,450	826,385	211,935
Intergovernmental revenues	537,000	537,000	2,863,643	2,326,643
Charges for services	2,660,900	2,660,900	2,643,809	(17,091)
Fines and forfeitures	1,014,000	1,014,000	915,196	(98,804)
Investment income	460,107	460,107	402,088	(58,019)
Miscellaneous revenues	324,650	324,650	611,360	286,710
<b>Total Revenues</b>	<u>21,664,136</u>	<u>21,664,136</u>	<u>27,995,188</u>	<u>6,331,052</u>
<b>EXPENDITURES</b>				
Current				
General government				
Administration	1,798,261	1,798,261	1,603,538	194,723
Finance	1,303,650	1,303,650	761,839	541,811
Airport	1,738,462	1,738,462	1,751,299	(12,837)
Animal shelter	635,575	635,575	488,937	146,638
Human resources	726,905	726,905	594,789	132,116
Legal services	1,408,115	1,408,115	1,445,567	(37,452)
General services	3,058,328	3,058,328	2,212,404	845,924
Outside services	523,130	523,130	482,264	40,866
Public safety				
Fire department				
Administration	654,595	654,595	649,969	4,626
Operations	6,008,309	6,008,309	6,051,061	(42,752)
Technical services	1,105,050	1,105,050	1,020,683	84,367
Public works				
Administration	220,285	220,285	223,484	(3,199)
Street	2,224,284	2,224,284	2,105,428	118,856
Engineering	1,145,450	1,145,450	967,298	178,152
Traffic control	819,790	819,790	937,641	(117,851)
Urban development and housing	747,970	747,970	672,510	75,460
Culture/recreation				
Administration	252,550	252,550	187,348	65,202
Douglass Center	276,770	276,770	290,056	(13,286)
City parks	3,478,915	3,478,915	2,772,102	706,813
Swimming pools	983,350	983,350	1,041,987	(58,637)
Sunset Zoo	1,297,974	1,297,974	1,379,447	(81,473)
Blue Earth Park	35,500	35,500	24,889	10,611
Recreation	2,237,543	2,237,543	1,911,130	326,413
Discovery Center	1,104,225	1,104,225	1,095,666	8,559
Anthony Center	270,270	270,270	222,686	47,584
Eisenhower Center	270,270	270,270	228,955	41,315
<b>Total Expenditures</b>	<u>34,325,526</u>	<u>34,325,526</u>	<u>31,122,977</u>	<u>3,202,549</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>				
	\$ (12,661,390)	\$ (12,661,390)	\$ (3,127,789)	\$ 9,533,601

(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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of lease obligations	\$ -	\$ -	\$ 201,188	\$ 201,188
Issuance of notes payable - financed purchases	-	-	593,536	593,536
Transfers in	6,070,470	6,070,470	11,998,963	5,928,493
Transfers out	(135,000)	(135,000)	(610,887)	(475,887)
<b>Total Other Financing Sources (Uses)</b>	<u>5,935,470</u>	<u>5,935,470</u>	<u>12,182,800</u>	<u>6,247,330</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (6,725,920)</u>	<u>\$ (6,725,920)</u>	9,055,011	<u>\$ 15,780,931</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>10,916,451</u>	
<b>FUND BALANCE - END OF YEAR</b>			19,971,462	
Fund balance for separately budgeted funds included with the General Fund on GAAP basis financials:				
Employee Benefit Contribution			391,267	
Fire Equipment Reserve			643,271	
Fire Pension KP&F			36,096	
General Improvement			215,678	
Industrial Promotion			300,195	
Park Development			870	
Special Sunset Zoo			334,946	
Risk Management Reserve			146,110	
Equipment Reserve			42,783	
Parking Services			(6,177)	
Fund balance for non-budgeted funds included with the General Fund on GAAP basis financials:				
Capital Improvement Reserve			35,801	
Special Taxi			45,259	
Cafeteria Plan			44,828	
Encumbrances			<u>50,446</u>	
<b>FUND BALANCE - GAAP BASIS</b>			<u>\$ 22,252,835</u>	

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -**  
**RILEY COUNTY POLICE DEPARTMENT FUND**  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 18,633,759	\$ 18,633,759	\$ 18,395,330	\$ (238,429)
Fines and forfeitures	-	-	3,114	3,114
<b>Total Revenues</b>	<u>18,633,759</u>	<u>18,633,759</u>	<u>18,398,444</u>	<u>(235,315)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	18,633,759	18,633,759	18,388,698	245,061
<b>Total Expenditures</b>	<u>18,633,759</u>	<u>18,633,759</u>	<u>18,388,698</u>	<u>245,061</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	9,746	<u>9,746</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>			9,746	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE - GAAP BASIS</b>			<u>\$ 9,746</u>	

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**PROPRIETARY FUNDS - STATEMENT OF NET POSITION**  
December 31, 2022

	<b>Business-Type Activities-Enterprise Funds</b>				<b>Governmental</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater Management</b>	<b>Total</b>	<b>Activities- Internal Service Funds</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 9,069,211	\$ 6,652,287	\$ 3,624,804	\$ 19,346,302	\$ 4,811,749
Accounts receivable (net of allowance for uncollectibles)	1,297,268	1,636,227	574,227	3,507,722	37,252
Leases receivable	688,621	-	-	688,621	-
Inventories	99,383	4,040	-	103,423	58,535
<b>Total Current Assets</b>	<b>11,154,483</b>	<b>8,292,554</b>	<b>4,199,031</b>	<b>23,646,068</b>	<b>4,907,536</b>
<b>Noncurrent Assets</b>					
Restricted cash and cash equivalents	110,482	191,395	-	301,877	-
Capital assets:					
Land	281,430	217,842	6,561	505,833	-
Buildings and improvements	26,112,416	37,090,850	29,827	63,233,093	-
Equipment, contents and vehicles	3,557,848	3,926,230	1,311,114	8,795,192	-
Infrastructure	70,487,564	100,061,589	28,983,306	199,532,459	-
Construction in progress	6,660,973	13,826,517	40,530,849	61,018,339	-
Less accumulated depreciation	(43,029,571)	(70,305,957)	(9,116,875)	(122,452,403)	-
Total capital assets (net of accumulated depreciation)	64,070,660	84,817,071	61,744,782	210,632,513	-
Right to use lease asset	15,828	268,300	210,872	495,000	-
Less accumulated amortization	(4,257)	(72,126)	(168,077)	(244,460)	-
<b>Total Noncurrent Assets</b>	<b>64,192,713</b>	<b>85,204,640</b>	<b>61,787,577</b>	<b>211,184,930</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>75,347,196</b>	<b>93,497,194</b>	<b>65,986,608</b>	<b>234,830,998</b>	<b>4,907,536</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - pension	628,428	596,764	200,778	1,425,970	-
Deferred outflows - OPEB	75,766	71,948	24,206	171,920	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 704,194</b>	<b>\$ 668,712</b>	<b>\$ 224,984</b>	<b>\$ 1,597,890</b>	<b>\$ -</b>

(Continued)

**CITY OF MANHATTAN, KANSAS**  
**PROPRIETARY FUNDS - STATEMENT OF NET POSITION**  
**(Continued)**  
December 31, 2022

	<b>Business-Type Activities-Enterprise Funds</b>				<b>Governmental</b>
					<b>Activities-</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater Management</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 504,649	\$ 776,854	\$ 81,116	\$ 1,362,619	\$ 118,168
Accrued payroll	62,438	40,098	12,451	114,987	-
Estimated insurance claims payable	-	-	-	-	916,766
Unearned revenue	18,409	2,459	1,347	22,215	-
Due to other funds	2,911,728	3,595,682	26,871,306	33,378,716	-
Accrued interest payable	230,472	213,270	40,984	484,726	-
Current portion of compensated absences	239,901	158,032	29,998	427,931	-
Current portion of notes payable - financed purchases	44,388	58,996	57,511	160,895	-
Current portion of leases obligation payable	4,503	52,862	42,462	99,827	-
Current portion of state revolving loan	1,283,357	2,047,242	-	3,330,599	-
Current portion of general obligation bonds payable	895,000	240,000	750,000	1,885,000	-
<b>Total Current Liabilities</b>	<b>6,194,845</b>	<b>7,185,495</b>	<b>27,887,175</b>	<b>41,267,515</b>	<b>1,034,934</b>
<b>Noncurrent Liabilities</b>					
Compensated absences	118,160	77,837	14,775	210,772	-
Net pension liability	1,832,677	1,740,337	585,525	4,158,539	-
Total OPEB liability	183,018	173,797	58,473	415,288	-
Notes payable - financed purchases	90,870	120,530	117,366	328,766	-
Leases obligation payable	6,877	4,713	620	12,210	-
State revolving loan	13,221,684	20,198,196	-	33,419,880	-
General obligation bonds payable	4,947,812	1,210,000	5,479,197	11,637,009	-
<b>Total Noncurrent Liabilities</b>	<b>20,401,098</b>	<b>23,525,410</b>	<b>6,255,956</b>	<b>50,182,464</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>26,595,943</b>	<b>30,710,905</b>	<b>34,143,131</b>	<b>91,449,979</b>	<b>1,034,934</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pension	33,677	31,980	10,760	76,417	-
Deferred inflows - OPEB	157,521	149,584	50,327	357,432	-
Deferred inflows - leases	724,655	-	-	724,655	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>915,853</b>	<b>181,564</b>	<b>61,087</b>	<b>1,158,504</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	43,587,740	61,080,706	55,340,421	160,008,867	-
Unrestricted	4,951,854	2,192,731	(23,333,047)	(16,188,462)	3,872,602
<b>TOTAL NET POSITION</b>	<b>\$ 48,539,594</b>	<b>\$ 63,273,437</b>	<b>\$ 32,007,374</b>	<b>\$ 143,820,405</b>	<b>\$ 3,872,602</b>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**PROPRIETARY FUNDS - STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
For the Year Ended December 31, 2022

	<b>Business-Type Activities-Enterprise Funds</b>				<b>Governmental</b>
					<b>Activities-</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater Management</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 14,316,664	\$ 13,471,374	\$ 4,559,254	\$ 32,347,292	\$ 6,116,914
Rent income	463,841	-	-	463,841	-
Miscellaneous revenue	43,721	124,617	23,203	191,541	277,756
<b>Total Operating Revenues</b>	<b>14,824,226</b>	<b>13,595,991</b>	<b>4,582,457</b>	<b>33,002,674</b>	<b>6,394,670</b>
<b>OPERATING EXPENSES</b>					
Personnel services	2,784,010	2,356,383	962,972	6,103,365	-
Commodities	2,079,914	411,332	154,242	2,645,488	54,155
Contractual services	2,312,156	2,276,925	371,897	4,960,978	6,043,250
Depreciation and amortization	2,505,392	2,990,055	877,613	6,373,060	-
<b>Total Operating Expenses</b>	<b>9,681,472</b>	<b>8,034,695</b>	<b>2,366,724</b>	<b>20,082,891</b>	<b>6,097,405</b>
<b>OPERATING INCOME</b>	<b>5,142,754</b>	<b>5,561,296</b>	<b>2,215,733</b>	<b>12,919,783</b>	<b>297,265</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>					
Investment income	89,828	61,760	48,338	199,926	54,622
Interest and fiscal charges	(705,443)	(708,876)	(220,427)	(1,634,746)	-
<b>Total Non-Operating Revenue (Expense)</b>	<b>(615,615)</b>	<b>(647,116)</b>	<b>(172,089)</b>	<b>(1,434,820)</b>	<b>54,622</b>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>4,527,139</b>	<b>4,914,180</b>	<b>2,043,644</b>	<b>11,484,963</b>	<b>351,887</b>
Capital contributions	2,087,889	3,463,056	2,584,544	8,135,489	-
Transfers in	11,588	18,547	6,350	36,485	299,705
Transfers out	(2,265,057)	(2,323,655)	(2,900,499)	(7,489,211)	-
<b>CHANGE IN NET POSITION</b>	<b>4,361,559</b>	<b>6,072,128</b>	<b>1,734,039</b>	<b>12,167,726</b>	<b>651,592</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<b>44,178,035</b>	<b>57,201,309</b>	<b>30,273,335</b>	<b>131,652,679</b>	<b>3,221,010</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 48,539,594</b>	<b>\$ 63,273,437</b>	<b>\$ 32,007,374</b>	<b>\$ 143,820,405</b>	<b>\$ 3,872,602</b>

See accompanying notes to basic financial statements.

**CITY OF MANHATTAN, KANSAS**  
**PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2022

	<b>Business-Type Activities-Enterprise Funds</b>				<b>Governmental</b>
					<b>Activities-</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater Management</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 14,656,878	\$ 13,467,439	\$ 4,554,613	\$ 32,678,930	\$ 6,595,645
Cash paid to vendors and suppliers	(4,310,110)	(2,096,255)	(495,735)	(6,902,100)	(6,229,840)
Cash paid to employees	(2,642,760)	(2,527,160)	(848,725)	(6,018,645)	-
Cash received from miscellaneous sources	43,721	124,617	23,203	191,541	-
<b>Net Cash Flows from Operating Activities</b>	<b>7,747,729</b>	<b>8,968,641</b>	<b>3,233,356</b>	<b>19,949,726</b>	<b>365,805</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Cash received from other funds	11,588	18,547	6,350	36,485	299,705
Cash paid to other funds	(2,265,057)	(2,323,655)	(2,900,499)	(7,489,211)	-
<b>Net Cash Flows from Non-Capital Financing Activities</b>	<b>(2,253,469)</b>	<b>(2,305,108)</b>	<b>(2,894,149)</b>	<b>(7,452,726)</b>	<b>299,705</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash received from issuance of debt	-	-	1,221,803	1,221,803	-
Cash received from sale of capital assets	-	52,875	-	52,875	-
Cash paid for purchase of capital assets	(233,606)	-	(161,636)	(395,242)	-
Cash paid for interest on long-term debt	(727,710)	(735,866)	(236,207)	(1,699,783)	-
Cash paid for principal on long-term debt	(2,160,938)	(2,912,991)	(719,130)	(5,793,059)	-
<b>Net Cash Flows from Capital and Related Financing Activities</b>	<b>(3,122,254)</b>	<b>(3,595,982)</b>	<b>104,830</b>	<b>(6,613,406)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash received from investment of idle funds	89,828	61,760	48,338	199,926	54,622
<b>Net Cash Flows from Investing Activities</b>	<b>89,828</b>	<b>61,760</b>	<b>48,338</b>	<b>199,926</b>	<b>54,622</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,461,834</b>	<b>3,129,311</b>	<b>492,375</b>	<b>6,083,520</b>	<b>720,132</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>6,717,859</b>	<b>3,714,371</b>	<b>3,132,429</b>	<b>13,564,659</b>	<b>4,091,617</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 9,179,693</b>	<b>\$ 6,843,682</b>	<b>\$ 3,624,804</b>	<b>\$ 19,648,179</b>	<b>\$ 4,811,749</b>

(Continued)

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

For the Year Ended December 31, 2022

	<u>Business-Type Activities-Enterprise Funds</u>				<b>Governmental</b>
	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater Management</u>	<u>Total</u>	<b>Activities- Internal Service Funds</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>					
Operating income	\$ 5,142,754	\$ 5,561,296	\$ 2,215,733	\$ 12,919,783	\$ 297,265
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation and amortization	2,505,392	2,990,055	877,613	6,373,060	-
(Increase) decrease in accounts receivable	(163,370)	(2,269)	(4,641)	(170,280)	200,975
(Increase) decrease in leases receivable	326,622	-	-	326,622	-
(Increase) decrease in inventory	(15,362)	(40)	-	(15,402)	(8,930)
(Increase) decrease in deferred outflows - pension	(243,241)	(221,280)	(98,683)	(563,204)	-
(Increase) decrease in deferred outflows - OPEB	(11,820)	(9,613)	(7,257)	(28,690)	-
Increase (decrease) in accounts payable and accrued expenses	203,999	425,420	53,684	683,103	(123,505)
Increase (decrease) in unearned revenue	3,709	(1,666)	-	2,043	-
Increase (decrease) in net pension liability	699,557	635,762	285,187	1,620,506	-
Increase (decrease) in total OPEB liability	(61,738)	(64,793)	(6,401)	(132,932)	-
Increase (decrease) in deferred inflows - pension	(420,607)	(410,860)	(109,650)	(941,117)	-
Increase (decrease) in deferred inflows - OPEB	72,422	66,629	27,771	166,822	-
Increase (decrease) in deferred inflows - Leases	(290,588)	-	-	(290,588)	-
<b>Total Adjustments</b>	<u>2,604,975</u>	<u>3,407,345</u>	<u>1,017,623</u>	<u>7,029,943</u>	<u>68,540</u>
<b>Net Cash Flows from Operating Activities</b>	<u>\$ 7,747,729</u>	<u>\$ 8,968,641</u>	<u>\$ 3,233,356</u>	<u>\$ 19,949,726</u>	<u>\$ 365,805</u>
<b>Noncash investing, capital, and financing activities:</b>					
Capital assets acquired through contributions from governmental funds	\$ 2,087,889	\$ 3,463,056	\$ 2,584,544	\$ 8,135,489	\$ -
Right to use assets acquired through lease obligations payable	\$ 15,828	\$ 268,300	\$ 210,872	\$ 495,000	\$ -

See accompanying notes to basic financial statements.



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Notes to the Financial Statements**

**For the Year Ended  
December 31, 2022**

**CITY OF MANHATTAN, KANSAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

December 31, 2022

**Note 1: Summary of Significant Accounting Policies**

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

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

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

**A. Financial Reporting Entity**

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

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

The City has two entities that meet the criteria as listed above, the Manhattan Public Library (MPL) and the Manhattan Housing Authority (MHA). The City's policy is to discretely present the financial information of these entities on the government-wide financial statements.

**Manhattan Public Library**

The Manhattan Public Library Board is appointed by the City Commission and oversees the operations of the Library. Acquisition or disposition of real property by the board must be approved by the City. The issuance of bonds must also be approved by the City. Complete financial statements for the Manhattan Public Library may be obtained at the entity's administrative offices, located at 629 Poyntz Avenue.

**Manhattan Housing Authority**

Effective January 1, 2001, the City of Manhattan Housing Authority became a separate entity and agent of the City. The City of Manhattan Housing Authority consists of seven (7) commissioners appointed by the Mayor of the City with the consent of the City Commission and oversees the operations of the Housing Authority. The issuance of bonds must be approved by the City. Complete financial statements for the Manhattan Housing Authority may be obtained at the entity's administrative offices, located at 300 North 5<sup>th</sup> Street.

**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 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.

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

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 and proprietary funds. 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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.

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water, wastewater, and stormwater management functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position**  
**Cash, Cash Equivalents and Investments**

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

In accordance with the City's formal investment policy adopted by the governing body, the City may pool idle cash from all funds for the purpose of increasing income through temporary investment activities. Cash and investments of the individual funds are combined to form a pool which is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and cash equivalents" in the financial statements. These pooled investments consist primarily of operating accounts, nonnegotiable certificates of deposit and money market investments, such as U.S. Treasury and Agency obligations. The nonnegotiable certificates of deposit are recorded at cost, as they are

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

not affected by market rate changes. The City reports all other investments at fair value. Fair value was determined using the bid price of each security as reported in the *Wall Street Journal*. There were no material changes in fair value and therefore no investment gain or loss was recorded. Investment earnings are allocated to the funds required to accumulate earnings based upon their average daily equity balances.

If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2022, investment earnings allocated to the various funds were \$ 824,481.

**Receivables and Payables**

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

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

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

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

**Inventories**

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

**Capital Assets**

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

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

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

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

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

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

**Leases**

The City is a lessee for leases of building improvements and infrastructure, vehicles, and tools and equipment. The City recognizes a lease obligation and an intangible right-to-use lease asset (lease asset) in the statement of net position. The City recognizes lease obligations with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease obligation at the present value of lease payments expected to be made during the lease term. Subsequently, the lease obligation is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease obligation, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease obligation are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and obligations if certain changes occur that are expected to significantly affect the amount of the lease obligations.

Lease assets are reported with other capital assets and lease obligations are reported with long-term debt on the statement of net position.

The City is a lessor for a lease of a building, land, and equipment. The City recognizes a lease receivable and a deferred inflow of resources on the statement of net position.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the leases receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

**Deferred Inflows of Resources and Deferred Outflows of Resources**

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

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

**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

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

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, 2022, the City estimates the accumulated unpaid vacation amount to be \$ 1,768,387 for governmental funds and \$ 356,042 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, 2022, the City estimates the accumulated unpaid sick pay amount to be \$ 1,381,851 for governmental funds and \$ 282,661 for proprietary funds. These amounts include only accumulated sick leave that would be paid on the date of employment termination.

The total liability for compensated absences for vacation and sick leave for governmental funds is \$ 3,150,238. 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 \$ 638,703. 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 inflow of resources in the governmental fund financial statements, but not in the government-wide financial statements. Special assessments in the amount of \$ 317,579 were delinquent at December 31, 2022.

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

**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 items. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted: amounts with externally imposed constraints, such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, law or regulations.
- Committed: amounts with a purpose formally imposed by resolution by the City Commission of the City, binding unless modified or rescinded by the City Commission.
- Assigned: amounts constrained by the express intent of the City Commission, City Manager or Finance Director. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted.
- Unassigned: all amounts not included in other fund balance classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balances.

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

**Net Position**

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

1. Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
3. Unrestricted – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”

**Interfund Receivable/Liability**

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

**Interfund Transfers**

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

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

**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.

**Adoption of New Accounting Standard**

On January 1, 2022, the City adopted GASB statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about the City's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of this statement resulted in the classification of a previously recorded capital lease as a lease obligation as well as reporting certain lease receivables, lease obligations, and leased assets, along with deferred inflows of resources and accumulated amortization for other leases.

**Pending Governmental Accounting Standards Board Statements**

At December 31, 2022, 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. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the City with its year ending December 31, 2023.

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

GASB Statement No. 99, Omnibus 2022, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: 1) classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; 2) clarification of certain provisions in Statement No. 87, Statement No. 94 and Statement No. 96; 3) extension of the period during which the London Interbank offered Rate (LIBOR) is considered an appropriate benchmark interest rate of the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; 4) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program; 5) disclosures related to nonmonetary transactions; 6) pledges of future revenues when resources are not received by the pledging government; 7) clarification of provisions in Statement No 34 related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63; and 8) terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this statement for items 1 and 2 are effective for financial statements for the City's fiscal year ending December 31, 2024 and December 31, 2023, respectively. All other provisions of this statement are effective upon issuance.

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

GASB Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement will be effective for the City with its year ending December 31, 2024.

GASB Statement No. 101, Compensated Absences, updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement will be effective for the City with its year ending December 31, 2024.

**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 City amended the following budgets in 2022: Fire Pension KP&F, Sales Tax, Special Sunset Zoo, Aggieville Business Improvement District, and Downtown Business Improvement District.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for fiscal year 2022.

The funds below are included in the general fund and have legally adopted annual budgets:

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

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

Equipment Reserve  
Parking Management

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

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

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

Debt Service  
Downtown Redevelopment Senior Lien TIF Bonds

The following enterprise funds also have legally adopted annual budgets:

Water  
Wastewater  
Stormwater Management

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

Excess of Expenditures Over Appropriations – Expenditures exceeded appropriations in the Fire Equipment Reserve Fund by \$8,022 and in the Recreation and Trails Sales Tax fund by \$ \$37,782.

**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

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

balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as unavailable revenue.

**Note 3: Detailed Notes on All Funds**

**A. Cash and Investments**

At December 31, 2022, the City's deposit and investment balances were:

	<b>Reported Amount/ Fair Value</b>
<b>Investment Type:</b>	
Repurchase Agreements	\$ 64,951,025
Money Market Mutual Funds	21,735,521
<b>Total Investments</b>	<b>86,686,546</b>
Deposits	45,035,134
Cash on Hand	5,725
<b>Total Deposits</b>	<b>45,040,859</b>
<b>TOTAL DEPOSITS AND INVESTMENTS</b>	<b>\$ 131,727,405</b>
 <b>Reconciliation of Government-wide Statement of Net Position to Total Deposits and Investments:</b>	
Cash and Cash Equivalents	\$ 109,991,884
Investments with Fiscal Agent	20,574,157
Restricted Construction Accounts	1,161,364
<b>TOTAL DEPOSITS AND INVESTMENTS</b>	<b>\$ 131,727,405</b>

**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.

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

**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.

**Fair Value Measurement** – The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

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

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

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

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

- Money market mutual funds are valued using quoted market prices (level 1 inputs).
- The repurchase agreement is an overnight instrument, with fair value of the collateral underlying the repurchase agreement in excess of the amount invested. Given the short-term nature of the agreement, it is measured at amortized cost.

At December 31, 2022, the City had the following investments:

	Investment Maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less Than One	1 - 5 years	
Repurchase Agreements	\$ 64,951,025	\$ 64,951,025	\$ -	N/A
Money Market Mutual Funds	21,735,521	21,735,521	-	Level 1
<b>Total Investments</b>	<b>\$ 86,686,546</b>	<b>\$ 86,686,546</b>	<b>\$ -</b>	

Manhattan Public Library component unit cash and cash equivalents of \$2,320,044 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.

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

Manhattan Housing Authority component unit cash and cash equivalents of \$214,108 and restricted cash and cash equivalents of \$73,861 are stated at cost which approximates fair value. As the Manhattan Housing Authority 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 \$569,850.

Accounts receivable for the enterprise funds are reported net of allowances for uncollectible accounts. The allowances at December 31, 2022, are as follows:

Water Fund	\$	104,735
Wastewater Fund		176,783
Stormwater Management Fund		25,611
 Total	 \$	 <u><u>307,129</u></u>

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

**C. Economic Development Loans**

Economic Development Loans receivable, aggregating \$811,250 at December 31, 2022, consist of loans to three companies in Manhattan as part of an economic development incentive program which included grants and tax abatements. The loans were funded from the Economic Development Fund. An allowance for uncollectible amounts of \$1,125 has been recorded as of December 31, 2022. The loan balance is also presented net of \$810,125 of forgivable loans that will not be collected if specified terms are met.

**D. Conference Center Promissory Note**

In December 2009, the City entered into an economic development agreement with HCW-Manhattan, LLC for the construction of several components within the South End Redevelopment including the construction of a 30,000 square foot conference center as required by the Amended South Project Final Development Agreement (the ‘Amended South FDA’). According to the Amended South FDA, the City passed Ordinance 6810 authorizing the issuance of up to \$ 9,500,000 in economic development funds for the design and construction of the conference center. Per the economic development agreement, the City is required to provide HCW-Manhattan, LLC up to \$ 5,000,000 in the form of a repayable note followed by \$ 4,500,000 in the form of a forgivable note. The repayable note shall be repaid in annual installments of \$ 100,000 per year for 29 years with a single balloon payment in the amount of \$ 2,100,000 or the remaining unpaid balance in year 30. Under the forgivable note, 1/30 of the note shall be deemed forgiven on each due date of the repayable loan, as long as the developer is in compliance with the terms of the notes. The payment of these notes is secured by a mortgage on the property which contains the conference center and that mortgage is subordinate to a lien in favor of the developer’s lending bank. In February 2019, the City entered into a Second Addendum to provide for the construction of a 15,000 square foot addition to the Conference Center. The City passed Ordinance 7461 authorizing the issuance of up to \$ 4,990,000 in economic development funds relating to the development and construction of the New Addition. Per the economic development agreement, the City is to provide up to \$ 1,790,000 repayable note followed by a forgivable loan up to \$ 3,200,000. Under the forgivable loan, 1/28 of the note shall be deemed forgiven on each due date of the new repayable loan as long as the developer is in compliance with the terms in the notes. In 2020, \$ 230,729 was forgiven.

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

In 2021, \$ 100,000 was paid on the loan and then a request to rebate the payment was made in March 2021 and was approved due to COVID. The repayable note shall be repaid in annual installments of \$ 90,000 from 2021 to 2023; \$ 99,000 from 2024 to 2029; \$ 129,000 from 2030 to 2033 and \$ 120,000 from 2034 to 2046 with the exception of a one-time \$ 100,000 reduction in 2019. A single balloon payment in the amount of \$ 2,950,000 is due in 2047 for the remaining unpaid balance. The balance as of December 31, 2022 is \$11,468,227 and is reported net expected of the forgivable note balance of \$5,768,227 on the government-wide financial statements.

**E. Lease Receivable**

The City, as a lessor, has entered into various lease agreements with companies and organizations in and around the City as summarized below:

	Lease Term (Months)	Interest Rate	Lease Receivable	Deferred Inflow	Lease Revenue	Interest Revenue
<b>Governmental Activities:</b>						
1725 South Airport Road	45	0.5517%	\$ 12,881	\$ 12,858	\$ 4,676	\$ 71
5500 Skyway Drive	72	0.8327%	104,661	104,229	20,846	964
Agricultural Land	48	0.5517%	100,381	100,164	33,388	612
Construction Land	216	0.3960%	17,021	17,067	806	48
CMO - Mall Lease	1175	1.6813%	5,277,132	5,317,536	54,867	89,729
Fuel Farm Land	39	0.4257%	511	507	221	2
Fuel Farm Land	384	1.6813%	2,412	2,396	106	38
General Aviation Building	284	1.6813%	1,499,586	1,489,656	65,720	23,819
Hangar Construction Land	220	1.4810%	8,699	8,718	503	46
Hangar Storage Building	39	0.4257%	38,230	37,955	16,562	181
JSG Properties #3	266	2.2980%	21,493	21,614	693	85
Land - Clear Span Hangar	220	1.4810%	8,700	8,718	503	46
T-Hangar A Row 2022-2027	60	2.1860%	33,038	32,806	3,223	30
<b>Total for governmental activities</b>			<b>\$ 7,124,745</b>	<b>\$ 7,154,224</b>	<b>\$ 202,114</b>	<b>\$ 115,671</b>
<b>Business-type Activities:</b>						
1201 Bluemont Scenic Drive	28	0.3300%	\$ 38,744	\$ 43,247	\$ 32,435	\$ 83
2228 Oak Street	28	0.3300%	27,055	30,199	22,649	58
4241 Miller Parkway	372	3.7300%	170,461	168,731	39,701	357
Animal House Cell Tower	62	0.6857%	95,641	96,823	22,962	178
Crown Castle	36	0.9220%	53,443	53,673	26,147	602
Manhattan Muni - KS4749	19	0.3300%	-	10,444	16,346	56
Miller Ranch Water Tower	58	0.6857%	126,329	130,359	33,689	978
Sunset Zoo Water Tower	28	2.7120%	41,766	46,620	34,965	90
Sunset Zoo Water Tower Site - 228 Oak Street	76	2.3100%	-	7,196	21,589	23
Tower -1201 Bluemont (County)	156	1.3063%	2,760	3,006	251	3
Tower - 4241 Miller Parkway (County)	156	1.3063%	2,760	3,006	251	3
Tower - Call Center Relo	51	0.5517%	129,662	131,351	39,603	299
<b>Total for business-type activities</b>			<b>\$ 688,621</b>	<b>\$ 724,655</b>	<b>\$ 290,588</b>	<b>\$ 2,730</b>

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

**F. Capital Assets**

Capital asset activity for the year ended December 31, 2022, was as follows:

**Primary Government**

	<b>Beginning Balance</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 20,645,386	\$ 322,292	\$ -	\$ 20,967,678
Construction in progress	108,957,911	1,670,717	460,892	110,167,736
<b>TOTAL</b>	<b>129,603,297</b>	<b>1,993,009</b>	<b>460,892</b>	<b>131,135,414</b>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	140,539,250	27,834,227	767,059	167,606,418
Contents and equipment	12,096,512	1,149,106	543,886	12,701,732
Vehicles	11,694,741	82,079	1,069,439	10,707,381
Infrastructure	191,537,874	6,610,445	-	198,148,319
<b>TOTAL</b>	<b>355,868,377</b>	<b>35,675,857</b>	<b>2,380,384</b>	<b>389,163,850</b>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	57,078,267	4,341,276	118,416	61,301,127
Contents and equipment	9,629,455	648,268	339,740	9,937,983
Vehicles	8,454,850	628,412	619,027	8,464,235
Infrastructure	115,723,556	7,933,037	-	123,656,593
<b>TOTAL</b>	<b>190,886,128</b>	<b>13,550,993</b>	<b>1,077,183</b>	<b>203,359,938</b>
<b>Total capital assets being depreciated, net</b>	<b>164,982,249</b>	<b>22,124,864</b>	<b>1,303,201</b>	<b>185,803,912</b>
<b>Right to use lease assets not being amortized:</b>				
Construction in progress	-	149,459	-	149,459
<b>Right to use lease assets being amortized:</b>				
Buildings and improvements	-	767,058	-	767,058
Contents and equipment	-	712,382	-	712,382
Vehicles	-	1,069,439	-	1,069,439
<b>TOTAL</b>	<b>-</b>	<b>2,548,879</b>	<b>-</b>	<b>2,548,879</b>
<b>Less accumulated amortization:</b>				
Buildings and improvements	-	118,416	-	118,416
Contents and equipment	-	310,029	-	310,029
Vehicles	-	619,027	-	619,027
<b>TOTAL</b>	<b>-</b>	<b>1,047,472</b>	<b>-</b>	<b>1,047,472</b>
<b>Total right to use lease assets being amortized, net</b>	<b>-</b>	<b>1,501,407</b>	<b>-</b>	<b>1,501,407</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 294,585,546</b>	<b>\$ 25,768,739</b>	<b>\$ 1,764,093</b>	<b>\$ 318,590,192</b>

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

	<b>Beginning Balance</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 505,833	\$ -	\$ -	\$ 505,833
Construction in progress	54,102,195	6,942,645	26,501	61,018,339
<b>TOTAL</b>	<b>54,608,028</b>	<b>6,942,645</b>	<b>26,501</b>	<b>61,524,172</b>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	63,233,093	-	-	63,233,093
Contents and equipment	5,583,893	150,175	465,518	5,268,550
Vehicles	3,301,877	224,765	-	3,526,642
Infrastructure	198,323,729	1,208,730	-	199,532,459
<b>TOTAL</b>	<b>270,442,592</b>	<b>1,583,670</b>	<b>465,518</b>	<b>271,560,744</b>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	21,178,563	1,309,574	-	22,488,137
Contents and equipment	3,597,303	199,482	177,104	3,619,681
Vehicles	2,130,753	350,589	-	2,481,342
Infrastructure	89,395,224	4,468,019	-	93,863,243
<b>TOTAL</b>	<b>116,301,843</b>	<b>6,327,664</b>	<b>177,104</b>	<b>122,452,403</b>
<b>Total capital assets being depreciated, net</b>	<b>154,140,749</b>	<b>(4,743,994)</b>	<b>288,414</b>	<b>149,108,341</b>
<b>Right to use lease assets being amortized:</b>				
Contents and equipment	-	495,000	-	495,000
<b>Less accumulated amortization:</b>				
Contents and equipment	-	244,460	-	244,460
<b>Total right to use lease assets being amortized, net</b>	<b>-</b>	<b>250,540</b>	<b>-</b>	<b>250,540</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 208,748,777</b>	<b>\$ 2,449,191</b>	<b>\$ 314,915</b>	<b>\$ 210,883,053</b>

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

**Discretely Presented Component Units**

	<b>Beginning Balance</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Ending Balance</b>
<b>Manhattan Public Library</b>				
<b>Capital assets not being depreciated:</b>				
Construction in progress	\$ 155,344	\$ -	\$ 155,344	\$ -
Works of art	32,400	-	-	32,400
<b>TOTAL</b>	<b>187,744</b>	<b>-</b>	<b>155,344</b>	<b>32,400</b>
<b>Capital assets being depreciated:</b>				
Furniture and equipment	443,926	366,052	118,564	691,414
Leasehold improvements	930,306	-	-	930,306
<b>TOTAL</b>	<b>1,374,232</b>	<b>366,052</b>	<b>118,564</b>	<b>1,621,720</b>
<b>Less accumulated depreciation</b>	<b>681,286</b>	<b>121,567</b>	<b>59,502</b>	<b>743,351</b>
<b>Total capital assets being depreciated, net</b>	<b>692,946</b>	<b>244,485</b>	<b>59,062</b>	<b>878,369</b>
<b>Library capital assets, net</b>	<b>\$ 880,690</b>	<b>\$ 244,485</b>	<b>\$ 214,406</b>	<b>\$ 910,769</b>
	<b>Beginning Balance</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Ending Balance</b>
<b>Manhattan Housing Authority</b>				
<b>Capital assets not being depreciated:</b>				
Construction in progress	\$ -	\$ 75,000	\$ -	\$ 75,000
<b>Capital assets being depreciated:</b>				
Buildings and leasehold improvements	17,289,514	97,477	-	17,386,991
Contents and equipment	207,425	27,258	15,331	219,352
<b>TOTAL</b>	<b>17,496,939</b>	<b>124,735</b>	<b>15,331</b>	<b>17,606,343</b>
<b>Less accumulated depreciation</b>	<b>9,114,228</b>	<b>515,385</b>	<b>6,331</b>	<b>9,623,282</b>
<b>Housing Authority capital assets, net</b>	<b>\$ 8,382,711</b>	<b>\$ (315,650)</b>	<b>\$ 9,000</b>	<b>\$ 8,058,061</b>

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

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

Governmental activities:	
Public works	\$ 7,630,987
Culture/recreation	2,801,333
General government	2,033,605
Public safety	807,956
Downtown redevelopment	211,402
Urban development and housing	89,904
Internal service	<u>1,284</u>
 Total depreciation/amortization expense for governmental activities	 <u><u>\$ 13,576,471</u></u>
Business-type activities:	
Wastewater	\$ 2,990,055
Water	2,505,392
Stormwater Management	<u>877,613</u>
 Total depreciation/amortization expense for business-type activities	 <u><u>\$ 6,373,060</u></u>

**G. Capital Projects**

At December 31, 2022 the City had contractual commitments for the construction of various projects:

	<u>Expenditures to</u> <u>Date</u>	<u>Amount</u> <u>Authorized</u>
Miscellaneous Governmental Activities	\$ 48,946,550	\$ 54,072,380
Street Improvements	50,687,577	56,924,663
Stormwater Improvements	33,864,261	45,338,801
Sanitary Sewer Improvements	2,859,060	4,292,638
Airport Improvements	8,793,168	38,690,297
Water Improvements	<u>4,547,048</u>	<u>6,233,804</u>
 Total	 <u><u>\$ 149,697,664</u></u>	 <u><u>\$ 205,552,583</u></u>

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

**H. Interfund Receivable/Payable**

Individual fund receivable/payable balances at December 31, 2022, are as follows.

	<b>Receivable</b>	<b>Payable</b>
<b>Major Funds:</b>		
Governmental Funds:		
General	\$ 310,087	\$ -
Capital Projects Fund	33,378,716	-
Proprietary Funds:		
Water Fund	-	2,911,728
Wastewater Fund	-	3,595,682
Stormwater Management Fund	-	26,871,306
<b>Nonmajor Governmental Funds</b>	-	310,087
<b>TOTAL</b>	<b>\$ 33,688,803</b>	<b>\$ 33,688,803</b>

The amounts payable to the Capital Projects Fund relate to amounts drawn by the Water, Wastewater Funds and Stormwater for KDHE Loan draws and temporary notes.

**I. Interfund Transfers**

A summary of 2022 interfund transfers is as follows:

	<b>Transfer In</b>	<b>Transfer Out</b>
<b>Major Funds:</b>		
Governmental Funds:		
General	\$ 16,257,824	\$ 722,237
Debt Service	6,489,295	485,724
Capital Projects	14,182,990	6,726,219
Proprietary Funds:		
Water	11,588	2,265,057
Wastewater Fund	18,547	2,323,655
Stormwater Management Fund	6,350	2,900,499
<b>Non-major Governmental Funds</b>	250,963	22,093,871
<b>Internal Service Funds</b>	299,705	-
<b>TOTAL TRANSFERS</b>	<b>\$ 37,517,262</b>	<b>\$ 37,517,262</b>

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 \$ 8,135,489 were made from the governmental activities to the business-type activities.

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

**J. Long-Term Debt**

The following is a summary of the debt transactions of the City for the year ended December 31, 2022:

	Balance January 1, 2022	Issued	Transfers	Retired/ Refunded	Balance December 31, 2022	Due Within One Year
<b>Governmental Activities:</b>						
General obligation bonds	\$ 95,680,000	\$ 1,000,000	\$ -	\$ (9,140,000)	\$ 87,540,000	\$ 8,575,000
General obligation bonds-premium	5,754,282	45,077	-	(371,056)	5,428,303	-
Senior lien special obligation bonds- Series 2009-A – direct borrowings	9,010,000	-	-	(1,900,000)	7,110,000	1,775,000
Subordinate lien special obligation bonds- Series 2009-B – direct borrowings	4,130,000	-	-	-	4,130,000	-
Taxable STAR bonds-Series 2022-1 – direct borrowings	-	24,975,000	-	(10,205,000)	14,770,000	-
Temporary notes – direct borrowings	145,335,000	40,320,000	-	(14,070,000)	171,585,000	9,095,000
Transportation Development District Sales Tax Revenue Bonds-Series 2010 – direct borrowings	4,040,000	-	-	(235,000)	3,805,000	250,000
Transportation Revolving Fund Loan – direct borrowings	939,761	-	-	(320,807)	618,954	332,741
Notes payable - financed purchases – direct borrowings	4,418,018	858,753	(1,186,280)	(612,115)	3,478,376	681,080
Lease obligations payable - direct borrowings	-	464,678	1,186,280	(270,426)	1,380,532	345,295
Other postemployment benefits	1,676,235	499,929	-	(888,791)	1,287,373	-
Compensated absences	2,859,022	2,406,854	-	(2,115,638)	3,150,238	2,110,660
Net pension liability	17,190,972	13,908,297	-	(4,501,430)	26,597,839	-
<b>Total for governmental activities</b>	<b>\$ 291,033,290</b>	<b>\$ 84,478,588</b>	<b>\$ -</b>	<b>\$ (44,630,263)</b>	<b>\$ 330,881,615</b>	<b>\$ 23,164,776</b>
<b>Business-type Activities:</b>						
General obligation bonds	\$ 13,535,000	\$ 1,100,000	\$ -	\$ (1,705,000)	\$ 12,930,000	\$ 1,885,000
General obligation bonds-premium	502,196	121,803	-	(31,990)	592,009	-
State revolving loans – direct borrowings	40,565,420	-	-	(3,814,941)	36,750,479	3,330,599
Notes payable - financed purchases – direct borrowings	831,179	-	(180,233)	(161,285)	489,661	160,895
Lease obligations payable - direct borrowings	-	29,482	180,233	(97,678)	112,037	99,827
Other postemployment benefits	548,220	161,265	-	(294,197)	415,288	-
Compensated absences	712,715	354,929	-	(428,941)	638,703	427,931
Net pension liability	2,538,033	2,284,291	-	(663,785)	4,158,539	-
<b>Total for business-type activities</b>	<b>\$ 59,232,763</b>	<b>\$ 4,051,770</b>	<b>\$ -</b>	<b>\$ (7,197,817)</b>	<b>\$ 56,086,716</b>	<b>\$ 5,904,252</b>

Of the \$ 87,540,000 in general obligation bond debt shown above, \$ 42,801,539 is special assessment debt with government commitment.

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

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

**General Obligation Bonds and Temporary Notes**

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

General Obligation Bonds	Type of Bond	Original Issue Amount	Date of Issue	Remaining Principal Annual Installments		Interest Rate	Maturity Date	Balance December 31, 2022
				Lowest	Highest			
2011 Series 2011A	Serial	\$ 10,535,000	12/1/2011	\$ 110,000	\$ 145,000	2.0% to 3.75%	11/1/2031	\$ 1,135,000
2011 Refunding Series 2011B	Serial	2,790,000	12/1/2011	160,000	160,000	2.0% to 3.0%	11/1/2023	160,000
2012 Series 2012A	Serial	1,465,000	6/1/2012	80,000	85,000	1.5% to 3.75%	1/1/2032	725,000
2012 Series 2012B	Serial	12,885,000	12/1/2012	45,000	1,095,000	1.5% to 3.0%	1/1/2032	2,565,000
2012 Refunding Series 2012C	Serial	4,895,000	12/20/2012	430,000	555,000	2.0% to 4.0%	11/1/2026	1,920,000
2013 Series 2013A	Serial	6,400,000	12/1/2013	45,000	695,000	3.0% to 4.0%	11/1/2033	1,215,000
2014 Series 2014A	Serial	12,310,000	6/2/2014	485,000	805,000	2.0% to 5.0%	11/1/2034	7,115,000
2014 Series 2014B	Serial/Term	9,685,000	6/2/2014	435,000	670,000	3.0% to 4.25%	11/1/2034	6,550,000
2014 Series 2014C	Serial/Term	3,940,000	12/8/2014	175,000	235,000	2.0% to 3.375%	11/1/2034	2,425,000
2015 Series 2015A	Serial/Term	5,475,000	12/7/2015	105,000	285,000	2.0% to 5.0%	11/1/2035	1,940,000
2015 Refunding Series 2015B	Serial	4,805,000	12/7/2015	495,000	595,000	2.0% to 5.0%	11/1/2027	2,725,000
2016 Refunding and Improvement Series 2016A	Serial	18,050,000	6/6/2016	195,000	1,985,000	2.0% to 5.0%	11/1/2036	13,260,000
2016 Series 2016B	Serial/Term	2,065,000	12/5/2016	50,000	165,000	2.0% to 3.5%	11/1/2036	1,185,000
2017 Series 2017A	Serial/Term	1,235,000	6/5/2017	55,000	80,000	2.0% to 3.50%	11/1/2037	980,000
2017 Series 2017B	Serial/Term	3,075,000	6/5/2017	130,000	205,000	3.0% to 3.5%	11/1/2037	2,470,000
2017 Series 2017C Taxable	Serial/Term	1,075,000	6/5/2017	25,000	60,000	3.0% to 4.1%	11/1/2047	965,000
2017 Series 2017D Refunding and Improvements	Serial/Term	9,230,000	12/15/2017	65,000	640,000	3.0% to 5.0%	11/1/2037	3,665,000
2018 Series 2018A	Serial/Term	17,630,000	6/4/2018	615,000	1,340,000	3.0% to 5.0%	11/1/2038	13,920,000
2019 Series 2019A Refunding and Improvements	Serial/Term	11,780,000	6/14/2019	390,000	845,000	3.0% to 5.0%	11/1/2039	9,795,000
2019 Series 2019B Taxable	Serial/Term	3,720,000	6/14/2019	215,000	300,000	2.30% to 3.15%	11/1/2034	3,085,000
2020 Refunding and Improvements Series 2020A	Serial	18,670,000	6/15/2020	290,000	1,315,000	2.85%	11/1/2040	14,500,000
2020 Refunding Series 2020B	Serial	1,690,000	9/15/2020	155,000	195,000	3.00%	11/1/2030	1,395,000
2021 Series 2021A	Serial	4,940,000	6/7/2021	165,000	365,000	2.0% to 4.0%	11/1/2041	4,675,000
2022 Series 2022A	Serial	2,100,000	12/15/2022	120,000	230,000	4.0% to 5.0%	11/1/2042	2,100,000
Subtotal								100,470,000
Less amount to be paid by Enterprise Funds								(12,930,000)
Total General Obligation Bonds Payable – Governmental Activities								<u>\$ 87,540,000</u>

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

The annual debt service payments for governmental activities general obligation bonds outstanding as of December 31, 2022, are as follows:

<b>Years Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 8,575,000	\$ 3,012,999	\$ 11,587,999
2024	8,105,000	2,682,049	10,787,049
2025	8,090,000	2,358,729	10,448,729
2026	8,350,000	2,047,052	10,397,052
2027	7,945,000	1,784,756	9,729,756
2028-2032	25,990,000	5,734,695	31,724,695
2033-2037	16,195,000	1,993,738	18,188,738
2038-2042	4,010,000	290,616	4,300,616
2043-2047	280,000	35,415	315,415
<b>TOTAL</b>	<b>\$ 87,540,000</b>	<b>\$ 19,940,049</b>	<b>\$ 107,480,049</b>

General obligation bonds in the amount of \$ 12,930,000 are included as liabilities of the Water, Wastewater, and Stormwater Funds because the City intends to retire them through the operations of these funds. The annual debt service payments for business-type activities general obligation bonds outstanding as of December 31, 2022, are as follows:

<b>Years Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,885,000	\$ 524,844	\$ 2,409,844
2024	1,815,000	447,234	2,262,234
2025	1,540,000	370,889	1,910,889
2026	1,600,000	305,217	1,905,217
2027	1,665,000	236,309	1,901,309
2028-2032	3,970,000	406,765	4,376,765
2033-2037	455,000	36,910	491,910
<b>TOTAL</b>	<b>\$ 12,930,000</b>	<b>\$ 2,328,168</b>	<b>\$ 15,258,168</b>

\$ 11,484,313 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.

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

Temporary notes currently outstanding consist of the following:

<u>Series</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>12/31/2022 Balance</u>
2019-01	6/15/2023	1.88%	\$ 7,170,000
2019-02	6/15/2023	1.20%	120,000
2020-01	6/15/2023	1.13%	20,605,000
2020-02	6/15/2023	1.70%	5,090,000
2020-03	6/15/2023	0.50%	4,010,000
2020-03	6/15/2024	0.75%	17,790,000
2021-01	6/15/2024	0.20%	40,250,000
2021-02	6/15/2025	0.40%	25,170,000
2021-03	6/15/2023	0.38%	1,285,000
2021-03	6/15/2025	0.80%	14,985,000
2022-01	6/15/2025	1.75%	17,740,000
2022-02	6/15/2023	2.00%	4,645,000
2022-02	6/15/2025	3.00%	5,215,000
2022-03	6/15/2024	3.00%	285,000
2022-03	6/15/2026	3.00%	11,345,000
Total			<u>\$ 175,705,000</u>

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

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Most temporary notes issued by the City have initial maturities of at least two years. Therefore, they are considered long-term debt and have been included in long-term liabilities on the statement of net position. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds or other available funds or refinanced with temporary notes. Temporary notes in the amount of \$ 42,925,000 outstanding at December 31, 2022, will be retired on June 15, 2023, with funds on hand. Temporary notes in the amount of \$ 129,225,000 will mature in 2023, 2024, and 2025.

At December 31, 2022, there were temporary notes in the amount of \$ 4,120,000 maturing in 2023 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, 2022.

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

Changes in this short-term debt during 2022 are summarized in the following table:

Balance at January 1, 2022	\$	4,355,000
Issued		4,120,000
Retired		<u>(4,355,000)</u>
 Balance at December 31, 2022	 \$	 <u><u>4,120,000</u></u>

**Debt Service Limit**

The December 31, 2022 debt limit is \$ 203,929,482. There was \$ 167,054,107 in outstanding long and short-term G.O. debt applicable to the debt limit as of December 31, 2022. Sewer, Water, Stormwater and refunding G.O. bonds are exempt from the state-imposed debt limit.

**Transportation Development District Sales Tax Revenue Bonds-Series 2010**

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

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

<b>Years Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 250,000	\$ 186,175	\$ 436,175
2024	270,000	174,925	444,925
2025	295,000	162,775	457,775
2026	315,000	149,500	464,500
2027	340,000	133,750	473,750
2028-2032	<u>2,335,000</u>	<u>386,250</u>	<u>2,721,250</u>
 TOTAL	 <u><u>\$ 3,805,000</u></u>	 <u><u>\$ 1,193,375</u></u>	 <u><u>\$ 4,998,375</u></u>

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

The Senior Lien TIF Special Obligation Bonds-Series 2009A and the Subordinate Lien TIF Special Obligation Bonds-Series 2009B were issued December 1, 2009, at a principal amount of \$ 21,220,000 and \$ 4,160,000, respectively. These bonds were issued to retire the Taxable Special Obligation Revenue Bonds-Series 2006 issued to finance land acquisition and site preparation of the North Redevelopment District. Funds from these issuances will also be used to construct a public plaza in the North District. The Series 2009B Bonds shall constitute subordinate lien bonds and shall be junior and subordinate with respect to the payment of debt service from the incremental tax revenues to the Series 2009A Bonds. Both series of bonds shall not constitute a debt or liability of

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

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**

<b>Term Bonds</b>		
<b>Stated Maturity December 1,</b>	<b>Principal Amount</b>	<b>Annual Rate of Interest</b>
2026	\$7,110,000	5.00%

**Series 2009B Bonds**

<b>Stated Maturity December 1,</b>	<b>Principal Amount</b>	<b>Annual Rate of Interest</b>
2027	\$4,130,000	7.50%

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

<b>Redemption Dates</b>	<b>Redemption Price</b>
December 1, 2019 and thereafter	100%

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

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:

<b>Principal Amount</b>	<b>Year</b>
\$1,775,000	2023
\$1,910,000	2024
\$2,055,000	2025
\$1,370,000	2026

**Taxable STAR Bonds-Series 2022-1**

The Taxable STAR Bonds-Series 2022-1 were issued June 29, 2022, at a principal amount of \$ 24,975,000. This series of STAR Bonds was issued to finance eligible land acquisition and infrastructure costs within the Downtown Redevelopment District. The 2022-1 STAR Bonds are considered a special obligation of the City secured by a

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

pledge of revenues collected within the STAR Bond district. They are not a general obligation of the City, nor do they count against the City’s debt limit. In 2022, \$10,205,000 in principal was redeemed on the 2022-1 STAR Bonds, resulting in a balance of \$14,770,000.

The Taxable STAR Bonds Series 2022-1 bonds shall become due on the stated maturity date and in the amount listed below.

<b>Principal Amount</b>	<b>Year</b>
\$14,770,000	2027

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

**Notes payable – Financed Purchases**

In the current and prior years, the City agreed to lease equipment through Notes payable – financed purchasing arrangements. The assets acquired through Notes payable – financed purchases outstanding are as follows:

<u>Equipment Leased</u>	<u>Amount Financed</u>	<u>Notes Payable - Financed Purchases Balance 12/31/2022</u>	<u>Gross Cost of Assets under Notes Payable - Financed Purchases</u>	<u>Accumulated Amortization 12/31/2022</u>
<b>Governmental Activities:</b>				
Backhoe	\$ 85,300	\$ 17,645	\$ 96,492	\$ 32,164
Phone System	519,543	103,909	519,543	519,543
Aerial truck	953,091	663,515	1,094,876	437,950
Thermal imaging cameras	39,200	10,279	51,554	17,185
Groundsmaster mower	32,385	8,302	32,385	8,636
Storm warning sirens	45,484	11,662	58,962	11,792
Compact excavator	26,150	10,674	26,150	26,150
Forestry large aerial truck	126,784	51,544	153,739	46,122
Peace Memorial - new roof	205,774	151,123	228,237	68,471
2019 Ford F-350 SD and related equip.	65,900	33,766	67,320	20,196
Airfield Lighting	28,013	17,194	35,357	10,607
State Bid Vehicles (11)	237,934	172,793	249,603	74,881
Airport Deicer Trailer	42,854	26,119	54,660	16,398
Standard Cab Pickup Truck	127,058	92,120	146,884	44,065
Dump Truck and Pickup Truck	257,148	156,507	308,518	123,408
2 Ford SUV's	69,784	42,471	84,146	25,244
Replacement 1992 Fire Truck	1,050,000	1,050,000	1,050,000	-
New John Deere Model 5090E Tractor	41,264	41,264	59,248	-
Fire Rescue Equipment	139,791	139,791	92,916	-
John Deere Wide Area Mower	66,001	66,001	-	-
2022 Midsize SUV Vehicle	21,270	21,270	-	-
2022 Full Size SUV Vehicle	52,750	52,750	-	-
Tractor with Cab & Loader	69,583	69,583	-	-
4 Trucks	180,487	180,487	-	-
Building Maintenance Truck	58,286	58,286	-	-
1 Ton Truck - Primary mover for boats	72,677	72,677	-	-
Knuckleboom Truck	156,644	156,644	-	-
<b>Total</b>	<b>\$ 4,771,155</b>	<b>\$ 3,478,376</b>	<b>\$ 4,410,590</b>	<b>\$ 1,482,812</b>
<b>Business-type Activities:</b>				
International Dump Truck	\$ 87,345	\$ 53,160	\$ 109,808	\$ 32,942
One Ton Pickup Truck	60,670	36,925	75,721	15,144
Street Sweeper	232,612	174,878	289,223	115,689
Trunk-Mounted Sewer Jet	189,842	142,601	-	-
1.5 Ton Pickup Truck	109,586	82,097	-	-
<b>Total</b>	<b>\$ 680,055</b>	<b>\$ 489,661</b>	<b>\$ 474,752</b>	<b>\$ 163,775</b>

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

Future minimum notes payable – financial purchases obligations as of December 31, 2022, are:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2023	\$ 743,661	\$ 167,855
2024	693,051	167,855
2025	643,353	167,855
2026	559,089	-
2027	428,686	-
2028-2032	693,163	-
Total Minimum Lease Payments	3,761,003	503,565
Less: Amount representing interest	<u>(282,627)</u>	<u>(13,904)</u>
Present Value of Minimum Lease Payments	<u>\$ 3,478,376</u>	<u>\$ 489,661</u>

Amortization on these assets acquired through Notes payable – financed purchases totaled \$ 2,321,983 for governmental activities and \$ 196,338 for business-type activities in 2022 and has been included in accumulated depreciation expense.

Lease Obligations Payable

The City, as a lessee, has entered into various lease agreements with companies and organizations in and around the City as summarized below:

**Governmental Activities:**

The City has seven leases with payments that range from \$ 8,710 to \$ 107,757 and interest rates that range from 0.3300% to 3.7200%. As of December 31, 2022, the total combined value of the lease liability is \$ 1,380,532. The combined value of the right to use assets, as of December 31, 2022 is \$ 2,789,872 with accumulated amortization of \$ 1,047,472 included within the capital assets footnote above.

**Business-type activities:**

The City has seven leases with payments that range from \$ 14,102 to \$ 50,243 and interest rates that range from 0.3300% to 2.3657%. As of December 31, 2022, the total combined value of the lease liability is \$ 112,037. The combined value of the right to use assets, as of December 31, 2022 is \$ 495,000 with accumulated amortization of \$ 244,460 included within the capital assets footnote above.

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

The future principal and interest lease payments as of December 31, 2022 were as follows:

<b>Years Ending December 31,</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 345,295	\$ 29,137	\$ 374,432
2024	342,332	26,659	368,991
2025	267,556	17,271	284,827
2026	274,326	10,501	284,827
2027	151,023	3,661	154,684
<b>TOTAL</b>	<b>\$ 1,380,532</b>	<b>\$ 87,229</b>	<b>\$ 1,467,761</b>

<b>Years Ending December 31,</b>	<b>Business-type activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 99,827	\$ 2,644	\$ 102,471
2024	3,386	252	3,638
2025	3,467	171	3,638
2026	3,550	88	3,638
2027	1,807	13	1,820
<b>TOTAL</b>	<b>\$ 112,037</b>	<b>\$ 3,168</b>	<b>\$ 115,205</b>

**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 \$ 578,797 was paid in 2022. The balance on the loan was paid in full as of December 31, 2022.

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

During 2009, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow up to \$ 39,506,000 on a low-interest loan with a 20-year repayment period to finance the construction phase of the wastewater treatment plant upgrade and expansion project. The interest rate on the loan is 2.72%. The City completed the draw-down process in 2014 and drew down a total of \$ 36,732,684. Principal in the amount of \$ 1,769,409 was paid in 2022. The balance on the loan as of December 31, 2022, is \$ 18,272,286 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:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,817,864	\$ 484,728	\$ 2,302,592
2024	1,867,646	434,946	2,302,592
2025	1,918,792	383,801	2,302,593
2026	1,971,338	331,255	2,302,593
2027	2,025,323	277,270	2,302,593
2028-2032	8,671,323	539,046	9,210,369
Totals	<u>\$ 18,272,286</u>	<u>\$ 2,451,046</u>	<u>\$ 20,723,332</u>

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, 2022, is \$ 718,830 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. Principal in the amount of \$ 70,215 was paid in 2022. The annual amounts to amortize the loan are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 72,017	\$ 17,874	\$ 89,891
2024	73,865	16,026	89,891
2025	75,761	14,130	89,891
2026	77,705	12,186	89,891
2027	79,699	10,192	89,891
2028-2031	339,783	19,783	359,566
Totals	<u>\$ 718,830</u>	<u>\$ 90,191</u>	<u>\$ 809,021</u>

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

In 2018, the City entered into a loan agreement with the Kansas Department of Health and Environment to borrow up to \$ 3,782,594 on a low-interest loan with a 20-year repayment period to finance the cost of wastewater treatment plant improvements. Drawdowns totaling \$ 3,766,274 have been made on this loan. Principal in the amount of \$153,681 was paid in 2022. The balance on the loan as of December 31, 2022, is \$3,254,322 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. This loan is payable from the revenues of the wastewater utility. The annual amounts to amortize the loan are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 157,361	\$ 76,522	\$ 233,883
2024	161,128	72,755	233,883
2025	164,986	68,897	233,883
2026	168,936	64,947	233,883
2027	172,981	60,902	233,883
2028-2032	929,044	240,371	1,169,415
2033-2037	1,045,712	123,703	1,169,415
2038-2039	454,174	13,592	467,766
Totals	<u>\$ 3,254,322</u>	<u>\$ 721,689</u>	<u>\$ 3,976,011</u>

During 2007, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds on a low-interest loan with a 20-year repayment period to finance the design and construction of the water treatment plant and wellfield improvements. During 2010 the loan was amended to increase the maximum loan amount to \$ 17,975,861. The interest rate on the loan is 3.63%. The City started the draw-down process in 2010. The balance on the loan as of December 31, 2022, is \$ 10,118,875 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 \$ 877,601 was paid in 2022. The annual amounts to amortize the loan will be as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 909,747	\$ 359,133	\$ 1,268,880
2024	943,070	325,810	1,268,880
2025	977,614	291,266	1,268,880
2026	1,013,424	255,456	1,268,880
2027	1,050,545	218,335	1,268,880
2028-2032	5,224,475	485,486	5,709,961
Totals	<u>\$ 10,118,875</u>	<u>\$ 1,935,486</u>	<u>\$ 12,054,361</u>

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

During 2011, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds up to \$ 1,395,461 on a low-interest loan with a 20-year repayment period to finance the extension of the Konza water main. The interest rate on the loan is 2.62%. This project is eligible for 20% principal forgiveness on the construction costs and an additional 20% principal forgiveness for any qualifying green infrastructure component, or energy or water efficiency component. The City completed the draw-down process in 2013. Draws in the amount of \$ 506,899 were made during 2013, with principal forgiveness of \$ 126,725. The balance on the loan as of December 31, 2022, is \$ 230,863 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$ 17,892 was paid in 2022. The annual amounts to amortize the loan will be as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18,364	\$ 5,929	\$ 24,293
2024	18,848	5,445	24,293
2025	19,345	4,948	24,293
2026	19,855	4,438	24,293
2027	20,379	3,914	24,293
2028-2032	110,246	11,220	121,466
2033	23,826	469	24,295
Totals	<u>\$ 230,863</u>	<u>\$ 36,363</u>	<u>\$ 267,226</u>

During 2013, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds up to \$ 3,091,960 on a low-interest loan with a 10-year repayment period to finance the replacement and upgrade of water meters. The interest rate on the loan is 2.08%. This project is eligible for up to 40% principal forgiveness for any qualifying green infrastructure component, or energy or water efficiency component. The estimated principal forgiven amount is \$ 1,233,700. The City started the draw-down process in 2013. The balance on the loan as of December 31, 2022, is \$ 396,667 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$ 152,080 was paid in 2022. The annual amounts to amortize the loan will be as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 155,798	\$ 8,698	\$ 164,496
2024	159,607	4,889	164,496
2025	81,262	987	82,249
Totals	<u>\$ 396,667</u>	<u>\$ 14,574</u>	<u>\$ 411,241</u>

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

In 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment to borrow up to \$ 7,326,270 on a low-interest loan with a 20-year repayment period to finance the cost of the construction phase of the water treatment plant improvements. Drawdowns totaling \$ 4,528,589 have been made on this loan. The balance of this loan is \$ 3,758,636. This loan is payable from the revenues of the water utility. Principal in the amount of \$ 195,266 was paid in 2022. The annual amounts to amortize the loan are as follows if the full amount of the loan was borrowed:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 199,448	\$ 79,003	\$ 278,451
2024	203,719	74,732	278,451
2025	208,081	70,369	278,450
2026	212,537	65,914	278,451
2027	217,088	61,362	278,450
2028-2032	1,157,191	235,061	1,392,252
2033-2037	1,286,510	105,743	1,392,253
2038	274,062	4,386	278,448
Totals	<u>\$ 3,758,636</u>	<u>\$ 696,570</u>	<u>\$ 4,455,206</u>

**Kansas Department of Transportation Loan**

During 2005, the City entered into a loan agreement with the Kansas Department of Transportation. This agreement enabled the City to borrow up to \$ 4,608,000 on a low-interest loan with a 20-year repayment period to finance various street improvements within the City. The interest rate on the loan is 3.72%. The City completed the draw-down process in 2007 and drew down a total of \$ 4,607,872. The balance as of December 31, 2022, is \$ 618,954. The annual amounts to amortize the loan are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 332,741	\$ 23,025	\$ 355,766
2024	286,213	10,647	296,860
Totals	<u>\$ 618,954</u>	<u>\$ 33,672</u>	<u>\$ 652,626</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, 2022, Industrial Revenue Bonds relating to seven entities were outstanding with a total balance of \$ 95,853,764.

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

**Manhattan Housing Authority Debt**

The following is a summary of the debt transactions of the Housing Authority for the year ended December 31, 2022.

	<b>Balance January 1, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2022</b>	<b>Amounts Due within One Year</b>
Accrued compensated absences	\$ 17,000	\$ 16,864	\$ (8,500)	\$ 25,364	\$ 12,682
EPC / recoverable advance	2,527,357	5,248	-	2,532,605	173,907
Accrued pension liability	290,137	238,643	-	528,780	-
<b>Total for Housing Authority</b>	<b>\$ 2,834,494</b>	<b>\$ 260,755</b>	<b>\$ (8,500)</b>	<b>\$ 3,086,749</b>	<b>\$ 186,589</b>

EPC (Energy Performance Contract)

The Authority received HUD approval for an Energy Performance Contract (EPC) in November 2015 in the amount of \$ 2,043,067. The balance as of December 31, 2022 is \$ 1,497,605. Payments are made using utility savings generated by energy-saving projects completed in 2017. Projects include: retrofitting interior and exterior lighting; installation of high efficiency toilets, shower heads and aerators; building envelope improvements; refrigerator, water heater and HVAC system replacement. Utility savings are guaranteed by the Energy Performance Contractor, Johnson Controls, Inc. The payments are to be made on a semi-annual basis.

Recoverable Advance Agreement

The Authority signed a recoverable advance agreement with the City of Manhattan dated October 17, 2017, in the amount of \$ 1,055,000 for the installation of windows and patio doors and the repair or replacement of sewer lines located on the premises. The Authority will pay the City an amount equal to the City's annual debt service for the general obligation bonds used to finance the design and construction of the project repairs for the development. Such annual advance payment shall be due and payable regardless of when or whether the City actually issues the general obligation bonds and regardless of the City's repayment schedule, including whether the City pays any bonds that may be issued earlier than anticipated. The balance as of December 31, 2022 is \$ 1,035,000.

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

The annual debt service requirements to maturity for long-term debt as of December 31, 2022 for both the EPC contract and Recoverable Advance Agreement combined are as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 193,907	\$ 88,144	\$ 282,051
2024	147,806	83,344	231,150
2025	157,510	78,234	235,744
2026	167,704	72,798	240,502
2027	183,402	67,022	250,424
2028-2032	882,276	234,076	1,116,352
2033-2037	160,000	147,800	307,800
2038-2042	190,000	113,400	303,400
2043-2047	235,000	71,800	306,800
2048-2052	215,000	21,800	236,800
	<u>\$ 2,532,605</u>	<u>\$ 978,418</u>	<u>\$ 3,511,023</u>

**Note 4: Other Information**

**A. Risk Management**

**General**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

**Self-Insured Health Care Fund**

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

The internal service fund accrues the required amounts for the payment of these claims by rate charges to various City departments. These rate charges are reported as expenditures in the applicable funds. The Health Care Fund net position was \$ 2,919,542 at December 31, 2022. The claims liability of \$ 490,156 reported in the Fund at December 31, 2022 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimated claims are based on historical data. Changes in the Fund's claims expected liability amount in fiscal years 2022 and 2021 were:

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

	<b>Beginning of Fiscal Year Liability</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claims Paid</b>		<b>Balance at Fiscal Year End</b>
2022	\$ 535,173	\$	5,018,838	\$	5,063,855	\$	490,156
2021	762,426		4,847,240		5,074,493		535,173

**Self-Insured Workers' Compensation Fund**

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

Thomas McGee, L.C., serves as the third-party administrator and the reinsurer. The deductible is \$ 250,000 per occurrence and an annual aggregate of \$ 250,000. Estimated claims are based on historical data. Changes in the Fund's claims expected liability amount in fiscal years 2022 and 2021 were:

	<b>Beginning of Fiscal Year Liability</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claims Paid</b>		<b>Balance at Fiscal Year End</b>
2022	\$ 538,374	\$	23,502	\$	135,266	\$	426,610
2021	430,658		359,235		251,519		538,374

**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 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

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

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

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

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at [www.kpers.org](http://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).

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

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

members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

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

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.90% for the Local Group and 22.99% for the Police and Firemen Group for the year ended December 31, 2022. Contributions to the Pension Plan from the City of Manhattan were \$ 1,748,914 for the Local Group and \$ 1,338,228 for the Police and Firemen Group for the year ended December 31, 2022.

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

At December 31, 2022, the City of Manhattan reported a liability of \$ 17,049,825 for the Local Group and \$ 13,706,553 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, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the City of Manhattan's proportion and change from its proportion measured as of June 30, 2021 were as follows:

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

	Net Pension Liability as of December 31, 2022	Proportion as of June 30, 2022	Increase (Decrease) in Proportion From June 30, 2021
Local Group	\$ 17,049,825	0.857618%	-0.000606%
Police and Firemen Group	<u>13,706,553</u>	0.950371%	-0.037918%
	<u>\$ 30,756,378</u>		

For the year ended December 31, 2022, the City of Manhattan recognized pension expense of \$ 2,244,838 for the Local Group and \$ 2,118,868 the Police and Firemen Group. At December 31, 2022, 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	\$ 1,226,545	\$ 30,561
Net difference between projected and actual earnings on pension plan investments	2,383,965	-
Changes of assumptions	4,486,696	-
Changes in proportionate share	445,638	665,856
City of Manhattan's contributions subsequent to measurement date	<u>1,656,943</u>	<u>-</u>
Total	<u>\$ 10,199,787</u>	<u>\$ 696,417</u>

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

The \$ 1,656,943 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,		
2023	\$	2,224,696
2024		2,085,749
2025		970,533
2026		2,479,338
2027		86,111
	\$	7,846,427

***Actuarial Assumptions***

The total pension liability for KPERS in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including inflation
Long-term rate of return net of investment expense including price inflation	7.00 percent

Changes in actuarial assumptions and methods in the December 31, 2021 actuarial valuation were as follows:

**Both Groups**

- Investment return assumption was lowered from 7.25% to 7.00%.

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using scale MP-2016.

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

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

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

major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Alternatives	8.00%	9.50%
Real Estate	11.00%	4.45%
Yield driven	8.00%	4.70%
Real return	11.00%	3.25%
Fixed income	11.00%	1.55%
Short Term Investments	4.00%	0.25%
Total	100.00%	

***Discount rate***

The discount rate used by KPERS to measure the total pension liability at the measurement date of June 30, 2022, was 7.00%. 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 statutory cap for fiscal year 2022 was 1.20%. 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's proportionate share of the collective net pension liability to changes in the discount rate***

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City of Manhattan's Local Group proportionate share of the collective net pension liability	\$ 24,492,626	\$ 17,049,825	\$ 10,848,892
City of Manhattan's Police and Firemen Group proportionate share of the collective net pension liability	18,800,544	13,706,553	9,468,059
	\$ 43,293,170	\$ 30,756,378	\$ 20,316,951

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

***Pension plan fiduciary net position***

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

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

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

**D. Other Postemployment Healthcare Benefits**

**Health Insurance**

**Plan Description, Benefits Provided and Contributions**

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

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

The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2022 totaled \$ 29,212.

**Employees Covered by Benefit Terms**

As of the reporting date of December 31, 2022, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	6
Active plan members	447
	453
	453

**Total OPEB Liability**

The City’s total OPEB liability of \$ 1,040,488 was measured as of December 31, 2021 and was determined by an actuarial valuation performed as of December 31, 2021.

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

***Actuarial Assumptions and Other Inputs.***

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate as of measurement date	2.06 percent
Inflation rate	2.75 percent
Mortality table	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Healthcare cost trend rates	
Current rate	6.20 percent
Ultimate rate	3.70 percent
Year ultimate rate is reached	2074
Actuarial cost method	Entry Age Normal

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

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

1. The discount rate selected is in accordance with GASB 74/75.
2. The demographic assumptions have been updated based upon the most recent KPERS experience study.
3. The medical trend rates were updated to reflect anticipated experience under the most recent Getzen model application.
4. The participation rate and expected claims were updated to reflect plan experience.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	\$ 1,317,772
Changes for the year:	
Service cost	99,642
Interest cost	29,741
Effect of economic/demographic gains or losses	260,641
Changes in assumptions and inputs	(638,096)
Benefit payments	<u>(29,212)</u>
Net changes	<u>(277,284)</u>
Balance at December 31, 2022	<u><u>\$ 1,040,488</u></u>

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

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

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

	1% Decrease 1.06%	Discount Rate 2.06%	1% Increase 3.06%
Total OPEB liability	\$ 1,144,542	\$ 1,040,488	\$ 945,247

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 905,160	\$ 1,040,488	\$ 1,204,139

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$ 10,760.

At December 31, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 229,238	\$ (55,403)
Changes of assumptions	90,625	(1,128,012)
	\$ 319,863	\$ (1,183,415)

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

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

Year Ended December 31,		
2023	\$	(140,143)
2024		(140,143)
2025		(140,143)
2026		(140,143)
2027		(144,583)
2028		(105,492)
Thereafter		(52,905)
	\$	(863,552)

**Disability Benefits and Life Insurance**

**Plan Description, Benefits Provided and Contributions**

The City participates in a single-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust’s assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2022 totaled \$ 61,165.

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

The monthly long-term disability benefit is 60 percent of the member’s monthly compensation, with a minimum of \$ 100 and a maximum of \$ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member’s 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

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

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

**Employees Covered by Benefit Terms**

As of the valuation date of December 31, 2022, the following employees were covered by the benefit terms.

Active members	307
Disabled members	4
	4
	311

**Total OPEB Liability**

The City’s total OPEB liability of \$ 662,173 was measured as of June 30, 2022 and was determined by an actuarial valuation performed as of December 31, 2021.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.54 percent
Implicit inflation rate	2.75 percent
Mortality rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021.
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	3.00 percent
Actuarial cost method	Entry Age Normal

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

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

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

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The Disability Rates, Estimated Offsets, Waiver Mortality Rates, and Claim Cost Assumption have been updated based on recent experience.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at December 31, 2021	\$ 906,683
Changes for the year:	
Service cost	72,392
Interest	20,491
Effect of economic/demographic gains or losses	(122,205)
Effect of assumptions changes or inputs	(154,023)
Benefit payments	(61,165)
Net changes	(244,510)
Balance at December 31, 2022	\$ 662,173

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

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

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	\$ 706,576	\$ 662,173	\$ 621,599

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 662,173	\$ 662,173	\$ 662,173

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

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$ 111,279. At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 288,991	\$ (135,903)
Changes of assumptions	65,428	(146,132)
Benefit payments subsequent to the measurement date	30,583	-
	\$ 385,002	\$ (282,035)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 30,583 consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,		
2023	\$	18,396
2024		18,396
2025		18,396
2026		18,817
2027		21,590
Thereafter		(23,211)
	\$	72,384

A reconciliation of the Total OPEB Liability, deferred outflows of resources for OPEB and deferred inflows of resources for OPEB reported at December 31, 2022 is as follows:

	Deferred Outflows of Resources	Total OPEB Liability	Deferred Inflows of Resources
Retiree Medical Plan	\$ 319,863	\$ 1,040,488	\$ (1,183,415)
Disability Benefits and Life Insurance	385,002	662,173	(282,035)
	\$ 704,865	\$ 1,702,661	\$ (1,465,450)

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

**E. Tax Abatements**

The City of Manhattan enters into tax abatement agreements with local businesses for the purpose of attracting businesses within its jurisdiction. For the fiscal year ended December 31, 2022, abated property taxes that impacted the City totaled \$ 10,033,065 which included the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement for expansion of a facility. The City's portion of the abatement amounted to \$ 1,181,400.
- A property tax abatement for constructing a commercial office building. The City's portion of the abatement amounted to \$ 7,190,975.
- A property tax abatement for expansion of a facility. The City's portion of the abatement amounted to \$ 1,660,690.

**F. Cost Sharing Agreement**

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

For 2022, the Libraries System made payments to the Library totaling \$ 698,631 for personnel services and \$44,952 for occupancy and supply expenses under this agreement.

**G. Economic Dependency**

The Housing Authority is primarily dependent upon the United States Department of Housing and Urban Development for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2023 federal budget.

**H. Subsequent Events**

On June 5, 2023, the City issued \$ 27,545,000 in Series 2023-A General Obligation Bonds. Principal maturities ranging from \$ 195,000 to \$ 3,100,000 are due through November 1, 2043. The interest rate is 2.82%.

On June 5, 2023, the City issued \$ 8,965,000 in Series 2023-B Taxable General Obligation Bonds. Principal maturities ranging from \$ 245,000 to \$ 735,000 are due through November 1, 2043. The interest rate is 4.64%.

On June 15, 2023, the City issued \$11,255,000 in Series 2023-01 General Obligation Temporary Notes. Of that amount, \$4,130,000 will be called on June 15, 2024 and the remaining principal of \$7,125,000 is due on June 15, 2026. The interest rate is 4.00%.

On September 15, 2023, the City issued \$5,820,000 in Series 2023-02 General Obligation Temporary Notes. The principal maturity of \$5,820,000 is due on June 15, 2027. The interest rate is 3.50%.

On December 15, 2023, the City issued \$9,460,000 in Series 2023-03 General Obligation Temporary Notes. The principal maturity of \$9,460,000 is due on June 15, 2027. The interest rate is 4.00%.

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

On June 14, 2024, the City issued \$ 11,995,000 in Series 2024-A General Obligation Bonds. Principal maturities ranging from \$ 250,000 to \$ 1,095,000 are due through November 1, 2044. The interest rate is 3.641%.

On June 14, 2024, the City issued \$41,405,000 in Series 2024-01 General Obligation Temporary Notes. Of that amount, \$38,765,000 will be called on December 15, 2024 and the remaining principal of \$2,640,000 is due on June 15, 2027. The interest rate is 5.00%.

**CITY OF MANHATTAN, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of the City of Manhattan's Proportionate Share of the Collective Net Pension Liability**  
**Kansas Public Employees Retirement System**  
Last Eight Fiscal Years<sup>1</sup>

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City of Manhattan's proportion of the collective net pension liability				
KPERS	0.857618%	0.858224%	0.886881%	0.871924%
KP&F	0.950371%	0.988289%	0.949560%	0.922149%
City of Manhattan's proportionate share of the collective net pension liability	\$ 30,756,378	\$ 19,729,005	\$ 27,084,823	\$ 21,517,288
City of Manhattan's covered payroll	\$ 25,434,722	\$ 22,053,201	\$ 23,030,361	\$ 21,485,915
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered payroll	121%	89%	118%	100%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City of Manhattan's proportion of the collective net pension liability				
KPERS	0.881000%	0.842342%	0.829237%	0.821215%
KP&F	0.962364%	0.970094%	0.949823%	0.978480%
City of Manhattan's proportionate share of the collective net pension liability	\$ 21,539,173	\$ 21,298,396	\$ 21,650,150	\$ 17,887,831
City of Manhattan's covered payroll	\$ 20,760,475	\$ 19,780,545	\$ 18,727,868	\$ 18,132,433
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered payroll	104%	108%	116%	99%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%

<sup>1</sup>The pension schedules in the required supplementary information are intended to show information for ten years and additional years' information will be displayed as it becomes available.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
KPERS/Ret Contractually required contributions	\$ 1,748,914	\$ 1,563,350	\$ 1,500,419	\$ 1,484,140	\$ 1,512,939	\$ 1,321,717	\$ 1,382,451	\$ 1,454,056	\$ 1,304,973	\$ 1,145,040
KP&F Contractually required contributions	1,338,228	1,256,407	1,249,535	1,118,987	991,873	919,706	962,890	952,624	874,519	730,347
Contributions in relation to the contractually required contributions	(3,094,255)	(2,820,248)	(2,749,956)	(2,602,827)	(2,504,704)	(2,243,904)	(2,345,299)	(2,406,680)	(2,179,492)	(1,875,387)
Contribution deficiency (excess)	<u>\$ (7,113)</u>	<u>\$ (491)</u>	<u>\$ (2)</u>	<u>\$ 300</u>	<u>\$ 108</u>	<u>\$ (2,481)</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Manhattan's covered payroll	\$ 24,171,834	\$ 22,169,631	\$ 23,030,361	\$ 21,681,883	\$ 21,019,746	\$ 20,047,821	\$ 19,410,097	\$ 18,422,768	\$ 18,016,283	\$ 17,139,649
Contributions as a percentage of covered payroll	12.8%	12.7%	11.9%	12.0%	11.9%	12.1%	13.1%	12.1%	10.9%	10.2%

The data is presented on a calendar year end basis.

**CITY OF MANHATTAN, KANSAS**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Retiree Medical Plan**  
**Last Five Fiscal Years<sup>1</sup>**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 99,642	\$ 86,384	\$ 148,052	\$ 162,220	\$ 146,086
Interest cost	29,741	33,241	78,836	65,032	62,814
Changes of assumptions and inputs	(638,096)	80,514	(752,116)	(131,158)	61,810
Economic gains and losses	260,641	-	(84,719)	-	-
Benefit payments	(29,212)	(18,205)	(57,420)	(41,925)	(74,000)
Net change in total OPEB liability	(277,284)	181,934	(667,367)	54,169	196,710
Total OPEB liability, beginning	<u>1,317,772</u>	<u>1,135,838</u>	<u>1,803,205</u>	<u>1,749,036</u>	<u>1,552,326</u>
Total OPEB liability, ending	<u>\$ 1,040,488</u>	<u>\$ 1,317,772</u>	<u>\$ 1,135,838</u>	<u>\$ 1,803,205</u>	<u>\$ 1,749,036</u>
Covered payroll	\$ 20,516,346	\$ 20,470,141	\$ 21,688,964	\$ 20,372,888	\$ 19,501,470
City's total OPEB liability as a percentage of covered payroll	5.07%	6.44%	5.24%	8.85%	8.97%

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

**CITY OF MANHATTAN, KANSAS**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios -**  
**Disability Benefits and Life Insurance**  
Last Six Fiscal Years<sup>1</sup>

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability:			
Service cost	\$ 72,392	\$ 68,745	\$ 56,885
Interest on total OPEB liability	20,491	19,149	22,487
Effect of economic/demographic gains or losses	(122,205)	85,700	166,019
Effect of assumptions changes or inputs	(154,023)	2,726	80,720
Benefit payments	<u>(61,165)</u>	<u>(133,962)</u>	<u>(93,980)</u>
Net change in total OPEB liability	(244,510)	42,358	232,131
Total OPEB liability, beginning	<u>906,683</u>	<u>864,325</u>	<u>632,194</u>
Total OPEB liability, ending	<u>\$ 662,173</u>	<u>\$ 906,683</u>	<u>\$ 864,325</u>
Covered payroll	\$ 16,259,159	\$ 16,187,671	\$ 15,755,136
City's total OPEB liability as a percentage of covered payroll	4.07%	5.60%	5.49%
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 56,168	\$ 55,817	\$ 56,189
Interest on total OPEB liability	16,780	15,626	11,363
Effect of economic/demographic gains or losses	177,739	(53,396)	-
Effect of assumptions changes or inputs	11,906	(5,263)	(12,809)
Benefit payments	<u>(15,490)</u>	<u>(16,600)</u>	<u>(16,600)</u>
Net change in total OPEB liability	247,103	(3,816)	38,143
Total OPEB liability, beginning	<u>385,091</u>	<u>388,907</u>	<u>350,764</u>
Total OPEB liability, ending	<u>\$ 632,194</u>	<u>\$ 385,091</u>	<u>\$ 388,907</u>
Covered payroll	\$ 14,785,584	\$ 14,915,895	\$ 13,852,617
City's total OPEB liability as a percentage of covered payroll	4.28%	2.58%	2.81%

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



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Nonmajor Governmental Funds**

**For the Year Ended  
December 31, 2022**

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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

### BUDGETED SPECIAL REVENUE FUNDS:

#### **City/University Projects**

This fund accounts for an agreement with Kansas State University for special joint projects.

#### **Business Improvement Districts**

This fund accounts for the beautification of business districts.

#### **Economic Development**

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

#### **Library**

This fund accounts for the operation of the municipal library.

#### **Sales Tax**

This fund accounts for sales tax and transfers it to the General Fund and other funds.

#### **Special Alcohol Programs**

This fund accounts for special alcohol liquor tax for the prevention or treatment of alcohol and substance abuse.

#### **Special Parks and Recreation**

This fund accounts for special alcohol liquor tax for recreation.

#### **Special Street and Highway**

This fund accounts for state gasoline tax monies for streets and highways.

#### **Tourism and Convention Promotion**

This fund accounts for special hotel guest tax for tourism.

#### **Recreation and Trails Sales Tax**

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

#### **Special Street Maintenance**

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

## **NON-BUDGETED SPECIAL REVENUE FUNDS:**

### **Sunset Cemetery**

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

### **CID Sales Tax**

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

### **State and Federal Grants**

This fund accounts for all State and Federal grants received by the City.

## **DEBT SERVICE FUNDS**

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

### **Downtown Redevelopment Senior Lien TIF Bonds**

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

### **Combined TDD**

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

## **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for the financing and acquisition and construction of various city-wide improvements.

### **Aggieville TIF**

This fund accounts for projects in Aggieville.

## **PERMANENT FUND**

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

### **Sunrise Cemetery Perpetual Care**

This fund accounts for twenty-five percent of the purchase price of the lots in Sunrise Cemetery for the upkeep and perpetual care of such lots.

**CITY OF MANHATTAN, KANSAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2022

	Special Revenue				
	City/ University Projects	Business Improvement Districts	Economic Development	Library	Sales Tax
<b>ASSETS</b>					
Cash and cash equivalents	\$ 597,242	\$ 3,312	\$ 1,637,823	\$ 84,843	\$ 823,498
Investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	4,041	-	-	-
Intergovernmental	-	-	-	-	-
Sales tax	-	-	470,008	-	1,364,455
Transient guest tax receivable	-	-	-	-	-
Property tax	-	-	-	3,391,248	-
Other loans	-	-	3,663,332	-	-
<b>Total Assets</b>	<b>\$ 597,242</b>	<b>\$ 7,353</b>	<b>\$ 5,771,163</b>	<b>\$ 3,476,091</b>	<b>\$ 2,187,953</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 2,637	\$ 3,000	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,637</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	3,391,248	-
Unavailable revenue - receivables	-	4,041	3,663,332	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>4,041</b>	<b>3,663,332</b>	<b>3,391,248</b>	<b>-</b>
<b>FUND BALANCE</b>					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	597,242	675	2,104,831	-	-
General government	-	-	-	-	2,187,953
Capital projects	-	-	-	-	-
Culture & recreation	-	-	-	84,843	-
Public works	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned - purchases on order	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<b>597,242</b>	<b>675</b>	<b>2,104,831</b>	<b>84,843</b>	<b>2,187,953</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 597,242</b>	<b>\$ 7,353</b>	<b>\$ 5,771,163</b>	<b>\$ 3,476,091</b>	<b>\$ 2,187,953</b>

(Continued)

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

December 31, 2022

	Special Revenue				
	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Promotion	Recreation and Trails Sales Tax
<b>ASSETS</b>					
Cash and cash equivalents	\$ 107,022	\$ 718,404	\$ 3,448,034	\$ 575,786	\$ 5,464,796
Investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Sales tax	-	-	-	-	724,596
Transient guest tax receivable	-	-	-	844,996	-
Property tax	-	-	-	-	-
Other loans	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 107,022</b>	<b>\$ 718,404</b>	<b>\$ 3,448,034</b>	<b>\$ 1,420,782</b>	<b>\$ 6,189,392</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 118,270	\$ -	\$ 485
Accrued payroll	-	-	1,345	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>119,615</b>	<b>-</b>	<b>485</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - receivables	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	-	-	-	1,420,782	-
General government	107,022	-	-	-	-
Capital projects	-	-	-	-	-
Culture & recreation	-	718,404	-	-	6,188,907
Public works	-	-	3,291,327	-	-
Debt service	-	-	-	-	-
Assigned - purchases on order	-	-	37,092	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<b>107,022</b>	<b>718,404</b>	<b>3,328,419</b>	<b>1,420,782</b>	<b>6,188,907</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 107,022</b>	<b>\$ 718,404</b>	<b>\$ 3,448,034</b>	<b>\$ 1,420,782</b>	<b>\$ 6,189,392</b>

(Continued)

**CITY OF MANHATTAN, KANSAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
December 31, 2022

	Special Revenue				Total
	Special Street Maintenance	Sunset Cemetery	CID Sales Tax	State and Federal Grants	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,554,132	\$ 90,166	\$ 230,988	\$ -	\$ 18,336,046
Investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	4,041
Intergovernmental	-	-	-	498,124	498,124
Sales tax	575,715	-	93,844	-	3,228,618
Transient guest tax	-	-	-	-	844,996
Property tax	-	-	-	-	3,391,248
Other loans	-	-	-	-	3,663,332
<b>Total Assets</b>	<b>\$ 5,129,847</b>	<b>\$ 90,166</b>	<b>\$ 324,832</b>	<b>\$ 498,124</b>	<b>\$ 29,966,405</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 629,469	\$ -	\$ -	\$ 184,059	\$ 937,920
Accrued payroll	-	-	-	2,505	3,850
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	310,087	310,087
<b>Total Liabilities</b>	<b>629,469</b>	<b>-</b>	<b>-</b>	<b>496,651</b>	<b>1,251,857</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	3,391,248
Unavailable revenue - receivables	-	-	-	-	3,667,373
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,058,621</b>
<b>FUND BALANCE</b>					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	-	90,166	324,832	1,473	4,540,001
General government	-	-	-	-	2,294,975
Capital projects	-	-	-	-	-
Culture & recreation	-	-	-	-	6,992,154
Public works	4,489,958	-	-	-	7,781,285
Debt service	-	-	-	-	-
Assigned - purchases on order	10,420	-	-	-	47,512
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<b>4,500,378</b>	<b>90,166</b>	<b>324,832</b>	<b>1,473</b>	<b>21,655,927</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 5,129,847</b>	<b>\$ 90,166</b>	<b>\$ 324,832</b>	<b>\$ 498,124</b>	<b>\$ 29,966,405</b>

(Continued)

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

December 31, 2022

	Debt Service			Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Downtown Redevelopment Senior Lien TIF Bonds	Combined TDD	Total	Aggieville TIF	Sunrise Cemetery Perpetual Care	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 80,705	\$ 1,031,695	\$ 1,112,400	\$ 2,706	\$ 275,100	\$ 19,726,252
Investments with fiscal agent	20,574,157	-	20,574,157	-	-	20,574,157
Receivables:						
Accounts	-	-	-	-	-	4,041
Intergovernmental	-	-	-	-	-	498,124
Sales tax	179,259	86,329	265,588	-	-	3,494,206
Transient guest tax	-	-	-	-	-	844,996
Property tax	-	-	-	-	-	3,391,248
Other loans	-	-	-	-	-	3,663,332
<b>Total Assets</b>	<b>\$ 20,834,121</b>	<b>\$ 1,118,024</b>	<b>\$ 21,952,145</b>	<b>\$ 2,706</b>	<b>\$ 275,100</b>	<b>\$ 52,196,356</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 937,920
Accrued payroll	-	-	-	-	-	3,850
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	310,087
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,251,857</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	-	-	-	-	-	3,391,248
Unavailable revenue - receivables	-	-	-	-	-	3,667,373
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,058,621</b>
<b>FUND BALANCE</b>						
Nonspendable - perpetual care	-	-	-	-	275,100	275,100
Restricted:						
Urban development & housing	-	-	-	-	-	4,540,001
General government	-	-	-	-	-	2,294,975
Capital projects	-	-	-	2,706	-	2,706
Culture & recreation	-	-	-	-	-	6,992,154
Public works	-	-	-	-	-	7,781,285
Debt service	20,834,121	1,118,024	21,952,145	-	-	21,952,145
Assigned - purchases on order	-	-	-	-	-	47,512
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>20,834,121</b>	<b>1,118,024</b>	<b>21,952,145</b>	<b>2,706</b>	<b>275,100</b>	<b>43,885,878</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 20,834,121</b>	<b>\$ 1,118,024</b>	<b>\$ 21,952,145</b>	<b>\$ 2,706</b>	<b>\$ 275,100</b>	<b>\$ 52,196,356</b>

**CITY OF MANHATTAN, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN**  
**FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2022

	Special Revenue			
	City/ University Projects	Business Improvement Districts	Economic Development	Library
<b>REVENUES</b>				
Taxes	\$ 523,541	\$ -	\$ 2,571,507	\$ 3,611,215
Intergovernmental	-	-	-	-
Charges for services	-	168,335	-	-
Investment income	-	-	92,286	2,034
Miscellaneous	68,485	-	570,133	-
<b>Total Revenue</b>	<b>592,026</b>	<b>168,335</b>	<b>3,233,926</b>	<b>3,613,249</b>
<b>EXPENDITURES</b>				
Current				
General government	4,950	-	-	-
Public works	-	-	-	-
Urban development and housing	-	167,660	838,851	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	3,395,290
Capital outlay	-	-	21,350	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>4,950</b>	<b>167,660</b>	<b>860,201</b>	<b>3,395,290</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>587,076</b>	<b>675</b>	<b>2,373,725</b>	<b>217,959</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	-	-
Transfers in	135,000	-	-	-
Transfers out	(650,000)	-	(7,809,279)	(133,750)
<b>Total Other Financing Sources (Uses)</b>	<b>(515,000)</b>	<b>-</b>	<b>(7,809,279)</b>	<b>(133,750)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>72,076</b>	<b>675</b>	<b>(5,435,554)</b>	<b>84,209</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>525,166</b>	<b>-</b>	<b>7,540,385</b>	<b>634</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 597,242</b>	<b>\$ 675</b>	<b>\$ 2,104,831</b>	<b>\$ 84,843</b>

(Continued)

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

For the Year Ended December 31, 2022

	Special Revenue			
	Sales Tax	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway
<b>REVENUES</b>				
Taxes	\$ 7,468,552	\$ -	\$ -	\$ -
Intergovernmental	-	561,453	562,451	2,163,733
Charges for services	-	-	-	-
Investment income	-	94	7,875	33,121
Miscellaneous	-	11,485	1,030	19,698
<b>Total Revenue</b>	<b>7,468,552</b>	<b>573,032</b>	<b>571,356</b>	<b>2,216,552</b>
<b>EXPENDITURES</b>				
Current				
General government	-	466,010	-	-
Public works	-	-	-	459,510
Urban development and housing	-	-	-	-
Culture/recreation	-	-	13,750	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	13,968	300,245
Debt service				
Principal	-	-	76,463	50,068
Interest and fiscal charges	-	-	7,852	4,276
<b>Total Expenditures</b>	<b>-</b>	<b>466,010</b>	<b>112,033</b>	<b>814,099</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,468,552</b>	<b>107,022</b>	<b>459,323</b>	<b>1,402,453</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	-	-
Transfers in	-	-	50,533	-
Transfers out	(6,720,000)	-	(424,212)	(671,298)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,720,000)</b>	<b>-</b>	<b>(373,679)</b>	<b>(671,298)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>748,552</b>	<b>107,022</b>	<b>85,644</b>	<b>731,155</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>1,439,401</b>	<b>-</b>	<b>632,760</b>	<b>2,597,264</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,187,953</b>	<b>\$ 107,022</b>	<b>\$ 718,404</b>	<b>\$ 3,328,419</b>

(Continued)

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

For the Year Ended December 31, 2022

	Special Revenue			
	Tourism and Convention Promotion	Recreation and Trails Sales Tax	Special Street Maintenance	Sunset Cemetery
<b>REVENUES</b>				
Taxes	\$ 2,574,353	\$ 3,910,914	\$ 3,083,214	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	1,004
Miscellaneous	-	-	16,693	-
<b>Total Revenue</b>	<u>2,574,353</u>	<u>3,910,914</u>	<u>3,099,907</u>	<u>1,004</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public works	-	-	2,084,635	-
Urban development and housing	1,381,532	-	-	-
Culture/recreation	-	37,782	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>1,381,532</u>	<u>37,782</u>	<u>2,084,635</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,192,821</u>	<u>3,873,132</u>	<u>1,015,272</u>	<u>1,004</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	-	-
Transfers in	-	-	16,977	-
Transfers out	(418,334)	(5,021,194)	(422)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(418,334)</u>	<u>(5,021,194)</u>	<u>16,555</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	774,487	(1,148,062)	1,031,827	1,004
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>646,295</u>	<u>7,336,969</u>	<u>3,468,551</u>	<u>89,162</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,420,782</u>	<u>\$ 6,188,907</u>	<u>\$ 4,500,378</u>	<u>\$ 90,166</u>

(Continued)

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

For the Year Ended December 31, 2022

	Special Revenue			Debt Service
	CID Sales Tax	State and Federal Grants	Total	Downtown Redevelopment Senior Lien TIF Bonds
<b>REVENUES</b>				
Taxes	\$ 441,212	\$ -	\$ 24,184,508	\$ 6,836,896
Intergovernmental	-	1,400,700	4,688,337	-
Charges for services	-	-	168,335	-
Investment income	-	-	136,414	236,210
Miscellaneous	-	42,965	730,489	-
<b>Total Revenue</b>	<b>441,212</b>	<b>1,443,665</b>	<b>29,908,083</b>	<b>7,073,106</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	470,960	-
Public works	-	1,148,180	3,692,325	-
Urban development and housing	400,041	-	2,788,084	-
Culture/recreation	-	-	51,532	-
Culture/recreation-payments to Library	-	-	3,395,290	-
Capital outlay	-	283,317	618,880	-
Debt service				
Principal	-	-	126,531	12,105,000
Interest and fiscal charges	-	-	12,128	1,754,562
<b>Total Expenditures</b>	<b>400,041</b>	<b>1,431,497</b>	<b>11,155,730</b>	<b>13,859,562</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>41,171</b>	<b>12,168</b>	<b>18,752,353</b>	<b>(6,786,456)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	-	24,975,000
Transfers in	-	2,125	204,635	-
Transfers out	-	-	(21,848,489)	(245,382)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>2,125</b>	<b>(21,643,854)</b>	<b>24,729,618</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>41,171</b>	<b>14,293</b>	<b>(2,891,501)</b>	<b>17,943,162</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>283,661</b>	<b>(12,820)</b>	<b>24,547,428</b>	<b>2,890,959</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 324,832</b>	<b>\$ 1,473</b>	<b>\$ 21,655,927</b>	<b>\$ 20,834,121</b>

(Continued)

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

For the Year Ended December 31, 2022

	Debt Service		Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Combined TDD	Total	Aggieville TIF	Sunrise Cemetery	
<b>REVENUES</b>					
Taxes	\$ 464,409	\$ 7,301,305	\$ 3,121	\$ -	\$ 31,488,934
Intergovernmental	-	-	-	-	4,688,337
Charges for services	-	-	-	11,518	179,853
Investment income	7,245	243,455	-	3,023	382,892
Miscellaneous	-	-	-	-	730,489
<b>Total Revenue</b>	471,654	7,544,760	3,121	14,541	37,470,505
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	470,960
Public works	-	-	-	-	3,692,325
Urban development and housing	-	-	-	-	2,788,084
Culture/recreation	-	-	-	125	51,657
Culture/recreation-payments to Library	-	-	-	-	3,395,290
Capital outlay	-	-	2,983	-	621,863
Debt service					
Principal	235,000	12,340,000	-	-	12,466,531
Interest and fiscal charges	196,750	1,951,312	-	-	1,963,440
<b>Total Expenditures</b>	431,750	14,291,312	2,983	125	25,450,150
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	39,904	(6,746,552)	138	14,416	12,020,355
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of bonds	-	24,975,000	-	-	24,975,000
Transfers in	46,328	46,328	-	-	250,963
Transfers out	-	(245,382)	-	-	(22,093,871)
<b>Total Other Financing Sources (Uses)</b>	46,328	24,775,946	-	-	3,132,092
<b>NET CHANGE IN FUND BALANCES</b>	86,232	18,029,394	138	14,416	15,152,447
<b>FUND BALANCE - BEGINNING OF YEAR</b>	1,031,792	3,922,751	2,568	260,684	28,733,431
<b>FUND BALANCE - END OF YEAR</b>	\$ 1,118,024	\$ 21,952,145	\$ 2,706	\$ 275,100	\$ 43,885,878



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Budgetary Schedules Section**

**For the Year Ended  
December 31, 2022**

**CITY OF MANHATTAN, KANSAS**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SEPARATELY BUDGETED FUNDS INCLUDED WITH THE GENERAL FUND**  
For The Year Ended December 31, 2022

	<b>Employee Benefit Contribution</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,419,237	\$ 2,419,237	\$ 2,417,003	\$ (2,234)
Intergovernmental	2,263	2,263	-	(2,263)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>2,421,500</b>	<b>2,421,500</b>	<b>2,417,003</b>	<b>(4,497)</b>
<b>EXPENDITURES</b>				
Current				
General government	5,846,500	5,846,500	4,091,155	1,755,345
Public safety	-	-	234,607	(234,607)
Public works	-	-	490,398	(490,398)
Urban development and housing	-	-	106,203	(106,203)
Culture/recreation	-	-	879,914	(879,914)
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>5,846,500</b>	<b>5,846,500</b>	<b>5,802,277</b>	<b>44,223</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,425,000)</b>	<b>(3,425,000)</b>	<b>(3,385,274)</b>	<b>39,726</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,425,000	3,425,000	3,425,000	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,425,000</b>	<b>3,425,000</b>	<b>3,425,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>39,726</b>	<b>\$ 39,726</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>351,541</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>391,267</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<b>-</b>	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 391,267</b>	

(Continued)

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

(Continued)

For The Year Ended December 31, 2022

<b>Fire Equipment Reserve</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 704,000	\$ 704,000	\$ 706,988	\$ 2,988
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	4,620	4,620
Miscellaneous	-	-	6,000	6,000
<b>Total Revenue</b>	<b>704,000</b>	<b>704,000</b>	<b>717,608</b>	<b>13,608</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	35,760	(35,760)
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	36,000	36,000	242,876	(206,876)
Debt service				
Principal	562,721	562,721	385,508	177,213
Interest and fiscal charges	105,279	105,279	47,878	57,401
<b>Total Expenditures</b>	<b>704,000</b>	<b>704,000</b>	<b>712,022</b>	<b>(8,022)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>5,586</b>	<b>5,586</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital leases	-	-	506,212	506,212
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>506,212</b>	<b>506,212</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>511,798</b>	<b>\$ 511,798</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>131,473</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>643,271</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 643,271</b>	

(Continued)

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

(Continued)

For The Year Ended December 31, 2022

	Fire Pension KP&F			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,001,000	\$ 1,001,000	\$ 994,445	\$ (6,555)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<u>1,001,000</u>	<u>1,001,000</u>	<u>994,445</u>	<u>(6,555)</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	1,181,000	1,381,000	1,338,349	42,651
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>1,181,000</u>	<u>1,381,000</u>	<u>1,338,349</u>	<u>42,651</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(180,000)</u>	<u>(380,000)</u>	<u>(343,904)</u>	<u>36,096</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	180,000	380,000	380,000	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>180,000</u>	<u>380,000</u>	<u>380,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	36,096	<u>\$ 36,096</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE - END OF YEAR</b>			36,096	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 36,096</u>	

(Continued)

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

(Continued)

For The Year Ended December 31, 2022

	General Improvement			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	2,397	2,397
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<u>-</u>	<u>-</u>	<u>2,397</u>	<u>2,397</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	90,000	90,000	18,870	71,130
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	100,000	100,000	4,870	95,130
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>190,000</u>	<u>190,000</u>	<u>23,740</u>	<u>166,260</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(190,000)</u>	<u>(190,000)</u>	<u>(21,343)</u>	<u>168,657</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	65,000	65,000	65,000	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (125,000)</u>	<u>\$ (125,000)</u>	<u>43,657</u>	<u>\$ 168,657</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>172,021</u>	
<b>FUND BALANCE - END OF YEAR</b>			215,678	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 215,678</u>	

(Continued)

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

For The Year Ended December 31, 2022

	<b>Industrial Promotion</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	6,000	6,000	3,949	(2,051)
Miscellaneous	40,000	40,000	87,927	47,927
<b>Total Revenue</b>	<b>46,000</b>	<b>46,000</b>	<b>91,878</b>	<b>45,878</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	236,186	236,186	206,620	29,566
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>236,186</b>	<b>236,186</b>	<b>206,620</b>	<b>29,566</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(190,186)</b>	<b>(190,186)</b>	<b>(114,742)</b>	<b>75,444</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (190,186)</b>	<b>\$ (190,186)</b>	<b>(114,742)</b>	<b>\$ 75,444</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>414,937</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>300,195</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<b>-</b>	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 300,195</b>	

(Continued)

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

(Continued)

For The Year Ended December 31, 2022

	Park Development			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	210	210
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>210</b>	<b>210</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	49,000	49,000	-	49,000
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>49,000</b>	<b>49,000</b>	<b>-</b>	<b>49,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(49,000)</b>	<b>(49,000)</b>	<b>210</b>	<b>49,210</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(49,000)	(49,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(49,000)</b>	<b>(49,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (49,000)</b>	<b>\$ (49,000)</b>	<b>(48,790)</b>	<b>\$ 210</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>49,660</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>870</b>	
<b>ADJUSTMENTS TO GAAP</b>			<b>-</b>	
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 870</b>	

(Continued)

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

(Continued)

For The Year Ended December 31, 2022

<u>Special Sunset Zoo</u>				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	228,186	228,186
Charges for services	298,250	313,750	527,730	213,980
Investment income	50	50	4,628	4,578
Miscellaneous	36,200	36,200	12,312	(23,888)
<b>Total Revenue</b>	<u>334,500</u>	<u>350,000</u>	<u>772,856</u>	<u>422,856</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	477,750	693,250	651,633	41,617
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	30,000	30,000	-	30,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>507,750</u>	<u>723,250</u>	<u>651,633</u>	<u>71,617</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(173,250)</u>	<u>(373,250)</u>	<u>121,223</u>	<u>494,473</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	169	169
Transfers out	(26,750)	(26,750)	(32,216)	(5,466)
<b>Total Other Financing Sources (Uses)</b>	<u>(26,750)</u>	<u>(26,750)</u>	<u>(32,047)</u>	<u>(5,297)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (200,000)</u>	<u>\$ (400,000)</u>	<u>89,176</u>	<u>\$ 489,176</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>245,770</u>	
<b>FUND BALANCE - END OF YEAR</b>			334,946	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 334,946</u>	

(Continued)

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

For The Year Ended December 31, 2022

	<u>Risk Management Reserve</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
General government	135,000	135,000	-	135,000
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>135,000</u>	<u>135,000</u>	<u>-</u>	<u>135,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>	<u>135,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,000	35,000	-	(35,000)
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>-</u>	<u>\$ 100,000</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>146,110</u>	
<b>FUND BALANCE - END OF YEAR</b>			146,110	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 146,110</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	Equipment Reserve			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	42,256	42,256
<b>Total Revenue</b>	<u>-</u>	<u>-</u>	<u>42,256</u>	<u>42,256</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	73,495	73,495	57,248	16,247
Interest and fiscal charges	23,220	23,220	7,225	15,995
<b>Total Expenditures</b>	<u>96,715</u>	<u>96,715</u>	<u>64,473</u>	<u>32,242</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(96,715)</u>	<u>(96,715)</u>	<u>(22,217)</u>	<u>74,498</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of notes payable - financed purchases	-	-	-	-
Transfers in	87,385	87,385	93,716	6,331
Transfers out	-	-	(30,134)	(30,134)
<b>Total Other Financing Sources (Uses)</b>	<u>87,385</u>	<u>87,385</u>	<u>63,582</u>	<u>(23,803)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (9,330)</u>	<u>\$ (9,330)</u>	41,365	<u>\$ 50,695</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			1,418	
<b>FUND BALANCE - END OF YEAR</b>			42,783	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 42,783</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<b>Parking Management</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	608,783	608,783	40,193	(568,590)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>608,783</b>	<b>608,783</b>	<b>40,193</b>	<b>(568,590)</b>
<b>EXPENDITURES</b>				
Current				
General government	608,783	608,783	340,266	268,517
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	10,190	(10,190)
Debt service				
Principal	-	-	984	(984)
Interest and fiscal charges	-	-	96	(96)
<b>Total Expenditures</b>	<b>608,783</b>	<b>608,783</b>	<b>351,536</b>	<b>257,247</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(311,343)</b>	<b>(311,343)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of notes payable - financed purchases	-	-	10,190	10,190
Transfers in	-	-	294,976	294,976
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>305,166</b>	<b>305,166</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(6,177)</b>	<b>\$ (6,177)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE - END OF YEAR</b>			(6,177)	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ (6,177)</b>	

**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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,386,460	\$ 4,386,460	\$ 4,684,754	\$ 298,294
Special assessments	6,790,000	6,790,000	7,393,182	603,182
Charges for services	360,000	360,000	357,155	(2,845)
Investment income	-	-	17,665	17,665
Miscellaneous revenues	2,252,269	2,252,269	90,581	(2,161,688)
<b>Total Revenues</b>	<u>13,788,729</u>	<u>13,788,729</u>	<u>12,543,337</u>	<u>(1,245,392)</u>
<b>EXPENDITURES</b>				
Current				
General government	32,744	32,744	58,095	(25,351)
Debt service				
Principal	11,980,807	11,980,807	9,460,807	2,520,000
Bond issuance costs	-	-	65,909	(65,909)
Interest and fiscal charges	4,108,147	4,108,147	3,365,485	742,662
Other	5,198,826	5,198,826	-	5,198,826
<b>Total Expenditures</b>	<u>21,320,524</u>	<u>21,320,524</u>	<u>12,950,296</u>	<u>8,370,228</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,531,795)</u>	<u>(7,531,795)</u>	<u>(406,959)</u>	<u>7,124,836</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	60,000	60,000
Premium on general obligation bonds	-	-	1,322	1,322
Transfers in	4,554,398	4,554,398	6,489,295	1,934,897
Transfers out	-	-	(485,724)	(485,724)
<b>Total Other Financing Sources (Uses)</b>	<u>4,554,398</u>	<u>4,554,398</u>	<u>6,064,893</u>	<u>1,510,495</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (2,977,397)</u>	<u>\$ (2,977,397)</u>	5,657,934	<u>\$ 8,635,331</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>5,826,379</u>	
<b>FUND BALANCE - END OF YEAR</b>			11,484,313	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE - GAAP BASIS</b>			<u>\$ 11,484,313</u>	

**CITY OF MANHATTAN, KANSAS**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2022

	<u>City/University Projects</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 530,000	\$ 530,000	\$ 523,541	\$ (6,459)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	68,485	68,485
<b>Total Revenue</b>	<u>530,000</u>	<u>530,000</u>	<u>592,026</u>	<u>62,026</u>
<b>EXPENDITURES</b>				
Current				
General government	165,000	165,000	4,950	160,050
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>165,000</u>	<u>165,000</u>	<u>4,950</u>	<u>160,050</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>365,000</u>	<u>365,000</u>	<u>587,076</u>	<u>222,076</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	135,000	135,000	135,000	-
Transfers out	(650,000)	(650,000)	(650,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(515,000)</u>	<u>(515,000)</u>	<u>(515,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	72,076	<u>\$ 222,076</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>525,166</u>	
<b>FUND BALANCE - END OF YEAR</b>			597,242	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 597,242</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

<b>Business Improvement Districts</b>				
<b>Aggieville Business Improvement District</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 71,000	\$ 76,000	\$ -	\$ (76,000)
Intergovernmental	-	-	-	-
Charges for services	-	-	77,174	77,174
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>71,000</b>	<b>76,000</b>	<b>77,174</b>	<b>1,174</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	71,500	76,500	76,500	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>71,500</b>	<b>76,500</b>	<b>76,500</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(500)</b>	<b>(500)</b>	<b>674</b>	<b>1,174</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (500)</b>	<b>\$ (500)</b>	<b>674</b>	<b>\$ 1,174</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE - END OF YEAR</b>			674	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 674</b>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

<b>Business Improvement Districts</b>				
<b>Downtown Business Improvement District</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 86,000	\$ 91,000	\$ -	\$ (91,000)
Intergovernmental	-	-	-	-
Charges for services	-	-	91,161	91,161
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>86,000</b>	<b>91,000</b>	<b>91,161</b>	<b>161</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	86,500	91,500	91,160	340
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>86,500</b>	<b>91,500</b>	<b>91,160</b>	<b>340</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(500)</b>	<b>(500)</b>	<b>1</b>	<b>501</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (500)</b>	<b>\$ (500)</b>	<b>1</b>	<b>\$ 501</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>-</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>1</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<b>-</b>	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 1</b>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<b>Economic Development</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,296,000	\$ 2,296,000	\$ 2,571,507	\$ 275,507
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	18,500	18,500	92,286	73,786
Miscellaneous	557,917	557,917	570,133	12,216
<b>Total Revenue</b>	<b>2,872,417</b>	<b>2,872,417</b>	<b>3,233,926</b>	<b>361,509</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	8,515,783	8,515,783	831,259	7,684,524
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	21,350	(21,350)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>8,515,783</b>	<b>8,515,783</b>	<b>852,609</b>	<b>7,663,174</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,643,366)</b>	<b>(5,643,366)</b>	<b>2,381,317</b>	<b>8,024,683</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(1,632,585)	(1,632,585)	(7,809,279)	(6,176,694)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,632,585)</b>	<b>(1,632,585)</b>	<b>(7,809,279)</b>	<b>(6,176,694)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (7,275,951)</b>	<b>\$ (7,275,951)</b>	<b>(5,427,962)</b>	<b>\$ 1,847,989</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>7,532,793</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>2,104,831</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 2,104,831</b>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	Library			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,866,150	\$ 2,866,150	\$ 2,933,338	\$ 67,188
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,754	1,754
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<u>2,866,150</u>	<u>2,866,150</u>	<u>2,935,092</u>	<u>68,942</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,732,400	2,732,400	2,732,400	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>2,732,400</u>	<u>2,732,400</u>	<u>2,732,400</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>133,750</u>	<u>133,750</u>	<u>202,692</u>	<u>68,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(133,750)	(133,750)	(133,750)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(133,750)</u>	<u>(133,750)</u>	<u>(133,750)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>68,942</u>	<u>\$ 68,942</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>10</u>	
<b>FUND BALANCE - END OF YEAR</b>			68,952	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 68,952</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<b>Library Employee Benefit Contribution</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 655,306	\$ 655,306	\$ 677,877	\$ 22,571
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	280	280
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>655,306</b>	<b>655,306</b>	<b>678,157</b>	<b>22,851</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	662,890	662,890	662,890	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>662,890</b>	<b>662,890</b>	<b>662,890</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,584)</b>	<b>(7,584)</b>	<b>15,267</b>	<b>22,851</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (7,584)</b>	<b>\$ (7,584)</b>	<b>15,267</b>	<b>\$ 22,851</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>624</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>15,891</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<b>-</b>	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 15,891</b>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	Sales Tax			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,870,000	\$ 6,720,000	\$ 7,468,552	\$ 748,552
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<u>5,870,000</u>	<u>6,720,000</u>	<u>7,468,552</u>	<u>748,552</u>
<b>EXPENDITURES</b>				
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	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,870,000</u>	<u>6,720,000</u>	<u>7,468,552</u>	<u>748,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(5,870,000)	(6,720,000)	(6,720,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(5,870,000)</u>	<u>(6,720,000)</u>	<u>(6,720,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	748,552	<u>\$ 748,552</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			1,439,401	
<b>FUND BALANCE - END OF YEAR</b>			2,187,953	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 2,187,953</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	Special Alcohol Programs			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 464,510	\$ 464,510	\$ -	\$ (464,510)
Intergovernmental	-	-	561,453	561,453
Charges for services	-	-	-	-
Investment income	-	-	94	94
Miscellaneous	500	500	11,485	10,985
<b>Total Revenue</b>	<u>465,010</u>	<u>465,010</u>	<u>573,032</u>	<u>108,022</u>
<b>EXPENDITURES</b>				
Current				
General government	466,010	466,010	466,010	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>466,010</u>	<u>466,010</u>	<u>466,010</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,000)</u>	<u>(1,000)</u>	<u>107,022</u>	<u>108,022</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>107,022</u>	<u>\$ 108,022</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>			107,022	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 107,022</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	Special Parks and Recreation			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 475,000	\$ 475,000	\$ -	\$ (475,000)
Intergovernmental	-	-	562,451	562,451
Charges for services	-	-	-	-
Investment income	500	500	7,875	7,375
Miscellaneous	-	-	1,030	1,030
<b>Total Revenue</b>	<u>475,500</u>	<u>475,500</u>	<u>571,356</u>	<u>95,856</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	276,093	276,093	13,750	262,343
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	91,231	91,231	13,968	77,263
Debt service				
Principal	76,463	76,463	76,463	-
Interest and fiscal charges	7,853	7,853	7,852	1
<b>Total Expenditures</b>	<u>451,640</u>	<u>451,640</u>	<u>112,033</u>	<u>339,607</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>23,860</u>	<u>23,860</u>	<u>459,323</u>	<u>435,463</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	50,533	50,533
Transfers out	(453,860)	(453,860)	(424,212)	29,648
<b>Total Other Financing Sources (Uses)</b>	<u>(453,860)</u>	<u>(453,860)</u>	<u>(373,679)</u>	<u>80,181</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (430,000)</u>	<u>\$ (430,000)</u>	<u>85,644</u>	<u>\$ 515,644</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>632,760</u>	
<b>FUND BALANCE - END OF YEAR</b>			718,404	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 718,404</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<u>Special Street and Highway</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,521,190	1,521,190	2,163,733	642,543
Charges for services	-	-	-	-
Investment income	1,000	1,000	33,121	32,121
Miscellaneous	40,000	40,000	19,698	(20,302)
<b>Total Revenue</b>	<u>1,562,190</u>	<u>1,562,190</u>	<u>2,216,552</u>	<u>654,362</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	264,800	264,800	456,414	(191,614)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	2,151,720	2,151,720	300,245	1,851,475
Debt service				
Principal	50,068	50,068	50,068	-
Interest and fiscal charges	4,276	4,276	4,276	-
<b>Total Expenditures</b>	<u>2,470,864</u>	<u>2,470,864</u>	<u>811,003</u>	<u>1,659,861</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(908,674)</u>	<u>(908,674)</u>	<u>1,405,549</u>	<u>2,314,223</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(292,385)	(292,385)	(671,298)	(378,913)
<b>Total Other Financing Sources (Uses)</b>	<u>(292,385)</u>	<u>(292,385)</u>	<u>(671,298)</u>	<u>(378,913)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (1,201,059)</u>	<u>\$ (1,201,059)</u>	<u>734,251</u>	<u>\$ 1,935,310</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>2,557,076</u>	
<b>FUND BALANCE - END OF YEAR</b>			3,291,327	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>37,092</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 3,328,419</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<b>Tourism and Convention Promotion</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,799,866	\$ 1,799,866	\$ 2,574,353	\$ 774,487
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<u>1,799,866</u>	<u>1,799,866</u>	<u>2,574,353</u>	<u>774,487</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	1,381,532	1,381,532	1,381,532	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>1,381,532</u>	<u>1,381,532</u>	<u>1,381,532</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>418,334</u>	<u>418,334</u>	<u>1,192,821</u>	<u>774,487</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(418,334)	(418,334)	(418,334)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(418,334)</u>	<u>(418,334)</u>	<u>(418,334)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>774,487</u>	<u>\$ 774,487</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>646,295</u>	
<b>FUND BALANCE - END OF YEAR</b>			1,420,782	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>-</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 1,420,782</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<b>Recreation and Trails Sales Tax</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 3,100,000	\$ 3,100,000	\$ 3,910,914	\$ 810,914
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>3,100,000</b>	<b>3,100,000</b>	<b>3,910,914</b>	<b>810,914</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	37,782	(37,782)
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>37,782</b>	<b>(37,782)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,100,000</b>	<b>3,100,000</b>	<b>3,873,132</b>	<b>773,132</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(9,161,049)	(9,161,049)	(5,021,194)	4,139,855
<b>Total Other Financing Sources (Uses)</b>	<b>(9,161,049)</b>	<b>(9,161,049)</b>	<b>(5,021,194)</b>	<b>4,139,855</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (6,061,049)</b>	<b>\$ (6,061,049)</b>	<b>(1,148,062)</b>	<b>\$ 4,912,987</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>7,336,969</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>6,188,907</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 6,188,907</b>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

<u>Special Street Maintenance</u>				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,978,939	\$ 1,978,939	\$ 3,083,214	\$ 1,104,275
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	16,693	16,693
<b>Total Revenue</b>	<u>1,978,939</u>	<u>1,978,939</u>	<u>3,099,907</u>	<u>1,120,968</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	2,082,644	(2,082,644)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	2,911,000	2,911,000	-	2,911,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>2,911,000</u>	<u>2,911,000</u>	<u>2,082,644</u>	<u>828,356</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(932,061)</u>	<u>(932,061)</u>	<u>1,017,263</u>	<u>1,949,324</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	16,977	16,977
Transfers out	(4,000)	(4,000)	(422)	3,578
<b>Total Other Financing Sources (Uses)</b>	<u>(4,000)</u>	<u>(4,000)</u>	<u>16,555</u>	<u>20,555</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (936,061)</u>	<u>\$ (936,061)</u>	<u>1,033,818</u>	<u>\$ 1,969,879</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>3,456,140</u>	
<b>FUND BALANCE - END OF YEAR</b>			4,489,958	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			<u>10,420</u>	
<b>FUND BALANCE-GAAP BASIS</b>			<u>\$ 4,500,378</u>	

(Continued)

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

(Continued)

For the Year Ended December 31, 2022

	<b>Downtown Redevelopment Senior Lien TIF Bonds</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,925,500	\$ 2,925,500	\$ 6,836,896	\$ 3,911,396
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	236,210	236,210
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>2,925,500</b>	<b>2,925,500</b>	<b>7,073,106</b>	<b>4,147,606</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	2,985,500	2,985,500	1,900,000	1,085,500
Interest and fiscal charges	-	-	781,497	(781,497)
<b>Total Expenditures</b>	<b>2,985,500</b>	<b>2,985,500</b>	<b>2,681,497</b>	<b>304,003</b>
<b>EXPENDITURES NOT SUBJECT TO BUDGET</b>				
Debt service				
Principal	-	-	10,205,000	(10,205,000)
Interest and fiscal charges	-	-	973,065	(973,065)
<b>Total Expenditures Not Subject To Budget</b>	<b>-</b>	<b>-</b>	<b>11,178,065</b>	<b>(11,178,065)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>(6,786,456)</b>	<b>15,021,668</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	-	-	24,975,000	24,975,000
Transfers in	-	-	-	-
Transfers out	-	-	(245,382)	(245,382)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>24,729,618</b>	<b>24,729,618</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (60,000)</b>	<b>\$ (60,000)</b>	<b>17,943,162</b>	<b>\$ 39,751,286</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<b>2,890,959</b>	
<b>FUND BALANCE - END OF YEAR</b>			<b>20,834,121</b>	
<b>ADJUSTMENTS TO GAAP</b>				
Encumbrances			-	
<b>FUND BALANCE-GAAP BASIS</b>			<b>\$ 20,834,121</b>	



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **Internal Service Funds**

**For the Year Ended  
December 31, 2022**

## **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 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.

**CITY OF MANHATTAN, KANSAS**  
**COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS**  
December 31, 2022

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 91,577	\$ 3,395,785	\$ 1,324,387	\$ 4,811,749
Accounts receivable	-	37,252	-	37,252
Inventories	58,535	-	-	58,535
<b>TOTAL ASSETS</b>	<u>150,112</u>	<u>3,433,037</u>	<u>1,324,387</u>	<u>4,907,536</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	91,577	23,339	3,252	118,168
Estimated insurance claims payable	-	490,156	426,610	916,766
<b>TOTAL LIABILITIES</b>	<u>91,577</u>	<u>513,495</u>	<u>429,862</u>	<u>1,034,934</u>
<b>NET POSITION</b>				
Unrestricted	58,535	2,919,542	894,525	3,872,602
<b>TOTAL NET POSITION</b>	<u>\$ 58,535</u>	<u>\$ 2,919,542</u>	<u>\$ 894,525</u>	<u>\$ 3,872,602</u>

**CITY OF MANHATTAN, KANSAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2022

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Service charges	\$ 41,526	\$ 6,075,388	\$ -	\$ 6,116,914
Miscellaneous	2,456	271,313	3,987	277,756
<b>Total Operating Revenues</b>	<u>43,982</u>	<u>6,346,701</u>	<u>3,987</u>	<u>6,394,670</u>
<b>OPERATING EXPENSES</b>				
Commodities	54,155	-	-	54,155
Contractual services	10,602	5,972,357	60,291	6,043,250
<b>Total Operating Expenses</b>	<u>64,757</u>	<u>5,972,357</u>	<u>60,291</u>	<u>6,097,405</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(20,775)</u>	<u>374,344</u>	<u>(56,304)</u>	<u>297,265</u>
<b>NON-OPERATING REVENUE</b>				
Investment income	-	39,501	15,121	54,622
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(20,775)</u>	<u>413,845</u>	<u>(41,183)</u>	<u>351,887</u>
Transfers in	29,705	-	270,000	299,705
<b>CHANGE IN NET POSITION</b>	<u>8,930</u>	<u>413,845</u>	<u>228,817</u>	<u>651,592</u>
<b>TOTAL NET POSITION - BEGINNING</b>	<u>49,605</u>	<u>2,505,697</u>	<u>665,708</u>	<u>3,221,010</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 58,535</u>	<u>\$ 2,919,542</u>	<u>\$ 894,525</u>	<u>\$ 3,872,602</u>

**CITY OF MANHATTAN, KANSAS**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2022

	<u>Motor Pool</u>	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 43,982	\$ 6,547,676	\$ 3,987	\$ 6,595,645
Payments to suppliers	(50,223)	(6,010,814)	(168,803)	(6,229,840)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>(6,241)</u>	<u>536,862</u>	<u>(164,816)</u>	<u>365,805</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Cash received from other funds	29,705	-	270,000	299,705
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	-	39,501	15,121	54,622
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	23,464	576,363	120,305	720,132
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>68,113</u>	<u>2,819,422</u>	<u>1,204,082</u>	<u>4,091,617</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 91,577</u>	<u>\$ 3,395,785</u>	<u>\$ 1,324,387</u>	<u>\$ 4,811,749</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>				
Operating income (loss)	\$ (20,775)	\$ 374,344	\$ (56,304)	\$ 297,265
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
(Increase) decrease in receivables	-	200,975	-	200,975
(Increase) decrease in inventory	(8,930)	-	-	(8,930)
Increase (decrease) in accounts payable and accrued expenses	23,464	(38,457)	(108,512)	(123,505)
<b>Total Adjustments</b>	<u>14,534</u>	<u>162,518</u>	<u>(108,512)</u>	<u>68,540</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (6,241)</u>	<u>\$ 536,862</u>	<u>\$ (164,816)</u>	<u>\$ 365,805</u>



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Statistical Section**

**For the Year Ended  
December 31, 2022**

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	123
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales tax.	132
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	140
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	145
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	148

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				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 17,482,048	\$ 22,478,602	\$ 15,153,617	\$ 20,803,629	\$ 37,942,390
Restricted	81,794,527	87,708,105	104,518,014	112,486,099	105,323,230
Unrestricted	11,065,220	10,109,991	(8,104,652)	(9,171,110)	(11,806,406)
Total governmental activities Net Position	<u>\$ 110,341,795</u>	<u>\$ 120,296,698</u>	<u>\$ 111,566,979</u>	<u>\$ 124,118,618</u>	<u>\$ 131,459,214</u>
Business-type activities					
Net investment in capital assets	\$ 88,798,571	\$ 95,208,986	\$ 101,071,661	\$ 110,296,275	\$ 115,893,744
Restricted	-	-	-	-	-
Unrestricted	3,436,268	6,209,185	(37,872)	(4,012,674)	(7,875,942)
Total business-type activities Net Position	<u>\$ 92,234,839</u>	<u>\$ 101,418,171</u>	<u>\$ 101,033,789</u>	<u>\$ 106,283,601</u>	<u>\$ 108,017,802</u>
Primary government					
Net investment in capital assets	\$ 106,280,619	\$ 117,687,588	\$ 116,225,278	\$ 131,099,904	\$ 153,836,134
Restricted	81,794,527	87,708,105	104,518,014	112,486,099	105,323,230
Unrestricted	14,501,488	16,319,176	(8,142,524)	(13,183,784)	(19,682,348)
Total primary government Net Position	<u>\$ 202,576,634</u>	<u>\$ 221,714,869</u>	<u>\$ 212,600,768</u>	<u>\$ 230,402,219</u>	<u>\$ 239,477,016</u>

	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities					
Net investment in capital assets	\$ 57,166,499	\$ 43,228,374	\$ 50,090,759	\$ 49,907,471	\$ 19,368,252
Restricted	100,169,248	44,397,630	49,933,194	97,398,460	107,994,079
Unrestricted	(9,248,223)	73,257,800	75,295,910	48,373,146	78,218,644
Total governmental activities Net Position	<u>\$ 148,087,524</u>	<u>\$ 160,883,804</u>	<u>\$ 175,319,863</u>	<u>\$ 195,679,077</u>	<u>\$ 205,580,975</u>
Business-type activities					
Net investment in capital assets	\$ 116,897,628	\$ 121,429,692	\$ 127,758,321	\$ 153,314,982	\$ 160,008,867
Restricted	-	-	-	-	-
Unrestricted	(1,700,482)	2,359,971	(4,106,856)	(21,662,303)	(16,188,462)
Total business-type activities Net Position	<u>\$ 115,197,146</u>	<u>\$ 123,789,663</u>	<u>\$ 123,651,465</u>	<u>\$ 131,652,679</u>	<u>\$ 143,820,405</u>
Primary government					
Net investment in capital assets	\$ 174,064,127	\$ 164,658,066	\$ 177,849,080	\$ 203,222,453	\$ 179,377,119
Restricted	100,169,248	44,397,630	49,933,194	97,398,460	107,994,079
Unrestricted	(10,948,705)	75,617,771	71,189,054	26,710,843	62,030,182
Total primary government Net Position	<u>\$ 263,284,670</u>	<u>\$ 284,673,467</u>	<u>\$ 298,971,328</u>	<u>\$ 327,331,756</u>	<u>\$ 349,401,380</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Expenses</b>					
Governmental activities:					
General government	\$ 12,184,815	\$ 11,875,764	\$ 13,303,797	\$ 14,881,392	\$ 15,369,275
Public safety	21,870,430	21,882,904	24,016,656	23,944,176	25,386,999
Public works	9,855,929	10,836,220	10,673,143	11,208,494	11,251,329
Urban development and housing	4,246,269	4,866,173	3,830,335	3,709,900	3,328,870
Culture and recreation	8,898,223	9,304,434	10,273,507	10,520,660	10,971,984
Culture and recreation (payments to Library)	2,710,583	2,758,804	2,903,361	2,935,903	3,061,813
Interest on long-term debt	7,368,568	7,112,471	7,012,106	7,574,049	7,128,980
Total governmental activities expenses	<u>67,134,817</u>	<u>68,636,770</u>	<u>72,012,905</u>	<u>74,774,574</u>	<u>76,499,250</u>
Business-type activities:					
Water	7,486,394	8,080,052	7,861,973	8,086,542	8,973,382
Wastewater	7,783,979	8,994,204	7,649,478	8,210,933	8,250,515
Storm water management	1,001,630	1,092,027	1,122,262	1,219,045	1,674,389
Total business-type activities expenses	<u>16,272,003</u>	<u>18,166,283</u>	<u>16,633,713</u>	<u>17,516,520</u>	<u>18,898,286</u>
Total primary government expenses	<u>\$ 83,406,820</u>	<u>\$ 86,803,053</u>	<u>\$ 88,646,618</u>	<u>\$ 92,291,094</u>	<u>\$ 95,397,536</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,801,355	\$ 2,927,581	\$ 2,968,749	\$ 3,022,281	\$ 3,046,897
Public safety	629,877	678,543	651,670	750,769	558,026
Public works	226,856	219,547	129,254	385,735	70,981
Urban development and housing	126,973	133,669	144,190	159,778	144,106
Culture and recreation	1,828,343	2,161,901	1,967,670	2,531,162	2,275,533
Operating grants and contributions	4,066,771	3,926,624	4,226,572	3,408,120	3,353,714
Capital grants and contributions	2,186,597	18,102,297	7,435,992	13,401,984	5,358,486
Total governmental activities program revenues	<u>11,866,772</u>	<u>28,150,162</u>	<u>17,524,097</u>	<u>23,659,829</u>	<u>14,807,743</u>
Business-type activities:					
Charges for services:					
Water	8,331,963	9,025,858	9,374,774	10,176,576	10,808,239
Wastewater	8,957,234	9,191,695	9,645,758	9,885,370	10,273,901
Storm water management	1,549,749	1,610,773	1,691,371	1,727,191	1,864,770
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>18,838,946</u>	<u>19,828,326</u>	<u>20,711,903</u>	<u>21,789,137</u>	<u>22,946,910</u>
Total primary government program revenues	<u>\$ 30,705,718</u>	<u>\$ 47,978,488</u>	<u>\$ 38,236,000</u>	<u>\$ 45,448,966</u>	<u>\$ 37,754,653</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (55,268,045)	\$ (40,486,608)	\$ (54,488,808)	\$ (51,114,745)	\$ (61,691,507)
Business-type activities	2,566,943	1,662,043	4,078,190	4,272,617	4,048,624
Total primary government net expense	<u>\$ (52,701,102)</u>	<u>\$ (38,824,565)</u>	<u>\$ (50,410,618)</u>	<u>\$ (46,842,128)</u>	<u>\$ (57,642,883)</u>

(Continued)

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

	Fiscal Year				
	2018	2019	2020	2021	2022
<b>Expenses</b>					
Governmental activities:					
General government	\$ 15,317,764	\$ 16,910,290	\$ 17,869,773	\$ 15,891,759	\$ 17,624,100
Public safety	25,027,060	26,035,561	28,252,971	27,489,565	28,916,830
Public works	13,345,811	14,503,573	14,436,411	14,722,396	16,366,018
Urban development and housing	4,420,801	3,503,009	3,940,005	4,150,196	3,736,000
Culture and recreation	11,624,634	11,079,958	6,637,158	10,475,640	13,121,443
Culture and recreation (payments to Library)	3,114,184	3,175,616	3,335,074	3,347,403	3,395,290
Interest on long-term debt	6,645,379	6,773,123	6,613,536	6,183,019	6,846,722
Total governmental activities expenses	<u>79,495,633</u>	<u>81,981,130</u>	<u>81,084,928</u>	<u>82,259,978</u>	<u>90,006,403</u>
Business-type activities:					
Water	9,170,427	9,741,586	10,460,436	9,984,403	10,386,915
Wastewater	8,910,992	8,240,083	8,784,370	9,163,309	8,743,571
Storm water management	1,864,030	1,813,706	2,785,488	2,328,503	2,587,151
Total business-type activities expenses	<u>19,945,449</u>	<u>19,795,375</u>	<u>22,030,294</u>	<u>21,476,215</u>	<u>21,717,637</u>
Total primary government expenses	<u>\$ 99,441,082</u>	<u>\$ 101,776,505</u>	<u>\$ 103,115,222</u>	<u>\$ 103,736,193</u>	<u>\$ 111,724,040</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 3,057,784	\$ 3,016,544	\$ 2,534,279	\$ 2,921,260	\$ 3,013,949
Public safety	512,507	575,131	527,283	770,484	776,901
Public works	610,768	476,757	-	-	1,197,461
Urban development and housing	165,443	408,459	153,682	164,847	176,790
Culture and recreation	2,499,610	2,546,516	1,133,346	2,284,967	2,755,813
Operating grants and contributions	3,773,771	3,328,159	6,885,189	4,784,088	5,174,103
Capital grants and contributions	18,159,186	15,184,495	8,612,937	13,558,615	4,757,625
Total governmental activities program revenues	<u>28,779,069</u>	<u>25,536,061</u>	<u>19,846,716</u>	<u>24,484,261</u>	<u>17,852,642</u>
Business-type activities:					
Charges for services:					
Water	10,721,533	10,218,726	10,979,584	12,386,348	14,316,664
Wastewater	10,035,169	10,411,754	11,832,835	12,926,461	13,471,374
Storm water management	2,027,065	2,516,881	2,843,200	4,065,133	4,559,254
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>22,783,767</u>	<u>23,147,361</u>	<u>25,655,619</u>	<u>29,377,942</u>	<u>32,347,292</u>
Total primary government program revenues	<u>\$ 51,562,836</u>	<u>\$ 48,683,422</u>	<u>\$ 45,502,335</u>	<u>\$ 53,862,203</u>	<u>\$ 50,199,934</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (50,716,564)	\$ (56,445,069)	\$ (61,238,212)	\$ (57,775,717)	\$ (72,153,761)
Business-type activities	2,838,318	3,351,986	3,625,325	7,901,727	10,629,655
Total primary government net expense	<u>\$ (47,878,246)</u>	<u>\$ (53,093,083)</u>	<u>\$ (57,612,887)</u>	<u>\$ (49,873,990)</u>	<u>\$ (61,524,106)</u>

(Continued)

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

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes, levied for general purposes	\$ 20,102,584	\$ 21,794,957	\$ 22,821,549	\$ 26,671,105	\$ 30,026,900
Property taxes, levied for debt service	2,725,834	2,089,846	2,448,114	3,003,296	2,355,563
Franchise taxes	3,571,175	3,845,886	3,662,022	3,728,027	3,702,504
Sales taxes	24,902,090	26,895,621	26,797,630	27,786,733	26,852,223
Transient guest taxes	1,242,054	1,336,815	1,516,102	1,536,416	1,580,364
Unrestricted grants and contributions	1,479,566	488,471	478,102	478,150	454,166
Investment earnings	105,672	373,923	23,023	300,749	197,813
Miscellaneous	2,095,510	729,315	1,197,877	740,592	1,013,450
Transfers	856,597	(7,113,323)	2,554,154	(578,684)	2,759,428
Gain on sales of capital assets	-	-	-	-	-
Total governmental activities	<u>57,081,082</u>	<u>50,441,511</u>	<u>61,498,573</u>	<u>63,666,384</u>	<u>68,942,411</u>
Business-type activities:					
Investment earnings	8,001	18,830	21,960	48,734	73,882
Miscellaneous	503,727	389,136	363,504	349,777	371,123
Transfers	(856,597)	7,113,323	(2,554,154)	578,684	(2,759,428)
Total business-type activities	<u>(344,869)</u>	<u>7,521,289</u>	<u>(2,168,690)</u>	<u>977,195</u>	<u>(2,314,423)</u>
Total primary government	<u>\$ 56,736,213</u>	<u>\$ 57,962,800</u>	<u>\$ 59,329,883</u>	<u>\$ 64,643,579</u>	<u>\$ 66,627,988</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 1,813,037	\$ 9,954,903	\$ 7,009,765	\$ 12,551,639	\$ 7,250,904
Business-type activities	2,222,074	9,183,332	1,909,500	5,249,812	1,734,201
Total primary government	<u>\$ 4,035,111</u>	<u>\$ 19,138,235</u>	<u>\$ 8,919,265</u>	<u>\$ 17,801,451</u>	<u>\$ 8,985,105</u>

(Continued)

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

	Fiscal Year				
	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes, levied for general purposes	\$ 31,103,915	\$ 29,362,667	\$ 30,345,242	\$ 30,553,288	\$ 32,142,039
Property taxes, levied for debt service	2,796,007	3,023,652	2,945,629	3,259,243	3,286,785
Franchise taxes	3,755,173	3,637,274	3,371,782	3,532,877	4,165,486
Sales taxes	27,803,821	30,906,060	30,285,653	35,791,351	35,455,492
Transient guest taxes	1,962,504	1,879,542	1,265,815	1,859,956	3,364,353
Unrestricted grants and contributions	484,028	490,660	361,134	742,579	925,639
Investment earnings	388,817	901,575	396,169	187,399	1,148,550
Miscellaneous	1,701,877	2,787,371	2,311,499	1,613,844	2,250,078
Transfers	(3,761,889)	(4,666,101)	4,280,734	2,525,957	(682,763)
Gain on sales of capital assets	-	725,937	110,614	60,429	-
Total governmental activities	<u>66,234,253</u>	<u>69,048,637</u>	<u>75,674,271</u>	<u>80,126,923</u>	<u>82,055,659</u>
Business-type activities:					
Investment earnings	147,319	234,475	78,755	11,278	199,926
Miscellaneous	431,818	339,955	438,456	414,678	655,382
Transfers	3,761,889	4,666,101	(4,280,734)	(2,525,957)	682,763
Total business-type activities	<u>4,341,026</u>	<u>5,240,531</u>	<u>(3,763,523)</u>	<u>(2,100,001)</u>	<u>1,538,071</u>
Total primary government	<u>\$ 70,575,279</u>	<u>\$ 74,289,168</u>	<u>\$ 71,910,748</u>	<u>\$ 78,026,922</u>	<u>\$ 83,593,730</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 15,517,689	\$ 12,603,568	\$ 14,436,059	\$ 22,351,206	\$ 9,901,898
Business-type activities	7,179,344	8,592,517	(138,198)	5,801,726	12,167,726
Total primary government	<u>\$ 22,697,033</u>	<u>\$ 21,196,085</u>	<u>\$ 14,297,861</u>	<u>\$ 28,152,932</u>	<u>\$ 22,069,624</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,573,139	1,696,660	1,900,129	2,698,680	2,173,044
Committed	-	-	-	-	-
Assigned	2,084,997	2,023,100	2,073,337	67,945	129,023
Unassigned	354,488	573,403	(144,413)	788,329	958,513
Total general fund	<u>\$ 4,012,624</u>	<u>\$ 4,293,163</u>	<u>\$ 3,829,053</u>	<u>\$ 3,554,954</u>	<u>\$ 3,260,580</u>
All other governmental funds					
Nonspendable	\$ 463,401	\$ 469,235	\$ 479,857	\$ 482,105	\$ 495,336
Restricted	25,824,272	36,005,251	53,939,156	62,958,652	60,941,391
Committed	54,677	100,226	26,425	100,785	165,296
Assigned	15,063,270	7,957,147	8,514,095	892,909	-
Unassigned	-	(232,595)	(24,191)	(464,500)	(4,617)
Total all other governmental funds	<u>\$ 41,405,620</u>	<u>\$ 44,299,264</u>	<u>\$ 62,935,342</u>	<u>\$ 63,969,951</u>	<u>\$ 61,597,406</u>

	Fiscal Year				
	2018	2019	2020	2021	2022
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,303,743	1,153,739	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	89,847	50,446
Unassigned	3,088,115	4,721,370	8,899,215	12,477,036	22,202,389
Total general fund	<u>\$ 4,391,858</u>	<u>\$ 5,875,109</u>	<u>\$ 8,899,215</u>	<u>\$ 12,566,883</u>	<u>\$ 22,252,835</u>
All other governmental funds					
Nonspendable	\$ 511,353	\$ 233,358	\$ 248,471	\$ 260,684	\$ 275,100
Restricted	47,976,736	45,062,596	51,526,484	94,304,741	109,112,486
Committed	339,349	-	-	-	-
Assigned	-	-	-	60,191	47,512
Unassigned	(31,646)	(7,781)	-	(13,505)	-
Total all other governmental funds	<u>\$ 48,795,792</u>	<u>\$ 45,288,173</u>	<u>\$ 51,774,955</u>	<u>\$ 94,612,111</u>	<u>\$ 109,435,098</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Revenues</b>					
Taxes	\$ 52,543,737	\$ 55,963,123	\$ 57,245,417	\$ 62,725,576	\$ 64,517,555
Special assessments	6,601,450	6,423,571	6,423,035	6,502,769	6,892,085
Licenses and permits	736,026	669,088	688,324	781,313	583,770
Intergovernmental revenues	6,342,587	14,142,519	7,910,181	8,963,061	7,179,108
Charges for services	2,595,552	3,447,684	3,397,834	3,991,901	3,557,776
Fines and forfeitures	1,461,807	1,520,408	1,395,059	1,586,113	1,473,458
Investment income	309,980	369,467	15,447	287,371	178,277
Miscellaneous revenues	2,592,512	2,310,729	2,437,227	2,497,104	1,832,782
<b>Total revenues</b>	<b>73,183,651</b>	<b>84,846,589</b>	<b>79,512,524</b>	<b>87,335,208</b>	<b>86,214,811</b>
<b>Expenditures</b>					
General government	9,814,354	10,376,834	10,843,137	12,030,741	12,268,918
Public safety	20,956,458	21,414,073	22,980,982	24,339,265	24,281,854
Public works	4,049,467	4,767,198	4,210,621	4,790,370	4,592,146
Urban development and housing	3,943,368	4,578,877	3,439,663	3,440,261	3,205,836
Culture/recreation	6,913,056	7,418,491	8,094,979	8,537,445	8,716,617
Culture/recreation-payments to Library	2,620,658	2,708,169	2,756,181	2,907,615	2,990,500
Capital outlay	14,907,497	28,418,348	20,900,705	25,560,489	18,842,377
Debt service					
Principal	14,845,930	15,574,605	18,512,788	23,408,250	34,797,151
Bond issuance costs	167,325	657,434	449,799	549,015	459,434
Interest and fiscal charges	7,521,046	7,486,127	7,621,319	7,179,688	6,736,870
Refunding costs	-	-	-	-	-
<b>Total expenditures</b>	<b>85,739,159</b>	<b>103,400,156</b>	<b>99,810,174</b>	<b>112,743,139</b>	<b>116,891,703</b>
Excess of revenues over (under) expenditures	(12,555,508)	(18,553,567)	(20,297,650)	(25,407,931)	(30,676,892)
<b>Other financing sources (uses)</b>					
Issuance of general obligation bonds	5,305,000	23,085,000	10,280,000	20,115,000	10,115,000
Issuance of premium on general obligation bonds	500,825	447,854	1,042,461	2,468,854	1,186,355
Sales of capital assets	-	14,189	-	-	-
Issuance of STAR bonds	-	-	-	-	-
Issuance of temporary notes	14,735,000	14,970,000	27,215,000	25,330,000	9,220,000
Temporary notes retired	(13,420,000)	(19,970,000)	(3,635,000)	(9,445,000)	-
Issuance of notes payable - financed purchases	56,384	398,605	577,825	1,229,128	39,257
Issuance of lease obligations payable	-	-	-	-	-
Transfers in	15,851,315	14,009,272	18,153,584	12,341,019	19,280,171
Transfers out	(13,077,801)	(11,227,170)	(15,164,252)	(9,464,446)	(11,413,424)
Refunding bonds issued	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(16,406,114)	(507,080)
<b>Total other financing sources (uses)</b>	<b>9,950,723</b>	<b>21,727,750</b>	<b>38,469,618</b>	<b>26,168,441</b>	<b>27,920,279</b>
<b>Net change in fund balances</b>	<b>\$ (2,604,785)</b>	<b>\$ 3,174,183</b>	<b>\$ 18,171,968</b>	<b>\$ 760,510</b>	<b>\$ (2,756,613)</b>
Debt service as a percentage of noncapital	31.0%	27.1%	32.2%	33.7%	40.2%

(Continued)

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

	Fiscal Year				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
Taxes	\$ 67,421,419	\$ 68,719,195	\$ 68,214,120	\$ 74,996,715	\$ 78,414,155
Special assessments	7,507,901	7,487,741	8,199,740	7,666,622	7,576,883
Licenses and permits	515,092	592,783	584,824	803,253	826,385
Intergovernmental revenues	5,849,869	6,922,984	9,830,166	14,129,743	10,724,898
Charges for services	4,318,771	4,162,301	2,015,704	3,422,616	3,886,295
Fines and forfeitures	1,399,950	1,282,693	950,936	1,131,383	1,473,811
Investment income	351,173	502,744	185,358	10,564	818,848
Miscellaneous revenues	2,343,626	2,409,964	3,005,881	2,114,071	3,122,106
<b>Total revenues</b>	<b>89,707,801</b>	<b>92,080,405</b>	<b>92,986,729</b>	<b>104,274,967</b>	<b>106,843,381</b>
<b>Expenditures</b>					
General government	12,703,746	12,881,258	16,011,594	13,577,841	14,366,495
Public safety	24,028,318	25,239,775	26,194,537	26,254,814	27,651,612
Public works	6,324,392	7,426,865	6,570,760	7,109,802	8,801,956
Urban development and housing	4,300,921	3,527,319	3,795,835	4,042,420	3,773,417
Culture/recreation	9,145,366	9,064,276	4,134,523	8,216,306	10,132,048
Culture/recreation-payments to Library	3,053,743	3,175,616	3,335,074	3,347,403	3,395,290
Capital outlay	19,344,081	29,678,342	53,128,050	55,837,691	45,125,185
Debt service					
Principal	44,769,505	34,250,702	37,895,033	26,078,862	36,753,347
Bond issuance costs	338,234	448,325	526,076	512,003	351,503
Interest and fiscal charges	6,463,009	6,501,308	6,351,377	6,030,654	6,787,813
Refunding costs	-	-	-	-	-
<b>Total expenditures</b>	<b>130,471,315</b>	<b>132,193,786</b>	<b>157,942,859</b>	<b>151,007,796</b>	<b>157,138,666</b>
Excess of revenues over (under) expenditures	(40,763,514)	(40,113,381)	(64,956,130)	(46,732,829)	(50,295,285)
<b>Other financing sources (uses)</b>					
Issuance of general obligation bonds	15,250,000	12,790,000	15,445,001	4,450,000	1,000,000
Issuance of premium on general obligation bonds	1,723,353	1,119,823	217,680	506,738	45,077
Sales of capital assets	181,570	799,729	193,412	75,001	-
Issuance of STAR bonds	-	-	-	-	24,975,000
Issuance of temporary notes	4,535,000	13,960,000	50,875,000	79,030,000	40,320,000
Temporary notes retired	-	-	-	-	-
Issuance of notes payable - financed purchases	1,402,320	1,447,611	1,346,925	1,050,000	858,753
Issuance of lease obligations payable	-	-	-	-	452,373
Transfers in	18,149,066	18,805,152	20,479,663	25,005,836	37,181,072
Transfers out	(12,148,131)	(10,705,534)	(10,595,663)	(17,087,425)	(30,028,051)
Refunding bonds issued	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	(270,000)	(3,495,000)	-	-
<b>Total other financing sources (uses)</b>	<b>29,093,178</b>	<b>37,946,781</b>	<b>74,467,018</b>	<b>93,030,150</b>	<b>74,804,224</b>
<b>Net change in fund balances</b>	<b>\$ (11,670,336)</b>	<b>\$ (2,166,600)</b>	<b>\$ 9,510,888</b>	<b>\$ 46,297,321</b>	<b>\$ 24,508,939</b>
Debt service as a percentage of noncapital	42.2%	35.9%	39.6%	32.2%	39.1%

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Transient Guest Tax</b>	<b>Total</b>
2013	22,828,418	24,902,090	3,571,175	1,242,054	52,543,737
2014	23,884,803	26,895,621	3,845,886	1,336,815	55,963,125
2015	25,269,663	26,797,630	3,662,022	1,516,102	57,245,417
2016	29,674,401	27,786,733	3,728,027	1,536,416	62,725,577
2017	32,382,463	26,852,223	3,702,504	1,580,364	64,517,554
2018	33,899,921	27,803,821	3,755,173	1,962,504	67,421,419
2019	32,386,319	30,906,060	3,637,274	1,879,542	68,809,195
2020	33,290,871	30,285,653	3,371,782	1,265,815	68,214,121
2021	33,812,531	35,791,351	3,532,877	1,859,956	74,996,715
2022	35,428,824	35,455,492	4,165,486	3,364,353	78,414,155

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

<b>Fiscal Year</b>	<b>REAL</b>		<b>PERSONAL</b>		<b>UTILITIES</b>		<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Total Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>				
2013	\$ 440,075,747	\$ 3,349,740,850	\$ 10,562,955	\$ 48,883,363	\$ 12,343,351	\$ 37,404,094	\$ 462,982,053	\$ 43.439	\$ 3,436,028,307	13.47%
2014	461,230,951	3,474,962,883	10,365,196	43,182,777	13,543,233	41,040,100	485,139,380	43.424	3,559,185,760	13.63%
2015	478,344,105	4,854,407,500	7,980,226	35,560,133	14,359,041	43,512,245	500,683,372	43.963	4,933,479,878	10.15%
2016	497,836,343	5,017,538,169	6,943,650	34,297,855	15,900,217	48,182,476	520,680,210	46.951	5,100,018,500	10.21%
2017	514,992,295	5,176,618,672	6,661,219	28,399,909	16,579,402	50,240,612	538,232,916	48.023	5,255,259,193	10.24%
2018	537,579,254	5,273,583,913	5,437,976	23,166,026	16,999,512	51,513,673	560,016,742	48.357	5,348,263,612	10.47%
2019	551,802,033	5,312,493,639	5,286,887	20,408,200	18,049,806	54,696,382	575,138,726	49.355	5,387,598,221	10.68%
2020	560,383,873	7,141,047,215	4,696,674	20,188,676	20,155,509	61,077,300	585,236,056	49.798	7,222,313,191	8.10%
2021	569,110,793	7,174,963,230	4,428,941	21,081,168	21,775,401	65,986,064	595,315,135	49.835	7,262,030,462	8.20%
2022	570,551,800	7,691,579,065	4,362,629	24,013,013	23,803,781	72,132,670	598,718,210	52.143	7,787,724,748	7.69%

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*

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b><i>Fund Levies In Mills</i></b>										
General Operating	2.372	3.669	3.936	4.146	5.356	5.817	6.570	6.743	6.631	6.591
Bond & Interest	5.412	3.881	4.108	4.719	4.006	4.688	4.939	4.687	5.106	5.073
Employment Benefit Contribution	1.487	2.039	2.529	2.761	3.053	2.830	3.058	3.812	3.749	3.726
Fire Equipment Reserve	0.108	0.451	0.266	0.250	0.720	0.454	0.668	0.791	0.778	1.119
Fire Pension KP&F	0.162	1.069	1.263	1.309	1.574	1.573	0.786	0.866	0.852	1.595
General Improvement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Industrial Promotion	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Library	4.309	4.215	4.098	4.120	4.107	4.291	4.319	4.431	4.357	4.537
Library-Employee Benefit Contribution	0.932	0.941	0.977	1.078	1.037	0.999	1.046	1.120	1.101	1.040
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Riley County Police Department	28.657	27.159	26.786	28.568	28.170	27.705	27.969	27.348	27.261	28.462
<b>TOTAL: City Mill Rate</b>	<b>43.439</b>	<b>43.424</b>	<b>43.963</b>	<b>46.951</b>	<b>48.023</b>	<b>48.357</b>	<b>49.355</b>	<b>49.798</b>	<b>49.835</b>	<b>52.143</b>

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

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

<u>Fiscal Year</u>	<u>Manhattan City</u>	<u>Riley County</u>	<u>Pottawatomie County</u>	<u>School Dist. 383</u>
2013	43.439	35.401	25.975	50.396
2014	43.424	37.327	26.001	52.453
2015	43.963	37.532	25.729	52.507
2016	46.951	38.267	26.409	55.960
2017	48.023	38.975	28.518	55.372
2018	48.357	38.886	29.250	56.268
2019	49.355	40.914	29.983	56.789
2020	49.798	43.075	28.256	62.137
2021	49.835	42.292	27.636	61.645
2022	52.143	42.227	28.647	61.591

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*

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2022</b>			<b>2013</b>		
		<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Evergy Kansas Central Inc	Utility	\$ 18,829,406	1	3.14%			0.00%
Ascension Via Christi	Medical Complex	6,889,490	2	1.15%			0.00%
Centro Bradley Spe 3 LLC	Real Estate	5,708,251	3	0.95%			0.00%
Individuals	Residential	5,701,933	4	0.95%	\$ 6,514,530	3	1.45%
Manhattan Town Center Mall	Retail	5,650,876	5	0.94%	9,650,001	1	2.15%
Manhattan Medical Center	Medical Complex	5,017,277	6	0.84%	4,713,467	6	1.05%
The Links at Manhattan	Apartments	4,992,966	7	0.83%			0.00%
Manhattan Marketplace	Shopping Center	4,750,005	8	0.79%	5,650,006	4	1.26%
JSG Properties LLC	Aircraft Manufacturer	3,750,442	9	0.63%			0.00%
Kansas Gas Service	Utility	3,701,517	10	0.62%			0.00%
Westar Energy	Utility			0.00%	8,710,901	2	1.94%
Westloop Center Association	Retail			0.00%	5,322,743	5	1.19%
S&S Development	Real Estate			0.00%	3,379,521	7	0.75%
Wal-Mart Stores Inc.	Retail			0.00%	3,349,688	8	0.75%
Mendards Inc.	Retail			0.00%	2,875,000	9	0.64%
Kansas Farm Bureau	Insurance			0.00%	2,750,001	10	0.61%
<b>Total</b>		<b>\$ 64,992,163</b>		<b>10.84%</b>	<b>\$ 52,915,858</b>		<b>11.79%</b>

Source: Riley and Pottawatomie County Clerks' Offices

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percentage of Current Collections to Current Levy</b>	<b>Delinquent Property Taxes Collected</b>	<b>Total Tax Collections</b>	<b>Percentage of Total Collections to Current Levy</b>
2013	\$ 19,850,805	\$ 19,858,991	100.04%	\$ 402,304	\$ 20,261,295	102.07%
2014	21,067,088	20,733,876	98.42%	197,250	20,931,126	99.35%
2015	22,011,724	21,858,471	99.30%	342,194	22,200,666	100.86%
2016	24,154,696	24,370,245	100.89%	313,795	24,684,040	102.19%
2017	25,549,960	25,773,004	100.87%	306,740	26,079,744	102.07%
2018	26,776,704	26,602,344	99.35%	300,232	26,902,576	100.47%
2019	28,070,404	27,902,407	99.40%	274,828	28,177,235	100.38%
2020	28,898,090	28,574,367	98.88%	342,844	28,917,211	100.07%
2021	29,578,136	29,047,000	98.20%	441,710	29,488,710	99.70%
2022	33,057,149	32,900,563	99.53%	486,514	33,387,077	101.00%

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

*Source: City of Manhattan Finance Department*

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Utilities	\$ 59,160,213	\$ 67,926,637	\$ 62,227,642	\$ 60,245,559	\$ 69,976,164	\$ 74,573,293	\$ 54,048,806	\$ 53,791,130	\$ 56,690,515	\$ 68,917,000
Construction	18,792,852	20,482,710	18,478,493	21,746,657	28,212,217	28,600,546	23,708,446	25,135,625	21,270,759	27,347,500
Manufacturing	19,095,534	22,658,540	21,211,828	24,135,901	24,269,500	18,359,219	14,332,214	14,029,854	16,864,971	18,688,900
Wholesale	43,037,782	36,234,135	38,289,992	43,061,694	43,572,521	56,155,583	52,605,472	35,715,222	39,127,518	46,677,800
Retail	650,912,056	687,840,138	663,013,103	664,876,484	728,693,080	722,501,149	668,333,195	704,640,859	779,302,119	808,424,300
Information	47,853,827	57,795,367	59,867,107	55,903,722	61,151,299	58,191,216	48,485,986	40,049,466	40,666,739	48,156,700
Accommodation and food services	128,203,960	137,239,162	143,335,204	148,791,089	164,575,564	167,236,574	155,566,597	137,890,730	160,470,213	172,198,700
Services	18,934,268	18,901,220	18,285,879	19,233,312	20,314,363	20,935,081	29,462,008	29,238,569	38,094,419	49,052,100
Other	61,851,086	62,817,264	69,590,002	79,357,148	82,217,908	83,268,006	75,457,953	51,750,122	63,084,589	76,617,418
<b>Total</b>	<b>\$ 1,047,841,578</b>	<b>\$ 1,111,895,173</b>	<b>\$ 1,094,299,250</b>	<b>\$ 1,117,351,566</b>	<b>\$ 1,222,982,616</b>	<b>\$ 1,229,820,667</b>	<b>\$ 1,122,000,677</b>	<b>\$ 1,092,241,577</b>	<b>\$ 1,215,571,842</b>	<b>\$ 1,316,080,418</b>
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%	1.45% (1)	1.45% (2)	1.45%	1.45%	1.45%	1.45%

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

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

Source: Kansas Department of Revenue

**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>
2013	1.25%		1.00%	1.00%
2014	1.25%		1.00%	1.00%
2015	1.25%		1.00%	1.00%
2016	1.25%		1.00%	1.00%
2017	1.45%	(1)	1.00%	1.00%
2018	1.45%	(2)	1.00%	1.00%
2019	1.45%		1.00%	1.00%
2020	1.45%		1.00%	1.00%
2021	1.45%		1.00%	1.00%
2022	1.45%		1.00%	1.00%

(1) Effective November 8, 2016, the City increased its sales tax rate by 0.20%. This additional .20% will be dedicated for street maintenance across the community.

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

Overlapping rates are those of local and county governments that apply to purchases of goods and services made within the City of Manhattan. Not all overlapping rates apply to all purchases. Only one county rate applies to each purchase.

*Source: City of Manhattan Finance Department*

**CITY OF MANHATTAN, KANSAS**  
**Sales Tax Revenue Payers by Industry**  
*Fiscal Years 2022 and 2013*

	<u>2022</u>				<u>2013</u>			
	<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	2,951	41.31%	\$ 11,722,152	61.43%	1,184	29.56%	\$ 8,147,414	62.12%
Accommodation and food services	209	2.93%	2,496,881	13.08%	189	4.72%	1,604,719	12.24%
Other	1,098	15.37%	1,110,953	5.82%	847	21.14%	774,185	5.90%
Utilities	17	0.24%	999,297	5.24%	7	0.17%	740,504	5.65%
Information	376	5.26%	698,272	3.66%	247	6.17%	598,983	4.57%
Wholesale	1,003	14.04%	676,828	3.55%	441	11.01%	538,700	4.11%
Manufacturing	758	10.61%	270,989	1.42%	290	7.24%	239,017	1.82%
Construction	393	5.50%	396,539	2.08%	496	12.38%	235,229	1.79%
Services	339	4.75%	711,255	3.73%	305	7.61%	236,999	1.81%
<b>Total</b>	<u>7,144</u>	<u>100.00%</u>	<u>\$ 19,083,166</u>	<u>100.00%</u>	<u>4,006</u>	<u>100.00%</u>	<u>\$ 13,115,750</u>	<u>100.00%</u>

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

Source: Kansas Department of Revenue

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

Fiscal Year	Governmental Activities									Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General	Special	Special	Temporary Notes	Notes Payable	Sales Tax	Transportation	Notes Payable -	Lease	General	State	Notes Payable -	Lease			
	Obligation	Assessment	Obligation			Revenue	Revolving	Financed	Obligations	Obligation	Revolving	Financed	Obligations			
Bonds	Bonds	Bonds	Bonds	Fund Loan	Purchases	Payable	Bonds	Loans	Purchases	Payable						
2013	\$ 43,476,781	\$ 56,778,219	\$ 61,890,000	\$ 34,560,000	\$ 60,000	\$ 5,665,000	\$ 3,124,866	\$ 1,573,138	\$ -	\$ 6,345,000	\$ 55,264,202	\$ 56,141	\$ -	\$ 268,793,347	13.3%	\$ 4,787.66
2014	56,220,206	56,999,794	57,185,000	29,560,000	-	5,490,000	2,885,345	1,696,660	-	8,295,000	55,222,769	141,429	-	273,696,203	13.1%	4,880.63
2015	52,298,515	57,701,485	52,950,000	53,140,000	-	5,335,000	2,636,913	1,900,129	-	7,155,000	52,831,275	84,672	-	286,032,989	12.6%	5,079.79
2016	57,032,675	43,327,325	46,530,000	68,045,000	-	4,970,000	2,379,240	2,698,680	-	5,960,000	49,060,876	147,200	-	280,150,996	12.5%	5,095.23
2017	59,616,496	35,883,504	40,785,000	64,340,000	-	4,810,000	2,111,982	2,173,044	-	9,390,000	46,079,689	388,059	-	265,577,774	11.9%	4,843.48
2018	55,394,698	42,055,302	34,890,000	45,290,000	-	4,640,000	1,834,782	3,048,060	-	10,355,000	47,166,862	265,253	-	244,939,957	10.6%	4,456.78
2019	54,618,890	45,001,110	28,650,000	41,940,000	-	4,455,000	1,547,270	3,842,480	-	11,550,000	45,150,395	526,402	-	237,281,547	10.0%	4,345.50
2020	46,413,890	54,776,110	20,990,000	76,880,000	-	4,255,000	1,249,062	4,397,579	-	14,900,000	44,275,692	489,712	-	268,627,045	11.4%	4,965.38
2021	49,938,002	45,741,998	13,140,000	149,690,000	-	4,040,000	939,761	4,418,018	-	13,535,000	40,565,420	831,179	-	322,839,378	13.5%	5,895.21
2022	44,738,461	42,801,539	26,010,000	171,585,000	-	3,805,000	618,954	3,478,376	1,380,532	12,930,000	36,750,479	489,661	112,037	344,700,039	14.5%	6,403.61

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

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on page 145 for personal income and population data.

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

Fiscal Year	Governmental	Business-Type	Less: Amounts Available in Debt Service Fund <sup>2</sup>	Total	Percentage of Estimated Actual Value <sup>3</sup> of Property	Per Capita <sup>4</sup>
	Activities	Activities				
	General Obligation Bonds <sup>1</sup>	General Obligation Bonds				
2013	\$ 100,255,000	\$ 6,345,000	\$ 8,387,441	\$ 98,212,559	2.9%	\$1,749.33
2014	113,220,000	8,295,000	14,153,611	107,361,389	3.0%	1,914.50
2015	110,000,000	7,155,000	19,974,970	97,180,030	2.0%	1,725.87
2016	100,360,000	5,960,000	14,071,235	92,248,765	1.8%	1,638.29
2017	95,500,000	9,390,000	12,166,875	92,723,125	1.8%	1,686.40
2018	97,450,000	10,355,000	13,796,470	94,008,530	1.8%	1,710.52
2019	99,620,000	11,550,000	6,246,990	104,923,010	2.0%	1,921.53
2020	101,190,000	14,900,000	5,610,932	110,479,068	1.5%	2,042.13
2021	95,680,000	13,535,000	5,826,379	103,388,621	1.4%	1,887.93
2022	87,540,000	12,930,000	11,484,313	88,985,687	1.1%	1,653.12

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

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

<sup>2</sup>Special assessment revenues are accounted for in the Debt Service Fund.

<sup>3</sup>See the Schedule of Assessed and Estimated Actual Value of Taxable Property on page 132 for property value data.

<sup>4</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 145.

**CITY OF MANHATTAN, KANSAS**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Overlapping debt</b>			
Unified School Dist. #383	\$ 196,952,000	83.20%	\$ 163,864,064
Riley County	2,920,000	82.50%	2,409,000
Pottawatomie County	28,625,000	7.60%	2,175,500
<b>Total overlapping debt</b>			<b>\$ 168,448,564</b>
<b>Direct debt</b>			
Bonded debt:			
General obligation debt			44,738,461
Special assessment debt			42,801,539
Total general obligation bonded debt			87,540,000
Special obligation bonded debt			26,010,000
Sales tax revenue bonded debt			3,805,000
Temporary note debt			171,585,000
Transportation revolving fund loan			618,954
Note payable - financed purchases			3,478,376
Lease obligations payable			1,380,532
<b>Total direct debt</b>			<b>294,417,862</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 462,866,426</b>

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.

<sup>1</sup>The 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: Baker Tilly, the City's Municipal Advisor, and the City of Manhattan Finance Department

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit <sup>1</sup>	\$ 150,315,801	\$ 157,111,561	\$ 161,970,200	\$ 168,166,947	\$ 174,177,993
Total net debt applicable to limit	96,958,394	97,436,828	106,666,447	100,788,268	90,290,113
Legal debt margin	<u>\$ 53,357,407</u>	<u>\$ 59,674,733</u>	<u>\$ 55,303,753</u>	<u>\$ 67,378,679</u>	<u>\$ 83,887,880</u>
Total net debt applicable to the limit as a percentage of debt limit	64.50%	62.02%	65.86%	59.93%	51.84%

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt limit <sup>1</sup>	\$ 180,701,141	\$ 185,455,922	\$ 189,088,641	\$ 193,119,076	\$ 203,929,482
Total net debt applicable to limit	83,795,695	89,397,367	116,273,019	152,759,116	167,054,104
Legal debt margin	<u>\$ 96,905,446</u>	<u>\$ 96,058,555</u>	<u>\$ 72,815,622</u>	<u>\$ 40,359,960</u>	<u>\$ 36,875,378</u>
Total net debt applicable to the limit as a percentage of debt limit	46.37%	48.20%	61.49%	79.10%	81.92%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed Valuation of Taxable Tangible Property	633,858,613
Motor Vehicle Valuation	<u>45,906,326</u>
Total Valuation	<u>679,764,939</u>
Debt Limit Ratio	<u>30%</u>
December 31, 2021 Debt Limit	<u>203,929,482</u>
Outstanding Debt Subject to Debt Limit	<u>167,054,104</u>
Debt Authority Remaining December 31, 2022	<u>\$ 36,875,378</u>

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

**CITY OF MANHATTAN, KANSAS**  
**Pledged Revenue Coverage**

Fiscal Year	Special Assessment Collections	Principal	Interest	Coverage
2013	\$ 6,601,450	\$ 4,236,204	\$ 1,944,640	1.07
2014	6,423,571	4,098,425	2,080,865	1.04
2015	6,423,035	4,378,295	2,141,928	0.99
2016	6,502,769	4,581,308	2,104,156	0.97
2017	6,892,085	4,513,821	1,487,005	1.15
2018	7,507,901	4,498,202	1,386,093	1.28
2019	7,487,741	4,709,192	1,669,426	1.17
2020	8,199,740	7,257,056	1,676,341	0.92
2021	7,666,622	4,002,056	1,696,076	1.35
2022	7,576,883	3,508,459	1,602,279	1.48

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*

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Public School Enrollment<sup>2</sup></b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Average Wage per Job<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
2013	56,143	6,562	\$ 2,017,786,991	\$ 35,940	\$ 40,576	4.2%
2014	56,078	6,571	2,096,945,723	37,393	41,534	3.7%
2015	56,308	6,579	2,265,343,556	38,734	43,097	3.3%
2016	54,983	6,620	2,245,778,829	39,593	44,217	3.3%
2017	54,832	6,667	2,234,126,896	39,005	41,842	3.0%
2018	54,959	8,081	2,304,295,435	41,928	43,075	2.9%
2019	54,604	8,158	2,368,959,522	43,384	43,704	2.8%
2020	54,100	7,832	2,365,974,368	43,733	43,390	3.3%
2021	54,763	7,650	2,390,480,023	43,651	43,547	3.7%
2022	53,829	7,473	2,384,203,199	44,292	43,468	2.9%

<sup>1</sup>U.S. Bureau of the Census estimates

<sup>2</sup>Kansas State Department of Education (organization level headcount)

<sup>3</sup>U.S. Bureau of Economic Analysis (Riley County)

<sup>4</sup>U.S. Bureau of Labor Statistics (annual average - Riley County)

**CITY OF MANHATTAN, KANSAS**  
**Personal Income**  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Riley County Personal Income<sup>1,2</sup></b>	<b>Riley County Population<sup>3</sup></b>	<b>City of Manhattan Population</b>	<b>Population as a Percentage of Riley County Population</b>	<b>City of Manhattan Personal Income</b>
2013	\$ 2,709,530,000	76,996	56,143	74.47%	\$ 2,017,786,991
2014	2,811,673,000	76,570	56,078	74.58%	2,096,945,723
2015	3,027,320,000	77,293	56,308	74.83%	2,265,343,556
2016	2,995,570,000	75,374	54,983	74.97%	2,245,778,829
2017	3,021,949,000	74,129	54,832	73.93%	2,234,126,896
2018	3,137,230,000	74,826	54,959	73.45%	2,304,295,435
2019	3,156,929,000	72,762	54,604	75.04%	2,368,959,522
2020	3,147,079,500	71,959	54,100	75.18%	2,365,974,368
2021	3,152,004,250	72,208	54,763	75.84%	2,390,480,023
2022	3,149,541,875	71,108	53,829	75.70%	2,384,203,199

<sup>1</sup>U.S. Bureau of Economic Analysis

<sup>2</sup>2012 Riley County Personal Income is estimated based on prior year growth.

<sup>3</sup>U.S. Bureau of the Census estimates

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

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Riley County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Riley County Employment</b>
Fort Riley Military Base (military) <sup>1</sup>	14,869	1		19,468	1	
Fort Riley Military Base (civilian) <sup>1</sup>	5,145	2		7,470	2	
Kansas State University	5,100	3	14.55%	6,028	3	15.11%
U.S.D. No. 383 - Manhattan Schools	1,895	4	5.41%	1,350	4	3.38%
Via Christi Hospital/Mercy Health Center	750	5	2.14%	795	5	1.99%
Champion Teamwear/GTM Sportswear	600	6	1.71%	693	6	1.74%
Wal-Mart	425	7	1.21%	480	7	1.20%
City of Manhattan	418	8	1.19%	320	9	0.80%
Meadowlark Hill Retirement Community	300	9	0.86%	349	8	0.87%
Manko Window Systems, Inc.	250	10	0.71%	235	10	0.59%
<b>Total</b>	<b>29,752</b>		<b>27.78%</b>	<b>37,188</b>		<b>25.68%</b>

<sup>1</sup>Not 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*

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government										
Full-time	52	56	54	60	68	71	65	62	78	75
Part-time	3	8	9	9	7	7	7	6	9	9
Seasonal/temporary	14	8	10	9	8	8	8	4	8	8
Public safety										
Full-time	98	99	98	102	95	96	96	88	97	97
Part-time	4	5	5	4	-	-	-	-	-	-
Seasonal/temporary	6	6	6	8	9	9	9	10	12	12
Public works										
Full-time	55	51	52	62	65	69	55	45	71	71
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	2	2	2	5	3	3	3	1	-	-
Urban development and housing										
Full-time	10	10	10	8	8	8	8	9	10	10
Part-time	-	-	1	-	-	-	-	-	-	-
Seasonal/temporary	3	1	1	2	1	2	2	2	2	2
Culture and recreation										
Full-time	88	87	90	92	93	100	113	72	97	95
Part-time	12	11	10	10	11	12	12	6	16	23
Seasonal/temporary	892	726	723	741	740	744	740	201	634	644
Water										
Full-time	30	29	30	26	32	32	37	30	38	36
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	5	5	5	4	6	6	6	2	2	-
Wastewater										
Full-time	28	30	31	28	27	28	38	25	28	33
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	2	2	2	3	4	4	4	-	1	-
Storm Water Management										
Full-time	2	2	2	4	2	2	11	8	10	8
Totals										
Full-time	<b>362</b>	<b>364</b>	<b>367</b>	<b>382</b>	<b>390</b>	<b>406</b>	<b>422</b>	<b>339</b>	<b>429</b>	<b>425</b>
Part-time	<b>19</b>	<b>24</b>	<b>25</b>	<b>23</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>12</b>	<b>25</b>	<b>32</b>
Seasonal/temporary	<b>924</b>	<b>750</b>	<b>749</b>	<b>772</b>	<b>771</b>	<b>776</b>	<b>772</b>	<b>220</b>	<b>659</b>	<b>666</b>

Source: City of Manhattan Finance Department

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Public safety</b>										
Incident responses	2,385	2,392	2,581	2,563	2,503	2,425	2,667	2,481	3,027	3,251
Fire inspections	1,855	1,897	2,397	2,527	3,395	3,070	3,270	1,521	2,801	3,352
Construction inspections	5,053	5,876	5,121	5,210	5,031	3,920	3,721	3,952	3,916	3,499
<b>Public works</b>										
Mapping requests completed										
Road added (square yards)	33,690	73,169	52,406	47,099	45,000	64,134	79,001	93,715	80,000	63,000
Asphalt placed for street repairs (tons)	457	798	1,020	1,068	370	363	1,175	893	584	172
Call backs for signal problems	68	89	73	62	57	75	51	53	53	52
<b>Urban development and housing</b>										
Annexations	1	6	3	6	5	2	2	1	2	1
Rezoning	13	16	15	20	11	9	6	4	5	3
<b>Culture and recreation</b>										
Annual swimming pool attendance	108,050	131,876	123,160	135,912	131,306	112,869	168,850	-	105,000	107,285
Annual zoo attendance	74,542	79,269	85,772	82,043	102,732	71,040	69,626	36,623	86,000	74,313
Annual registrations in recreation programs <sup>2</sup>	11,144	12,122	9,887	12,146	10,631	13,052	20,396	7,055	12,000	5,002
<b>Water</b>										
New taps	209	266	205	189	179	106	88	100	98	67
Total water metered in distribution system (MG)	2,481	2,468	2,417	2,514	2,565	2,573	2,153	2,256	2,571	2,496
<b>Wastewater</b>										
Total influent flow (MG)	1,763	1,757	1,853	1,886	1,787	1,510	2,222	2,262	1,763	1,789

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

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

\*Operating indicator not available at the time of report.

Sources: *Various City of Manhattan departments*

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public safety										
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	217	218	222	226	231	240	229	227	227	225
Traffic signals	68	68	73	74	77	78	78	79	79	81
Culture and recreation										
Park acreage (developed)	600	600	600	600	620	620	660	660	660	660
Parks (developed)	28	28	28	28	28	28	30	30	30	30
Swimming pools	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	3	3
Water										
Water mains (lineal feet)	1,501,115	1,474,935	1,483,053	1,506,989	1,571,285	1,578,402	1,583,290	1,584,000	1,587,024	1,589,496
Maximum daily capacity (millions of gallons)	14.92	16	12	16	16	16	13	13	14	13.3
Wastewater										
Sewer lines (lineal feet)	1,304,271	1,349,568	1,265,760	1,296,384	1,318,856	1,320,544	1,322,871	1,328,844	1,334,600	1,336,552
Maximum daily treatment capacity (millions of gallons)	8.53	8.7	9.5	10.4	8.8	14.3	15.4	8.0	9.8	8.4

*Sources: Various City of Manhattan departments*



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Single Audit Section**

**For the Year Ended  
December 31, 2022**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manhattan, Kansas (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 1, 2024. Our report includes a reference to other auditors who audited the financial statements of the Manhattan Housing Authority (the Authority) and the Manhattan Public Library (the Library), as described in our report on the City's financial statements. This report does not include the results of the Authority's auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the Authority's auditors. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Library or that are reported on separately by those auditors who audited the financial statements of the Library.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the

accompanying schedule of findings and questioned costs as Finding 2022-001, that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

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

### **The City's Response to Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

BT + Co., P.A.

October 1, 2024  
Topeka, Kansas



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Manhattan, Kansas's (the City's) compliance with the types of compliance requirements identified as subject to audit in the 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, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditors' Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

The City's basic financial statements include the operations of the Manhattan Public Library (the Library) and the Manhattan Housing Authority (the Authority), which expended federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program" section of our report, does not include the operations of the Library or the Authority because the Library and the Authority engaged other auditors to perform an audit of compliance, if necessary.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matter - Noncompliance**

The results of our auditing procedures disclosed one instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding Number 2022-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of

compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the “Auditors’ Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2022-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BT + Co., P.A.

October 1, 2024  
Topeka, Kansas

CITY OF MANHATTAN, KANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2022

Federal Grantor/Program Title	Assistance Listing Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Defense Community Infrastructure Program	12.600	None	\$ 27,952	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC20-0009	48,556	-
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC20-0009	249,184	1,250
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-20-0009	181,771	170,255
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-20-0009	205,322	38,085
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-20-0009	104,203	31,905
Total CDBG - Entitlement Grants Cluster			789,036	241,495
Passed through the Kansas Housing Resources Corporation:				
COVID-19 - Emergency Solutions Grants Program	14.231	ESG CV-FFY2020	422,356	422,356
Emergency Solutions Grants Program	14.231	ESG FFY 2022	156,300	156,300
Emergency Solutions Grants Program	14.231	ESG-FFY2023	20,238	20,238
Total U.S. Department of Housing and Urban Development			1,387,930	840,389
<u>U.S. Department of Transportation</u>				
COVID-19 - Airport Improvement Program	20.106	3-20-0052-050	110,084	-
Airport Improvement Program - Reconstruct Runway 3/21 Design	20.106	3-20-0052-051	586,219	-
COVID-19 - Airport Improvement Program - CRRSA Act	20.106	3-20-0052-053	1,133,332	-
COVID-19 - Airport Rescue Grant	20.106	3-20-0052-055	413,758	-
Airport Improvement Program - Runway 3/21	20.106	3-20-0052-056	832,109	-
Total U.S. Department of Transportation			3,075,502	-
<u>U.S. Department of the Treasury</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	56,763	-

See accompanying notes to schedule of expenditures of federal awards

CITY OF MANHATTAN, KANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)  
Year Ended December 31, 2022

Federal Grantor/Program Title	Federal ALN Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Small Business Administration</u>				
Shuttered Venue Operators Grant	59.075	None	\$ 262,878	\$ -
<u>U.S. Department of Health and Human Services</u>				
Passed through the Child Care Aware of Kansas CCDF Cluster:				
COVID-19 - Child Care Sustainability Grants	93.575	None	235,860	-
<u>U.S. Department of Homeland Security</u>				
Passed through the State of Kansas Adjutant General's Department:				
Disaster Public Assistance Program	97.036	FEMA-DR4403-KS-75176	72,286	-
Disaster Public Assistance Program	97.036	FEMA-DR4403-KS-133954	19,453	-
Disaster Public Assistance Program	97.036	FEMA-DR4403-KS-75196	210,048	-
Disaster Public Assistance Program	97.036	FEMA-DR4449-KS-243085	436,746	-
Disaster Public Assistance Program	97.036	FEMA-DR4449-KS-243086	170,571	-
Total U.S. Department of Homeland Security			909,104	-
Total expenditures of federal awards			\$ 5,955,989	\$ 840,389

See accompanying notes to schedule of expenditures of federal awards

CITY OF MANHATTAN, KANSAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2022

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Manhattan, Kansas (the City) under programs of the federal government for the year ended December 31, 2022. The City's reporting entity is defined in Note 1 to the City's basic financial statements. The City's reporting entity includes two discretely presented component units, the Manhattan Public Library (the Library) and the Manhattan Housing Authority (the Authority). The Schedule does not include the operations of the Library or the Authority because the Library and the Authority engaged other auditors to perform audits, which would have included an audit of compliance if required. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or, where applicable, cash flows of the City.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The expenditures on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF MANHATTAN, KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended December 31, 2022

**Section I – Summary of Independent Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	Finding 2022-001
Noncompliance material to financial statements:	None

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified:	Finding 2022-002
Significant deficiency identified that is not considered to be material weakness:	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a):	Finding 2022-002

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant program
20.106	Airport Improvement Program
97.036	Disaster Grants - Public Assistance

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

(Continued)

CITY OF MANHATTAN, KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)  
 Year Ended December 31, 2022

**Section II – Financial Statement Findings**

**Finding 2022-001 Significant Deficiency**

*Condition* – During the course of the audit, the auditors identified material adjustments that were made to the financial statements.

*Criteria* – The financial statements are the responsibility of the management. As such, the City’s internal control over the financial statements should identify misstatements.

*Cause* – The internal controls in place failed to ensure that the financial statements were materially correct before the audit began.

*Effect* – There is the potential that the financial statements may be materially misstated.

*Recommendation* – We recommend that the City review its trial balance at year end to ensure that all adjustments have been made.

*Management’s Response (Unaudited)* – The City will work with AGH to ensure that all adjustments and trial balances are reviewed prior to submitting to the auditors.

*Corrective Action Plan (Unaudited)* – City staff has already started this process with the 2023 audit preparation.

**Section III – Federal Award Findings and Questioned Costs**

**Finding 2022-002 Material Weakness**

*Federal Program* – Community Development Block Grant Program (Assistance Listing No. 14.218), U.S. Department of Housing and Urban Development.

*Condition* – During the testing of the Federal Funding Accountability and Transparency Act (FFATA) compliance requirement under the Community Development Block Grant Program (ALN 14.218), one report tested was not filed timely.

Transactions tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
2	0	2	0	0
Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$ 289,559	\$ 0	\$ 289,559	\$ 0	\$ 0

*Criteria* – 2 CFR 200.303 requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. 2 CFR Part 170 requires subawards to be reported to the Federal Funding and Accountability Transparency Act Subaward Reporting System (FSRS).

CITY OF MANHATTAN, KANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)  
Year Ended December 31, 2022

*Cause* – The untimely filing of the FFATA report was due to an oversight and not having this requirement as part of written procedures.

*Effect* – Compliance with the reporting requirement for this program is not being met and the information is not being provided on the public website.

*Recommendation* – We recommend that the City continue with the process implemented during the fiscal year, that includes tracking the timely submission of the FFATA reports.

*Management's Response (Unaudited)* – The Community Development staff is in the process of preparing all outstanding FFATA reports and is developing a compliance checklist to ensure that these reports are filed timely.

*Corrective Action Plan (Unaudited)* – The Community Development staff will create a checklist to ensure that these reports are filed timely once the agreements with the subrecipients have been approved.