



CITY OF MANHATTAN, KS

BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023



CITY OF MANHATTAN, KANSAS

Basic Financial Statements

**Year Ended
December 31, 2023**

Prepared by:

Department of Finance

CITY OF MANHATTAN, KANSAS
 BASIC FINANCIAL STATEMENTS
 Year Ended December 31, 2023

TABLE OF CONTENTS

	<u>Page</u>
<u>Financial Section</u>	
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 - 83
Required Supplementary Information:	
Schedule of the City of Manhattan's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	84
Schedule of the City of Manhattan's Contributions – Kansas Public Employees Retirement System	85
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Retiree Medical Plan	86
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Disability Benefits and Life Insurance	87
Other Supplementary Information:	
Nonmajor Governmental Funds:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	88 - 91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	92 - 96

CITY OF MANHATTAN, KANSAS
BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2023

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
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	97 - 106
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis): Debt Service Fund	107
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis): Nonmajor Governmental Funds	108 - 121
Internal Service Funds:	
Combining Statement of Net Position - Internal Service Funds	122
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	123
Combining Statement of Cash Flows - Internal Service Funds	124
<u>Single Audit Section</u>	
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>	125 - 126
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	127 - 129
Schedule of Expenditures of Federal Awards	130 - 131
Notes to Schedule of Expenditures of Federal Awards	132
Schedule of Findings and Questioned Costs	133 - 134



BASIC FINANCIAL STATEMENTS

Financial Section

**For the Year Ended
December 31, 2023**



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, 2023, 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, 2023, 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, 2023, 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 Matters

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

As discussed in Note 3D to the financial statements, the December 31, 2024 financial statements have been restated to correct a misstatement. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025, 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.

February 25, 2025
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, 2023. 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 2023 by \$416,462,706. Of this amount, \$66,055,468 in governmental activities is unrestricted.
- The City's total net position increased by \$35,174,916 over the course of this year's operations. The net position of our governmental activities increased by \$44,166,082 (21.5 percent) and the net position of our business-type activities decreased by \$8,991,166 (6.3 percent).
- As of the end of 2023, the City's governmental funds reported combined ending fund balances of \$111,076,975, a decrease of \$26,310,958 in comparison with the prior year. Approximately 13 percent of this total amount, \$15,163,167, is unassigned and related to the general fund.
- The City's total debt decreased by \$16,504,926 during 2023. General obligation bonds outstanding increased by \$26,050,000 in 2023. General obligation bonds in the amount of \$36,510,000 were issued in 2023, while \$10,460,000 was retired. The balance of temporary notes decreased by \$37,845,000 from 2022 to 2023. The commencement of several construction projects in 2022 contributed to the decrease in temporary notes issued in fiscal year 2023 compared to 2022.

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 storm water 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 is reported separately from the financial information presented for the primary government itself in the government-wide financial statements. Separately issued audited financial statements for the Manhattan Public Library may be obtained at 629 Poyntz Avenue, Manhattan, KS 66502.

Separately issued audited financial statements for the Manhattan Housing Authority may be obtained at 300 N. 5th Street, Manhattan, KS 66502.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 storm water 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, its photocopy services, its fleet management services, and its information technology services. Because these six 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 \$416,462,706 at the close of 2023.

A large portion of the City's net position (64 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 251,931,607	\$ 270,600,600	\$ (13,486,400)	\$ (9,430,771)	\$ 238,445,207	\$ 261,169,829
Capital assets	360,878,448	318,590,192	213,088,354	210,883,053	573,966,802	529,473,245
Total assets	612,810,055	589,190,792	199,601,954	201,452,282	812,412,009	790,643,074
Deferred outflows	10,660,843	9,930,991	2,014,220	1,597,890	12,675,063	11,528,881
Long-term liabilities outstanding	306,907,037	330,881,615	63,556,368	56,086,716	370,463,405	386,968,331
Other liabilities	24,158,203	20,719,802	1,327,695	1,984,547	25,485,898	22,704,349
Total liabilities	331,065,240	351,601,417	64,884,063	58,071,263	395,949,303	409,672,680
Deferred inflows	42,582,413	41,939,391	1,902,872	1,158,504	44,485,285	43,097,895
Net position:						
Net investment in capital assets	89,124,397	19,368,252	155,708,734	160,008,867	244,833,131	179,377,119
Restricted	94,643,380	107,994,079	-	-	94,643,380	107,994,079
Unrestricted	66,055,468	78,218,644	(20,879,495)	(16,188,462)	45,175,973	62,030,182
Total net position	\$ 249,823,245	\$ 205,580,975	\$ 134,829,239	\$ 143,820,405	\$ 384,652,484	\$ 349,401,380

An additional portion of the City's net position (25 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 decreased in 2023, while investment in capital assets net position increased by 36 percent since the end of 2022. In 2023, the City's net position, for governmental and business activities, increased by \$35,174,916.

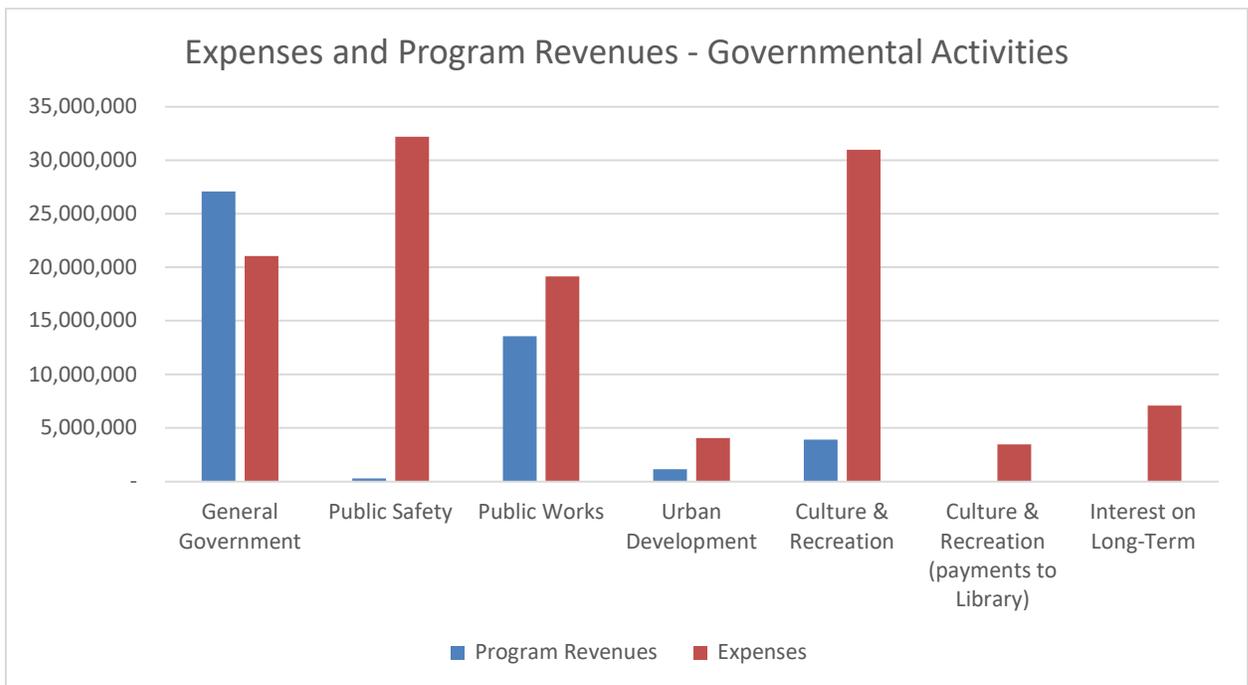
Governmental activities. Governmental activities increased the City's net position by \$44,166,082. Key elements of this increase are as follows:

CITY OF MANHATTAN'S CHANGES IN NET POSITION						
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 9,386,058	\$ 7,920,914	\$ 34,461,395	\$ 32,347,292	\$ 43,847,453	\$ 40,268,206
Operating grants and contributions	6,389,087	5,174,103	-	-	6,389,087	5,174,103
Capital grants and contributions	32,587,843	4,757,625	-	-	32,587,843	4,757,625
General revenues:						
Property taxes	37,888,620	35,428,824	-	-	37,888,620	35,428,824
Other taxes	49,582,436	42,985,331	-	-	49,582,436	42,985,331
Other	7,345,298	4,324,267	1,486,123	855,308	8,831,421	5,179,575
Total revenues	143,179,342	100,591,064	35,947,518	33,202,600	179,126,860	133,793,664
Expenses:						
General government	21,043,895	17,624,100	-	-	21,043,895	17,624,100
Public safety	32,185,910	28,916,830	-	-	32,185,910	28,916,830
Public works	19,147,540	16,366,018	-	-	19,147,540	16,366,018
Urban development and housing	4,037,753	3,736,000	-	-	4,037,753	3,736,000
Culture and recreation	30,965,024	13,121,443	-	-	30,965,024	13,121,443
Culture and recreation (payments to Library)	3,441,750	3,395,290	-	-	3,441,750	3,395,290
Interest on long-term debt	7,087,984	6,846,722	-	-	7,087,984	6,846,722
Water	-	-	12,595,238	10,386,915	12,595,238	10,386,915
Wastewater	-	-	9,977,437	8,743,571	9,977,437	8,743,571
Storm Water Management	-	-	3,469,413	2,587,151	3,469,413	2,587,151
Total expenses	117,909,856	90,006,403	26,042,088	21,717,637	143,951,944	111,724,040
Increase in net position before transfers	25,269,486	10,584,661	9,905,430	11,484,963	35,174,916	22,069,624
Transfers	18,896,596	(682,763)	(18,896,596)	682,763	-	-
Increase (decrease) in net position	44,166,082	9,901,898	(8,991,166)	12,167,726	35,174,916	22,069,624
Net position - 01/01	205,580,975	195,679,077	143,820,405	131,652,679	349,401,380	327,331,756
Prior period adjustment	76,188	-	-	-	76,188	-
Net position, beginning as restated	205,657,163	195,679,077	143,820,405	131,652,679	349,477,568	327,331,756
Net position - 12/31	\$ 249,823,245	\$ 205,580,975	\$ 134,829,239	\$ 143,820,405	\$ 384,652,484	\$ 349,401,380

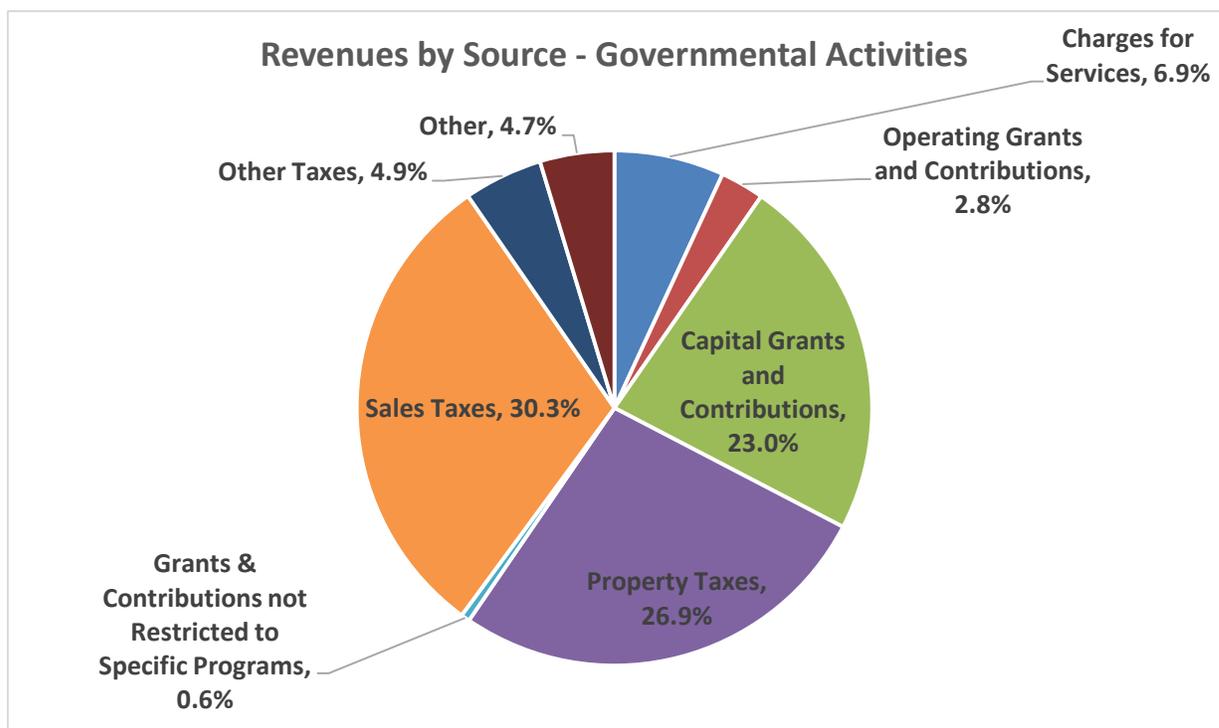
- Capital grants for governmental activities increased by \$27,830,218 from 2022 to 2023. This increase is primarily attributed to general government and public works revenues. General government capital grant revenues increased by \$20,260,196 while public works capital grant revenues increased by \$7,574,883 from 2022 to 2023.
- Operating grants and contributions increased by \$1,214,984 from 2022 to 2023. This increase can be attributed to operating grants and contributions for public safety.
- Property taxes increased by \$2,459,796 from 2022 to 2023. Other taxes increased by \$6,597,105 during 2023.
- Other general revenues increased by \$3,021,031 from 2022 to 2023.

Total expenses increased by \$27,903,453 from 2022 to 2023. In 2023, expenses for all functions increased. The largest increase was in culture and recreation by \$17,843,581 (136.0%) due to Star Bond development activity. Expenditures related to interest on long-term debt increased by \$241,262 (3.5 percent) from 2022 to 2023.

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



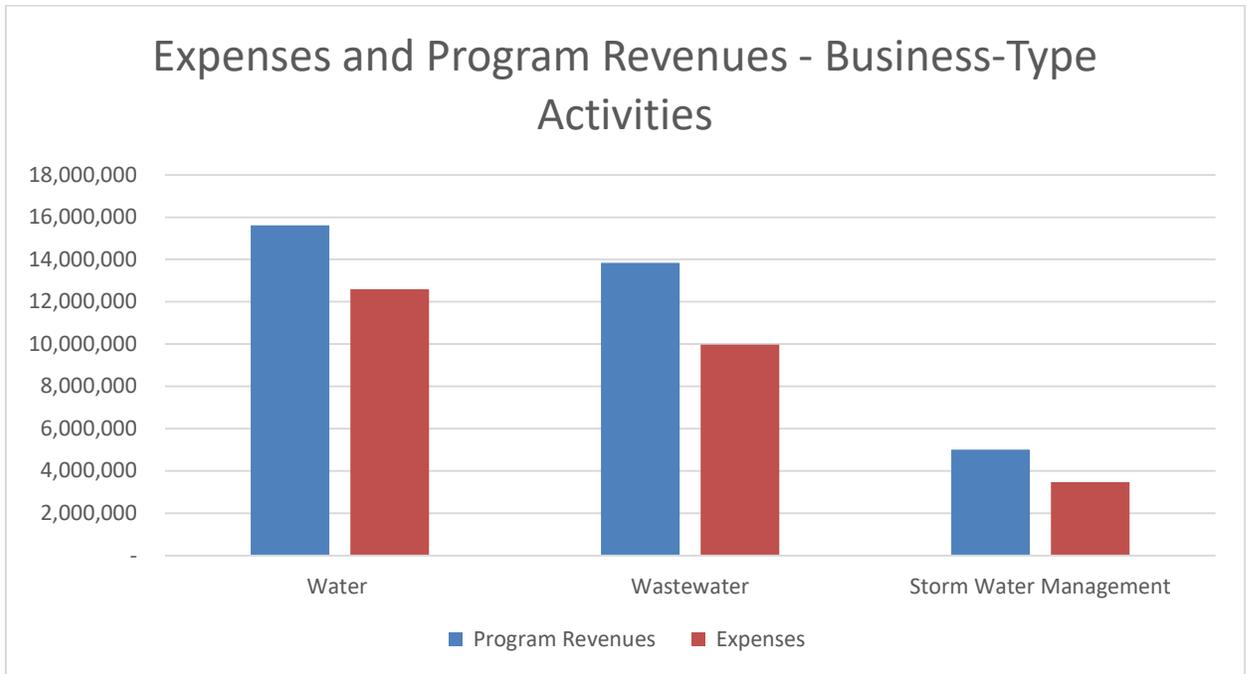
The following graph shows the composition of 2023 revenues for the governmental activities.



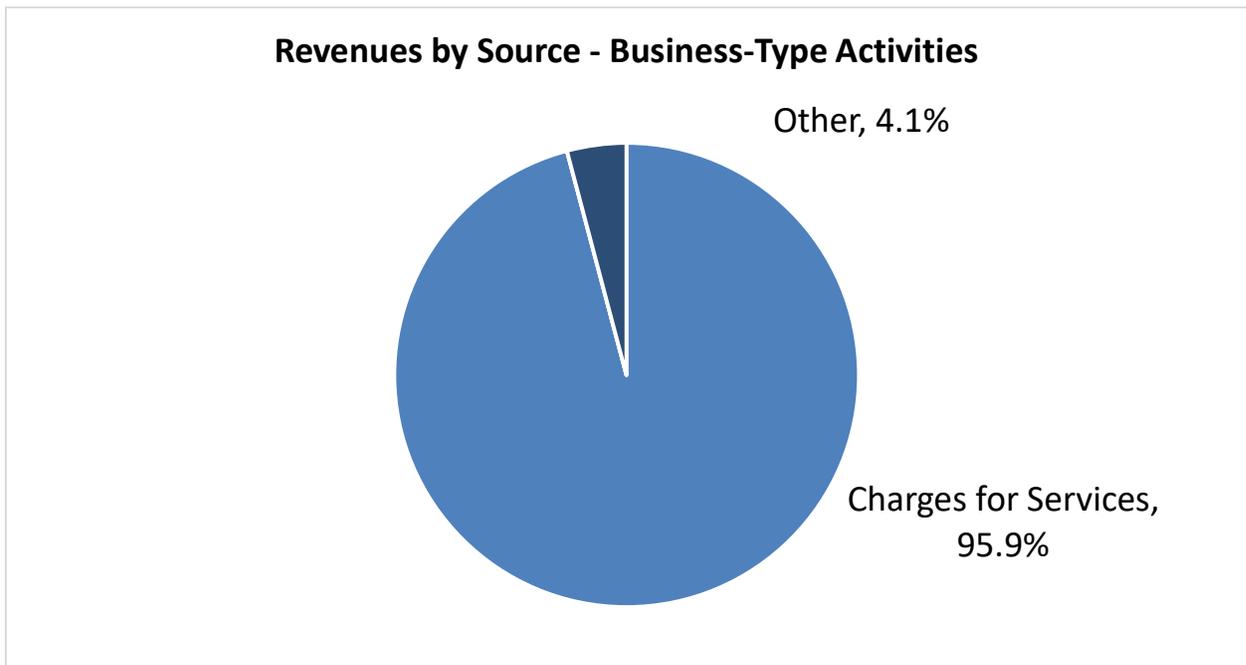
Business-type activities. Business-type activities decreased the City’s net position by \$8,991,166 in 2023. Revenue received from service charges in 2023 totaled \$34,461,395 compared to \$32,347,292 in 2022. This is an increase of \$2,114,103 (6.5 percent) from 2022 to 2023.

A rate increase of 3% went into effect January 1, 2023 for water and wastewater. Stormwater had a rate increase of 11% for residential customers and 18% for commercial customers. Capital contributions received in 2023 totaled \$9,171,444 while these contributions totaled \$8,135,489 in 2022. Total expenses increased \$4,324,451 (19.9 percent) from 2022 to 2023.

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



The following graph shows the composition of 2023 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 2023, the City's governmental funds reported combined ending fund balances of \$111,076,975 a decrease of \$26,310,958 in comparison with the prior year. The available unassigned balance for governmental funds was \$14,777,078 at the completion of the 2023 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 2023, unassigned fund balance of the general fund was \$14,777,078. 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 30 percent of total general fund expenditures.

In 2023, the City's general fund balance decreased by \$6,838,479. An increase of \$9,685,952 was shown in 2022. Key elements of this are as follows:

- Taxes decreased by \$1,990,291 in 2023. The decrease is attributable to an decrease in sales taxes, compensating use taxes, and franchise fees.
- Licenses and permits decreased by \$66,762 in 2023. Most of this decrease was related to fewer building permits being issued in 2023 compared to 2022.
- Intergovernmental revenues decreased by \$1,087,304 from 2022 to 2023. This change was primarily related to receiving additional federal grant proceeds related to COVID-19 Pandemic in 2022.
- Charges for services increased by \$413,601 from 2022 to 2023. This change was related general increase in admission activity to various parks and recreation activities.
- Investment income increased by \$591,669 from 2022 to 2023. This increase was due to purchasing investments in 2023.
- Expenditures increased by \$8,086,485 in 2023. The increase is primarily attributed to increases in general government, public works and culture and recreation functions.
- Net transfers decreased by \$5,500,505 from 2022 to 2023. This decrease is primarily attributed to the transfer of ARPA funds from Capital Projects in fiscal year 2022.

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 \$1 at the end of 2023.

The debt service fund has a total fund balance of \$22,327,636 at the end of 2023, which is restricted for future debt service payments. The net increase in the debt service fund balance during the current year was \$5,143,323. Debt service expenditures were less than revenues by \$3,952,591.

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 \$39,618,389 of which all is restricted. The capital projects fund balance decreased by \$14,436,772 during 2023.

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 2023 amounted to \$5,153,711; the Wastewater Fund amounted to \$6,187,158, and the Stormwater Management Fund amounted to negative \$32,220,364. The Water Fund reported an increase of \$2,735,777 in net position; the Wastewater Fund reported an increase of \$289,843 in net position, and the Stormwater Management Fund reported a decrease in net position of \$12,016,786. 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 2023 were \$15,615,458 compared to \$14,316,664 in 2022.
- For the Wastewater Fund net position remained comparable to 2022.
- For the Stormwater Fund, an increase in interfund payable to capital projects was the key element to the change in net position increasing \$9,464,200 in 2023.

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. Total revenues exceeded budgetary estimates by \$7,989,542 (45 percent) of total budgeted revenues. Total expenditures were less than budgetary estimates by \$233,225 (1 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, 2023, amounts to \$573,966,802 (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, water and sewer lines, and right-to-use lease and subscription assets. The total increase in the City's investment in capital assets was 8.4 percent.

Major capital asset events during 2023 included the following:

- Construction of Runway Extension improvements at the Manhattan Regional Airport increased assets by \$27,255,451.
- Construction of various North Campus Corridor street improvements increased assets by \$6,451,763.
- Construction of street improvements in Aggieville increased assets by \$3,312,919.

CITY OF MANHATTAN'S CAPITAL ASSETS

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 22,763,491	\$ 20,967,678	\$ 8,036,935	\$ 505,833	\$ 30,800,426	\$ 21,473,511
Buildings and improvements	107,901,702	106,305,291	39,548,462	40,744,956	147,450,164	147,050,247
Contents and equipment	3,433,462	2,704,501	1,592,646	1,648,869	5,026,108	4,353,370
Vehicles	4,035,181	2,243,146	1,032,797	1,045,300	5,067,978	3,288,446
Infrastructure	89,532,523	74,491,726	123,074,584	105,669,216	212,607,107	180,160,942
Construction in progress	131,566,780	108,875,361	39,573,247	61,018,339	171,140,027	169,893,700
Right-to-use lease assets	1,227,214	1,501,407	182,566	250,540	1,409,780	1,751,947
Right-to-use subscription assets	418,095	-	47,117	-	465,212	-
Total	\$ 360,878,448	\$ 317,089,110	\$ 213,088,354	\$ 210,883,053	\$ 573,966,802	\$ 527,972,163

Additional information on the City's capital assets can be found in note 3.F on pages 48-49 of this report.

Long-term debt. At the end of 2023, the City had total bonded debt outstanding of \$148,155,000. Of this amount, \$82,866,718 comprises debt backed by the full faith and credit of the City and \$43,653,282 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 60,916,718	\$ 44,738,461	\$ 21,950,000	\$ 12,930,000	\$ 82,866,718	\$ 57,668,461
General obligation bonds (special assessment debt with governmental commitment)	43,653,282	42,801,539	-	-	43,653,282	42,801,539
Sales tax revenue bonds	3,555,000	3,805,000	-	-	3,555,000	3,805,000
Special obligation bonds	18,080,000	26,010,000	-	-	18,080,000	26,010,000
Total	\$ 126,205,000	\$ 117,355,000	\$ 21,950,000	\$ 12,930,000	\$ 148,155,000	\$ 130,285,000

The City's total outstanding debt increased by \$17,870,000 during 2023. General obligation bonds outstanding increased by \$26,050,000 in 2023. General obligation bonds in the amount of \$36,510,000 were issued in 2023, while \$10,460,000 were retired. There was an decrease of \$37,845,000 in temporary notes outstanding at the end of 2023 as compared to 2022. This decrease was due to the commencement of several construction projects related to the North Campus Corridor, and Airport Runway and Parking Lot Improvements in 2022 which required the issuance of more temporary notes in 2022 compared to 2023.

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 \$222,555,903 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 53-59 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City at the end of 2023 was 1.7 percent. This rate decreased by 0.6 percent compared to the end of 2022. The City's unemployment rate remains very favorable compared to the state's average unemployment rate of 2.7 percent and the national average rate of 4.7 percent at the end of 2023.

- Inflationary trends in the region compare favorably to national indices.
- The 2024 budget authority for expenditures totaled \$222,959,360 which was a \$30.2 million increase over the 2023 budget of \$192,749,490.
- There was a 3.485 mill levy rate decrease, with a total mill levy rate at 48.928 mills for 2024.

Requests for Information

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



BASIC FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2023**

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manhattan Public Library	Manhattan Housing Authority
ASSETS					
Cash and cash equivalents	\$ 75,118,926	\$ 24,054,107	\$ 99,173,033	\$ 2,410,676	\$ 218,466
Investments with fiscal agent	6,568,671	-	6,568,671	-	-
Receivables:					
Accounts (net of allowance for uncollectibles)	767,421	3,744,666	4,512,087	-	261,112
Intergovernmental	4,845,166	-	4,845,166	-	-
Franchise tax	360,156	-	360,156	-	-
Sales tax	6,279,826	-	6,279,826	-	-
Transient guest tax	868,062	-	868,062	-	-
Property tax	34,020,196	-	34,020,196	3,852,000	-
Other loans	2,662,287	-	2,662,287	-	-
Notes:					
Current	109,000	-	109,000	-	-
Noncurrent	5,581,000	-	5,581,000	-	-
Leases	6,930,808	1,464,662	8,395,470	-	-
Inventories	96,525	122,988	219,513	-	5,990
Prepaid items	-	-	-	93,420	-
Internal balances	42,873,075	(42,873,075)	-	-	-
Restricted assets:					
Cash and cash equivalents					
Construction accounts	131,179	252	131,431	-	-
Other	-	-	-	-	47,952
Special assessments:					
Current	6,912,411	-	6,912,411	-	-
Noncurrent	57,806,898	-	57,806,898	-	-
Capital assets:					
Land	22,763,491	8,036,935	30,800,426	-	-
Infrastructure, net of accumulated depreciation	89,532,523	123,074,584	212,607,107	-	-
Other capital assets, net of accumulated depreciation	115,370,345	42,173,905	157,544,250	1,020,482	7,889,846
Construction in progress	131,566,780	39,573,247	171,140,027	-	-
Right to use lease assets, net of accumulated amortization	1,227,214	182,566	1,409,780	-	-
Subscription assets, net of accumulated amortization	418,095	47,117	465,212	-	-
Total Assets	612,810,055	199,601,954	812,412,009	7,376,578	8,423,366
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	526,946	-	526,946	-	-
Deferred outflows - pensions	9,652,638	1,851,345	11,503,983	644,608	317,387
Deferred outflows - OPEB	481,259	162,875	644,134	-	-
Total Deferred Outflows of Resources	\$ 10,660,843	\$ 2,014,220	\$ 12,675,063	\$ 644,608	\$ 317,387

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
(Continued)
December 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manhattan Public Library	Manhattan Housing Authority
LIABILITIES					
Accounts payable	\$ 7,857,164	\$ 611,289	\$ 8,468,453	\$ 205	\$ 65,044
Accrued payroll	609,901	170,427	780,328	4,050	11,532
Estimated insurance claims payable	1,073,865	-	1,073,865	-	-
Unearned revenue	7,410,165	21,216	7,431,381	-	17,405
Accrued interest payable	827,108	524,763	1,351,871	-	27,291
Tenant security deposits	-	-	-	-	47,952
Temporary notes payable	6,380,000	-	6,380,000	-	-
Other current liabilities	-	-	-	-	59,301
Long-term liabilities:					
Due within one year	74,385,057	6,735,214	81,120,271	-	185,963
Due in more than one year	232,521,980	56,821,154	289,343,134	2,263,010	2,996,102
Total Liabilities	331,065,240	64,884,063	395,949,303	2,267,265	3,410,590
DEFERRED INFLOWS OF RESOURCES					
Deferred receivable - property taxes	34,020,196	-	34,020,196	3,852,000	-
Deferred inflows - pensions	579,153	45,909	625,062	114,575	139
Deferred inflows - OPEB	1,039,075	351,656	1,390,731	-	-
Deferred inflows - leases	6,943,989	1,505,307	8,449,296	-	-
Total Deferred Inflows of Resources	42,582,413	1,902,872	44,485,285	3,966,575	139
NET POSITION					
Net investment in capital assets	89,124,397	155,708,734	244,833,131	1,020,482	5,472,034
Restricted for:					
Perpetual care:					
Nonexpendable	299,221	-	299,221	794,971	-
Urban development and housing	8,194,530	-	8,194,530	-	-
Public safety	1	-	1	-	-
Culture and recreation	5,590,141	-	5,590,141	-	-
Public works	48,452,692	-	48,452,692	-	-
Debt service	29,362,729	-	29,362,729	-	-
Other purposes	2,744,066	-	2,744,066	-	-
Unrestricted	66,055,468	(20,879,495)	45,175,973	(28,107)	(142,010)
Total Net Position	\$ 249,823,245	\$ 134,829,239	\$ 384,652,484	\$ 1,787,346	\$ 5,330,024

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 21,043,895	\$ 3,668,307	\$ 1,145,710	\$ 21,947,512
Public safety	32,185,910	733,082	16,173	9,488
Public works	19,147,540	1,572,407	3,622,534	10,619,843
Urban development and housing	4,037,753	188,539	953,633	-
Culture and recreation	30,965,024	3,223,723	651,037	11,000
Culture and recreation (payments to Library)	3,441,750	-	-	-
Interest on long-term debt	7,087,984	-	-	-
Total governmental activities	117,909,856	9,386,058	6,389,087	32,587,843
Business-type activities				
Water	12,595,238	15,615,458	-	-
Wastewater	9,977,437	13,847,085	-	-
Stormwater management	3,469,413	4,998,852	-	-
Total business-type activities	26,042,088	34,461,395	-	-
Total primary government	\$ 143,951,944	\$ 43,847,453	\$ 6,389,087	\$ 32,587,843
Component units				
Manhattan Public Library	\$ 3,925,703	\$ 78,000	\$ 289,967	\$ 46,932
Manhattan Housing Authority	\$ 4,022,438	\$ 535,907	\$ 3,186,893	\$ 250,981

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF ACTIVITIES
(Continued)
For the Year Ended December 31, 2023

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		
Primary government					
Governmental activities					
General government	\$ 5,717,634	\$ -	\$ 5,717,634	\$ -	\$ -
Public safety	(31,427,167)	-	(31,427,167)	-	-
Public works	(3,332,756)	-	(3,332,756)	-	-
Urban development and housing	(2,895,581)	-	(2,895,581)	-	-
Culture and recreation	(27,079,264)	-	(27,079,264)	-	-
Culture and recreation (payments to Library)	(3,441,750)	-	(3,441,750)	-	-
Interest on long-term debt	(7,087,984)	-	(7,087,984)	-	-
Total governmental activities	<u>(69,546,868)</u>	<u>-</u>	<u>(69,546,868)</u>	<u>-</u>	<u>-</u>
Business-type activities					
Water	-	3,020,220	3,020,220	-	-
Wastewater	-	3,869,648	3,869,648	-	-
Stormwater management	-	1,529,439	1,529,439	-	-
Total business-type activities	<u>-</u>	<u>8,419,307</u>	<u>8,419,307</u>	<u>-</u>	<u>-</u>
Total primary government	<u>(69,546,868)</u>	<u>8,419,307</u>	<u>(61,127,561)</u>	<u>-</u>	<u>-</u>
Component units					
Manhattan Public Library	-	-	-	(3,510,804)	-
Manhattan Housing Authority	-	-	-	-	(48,657)
General revenues:					
Taxes:					
Property taxes, levied for general purposes	34,632,191	-	34,632,191	-	-
Property taxes, levied for debt service	3,256,429	-	3,256,429	-	-
Franchise taxes	3,886,680	-	3,886,680	-	-
Sales taxes	42,618,649	-	42,618,649	-	-
Transient guest taxes	3,077,107	-	3,077,107	-	-
Payments from the City of Manhattan	-	-	-	3,441,750	-
Grants and contributions not restricted to specific programs	777,763	-	777,763	-	-
Unrestricted investment earnings	2,790,407	1,073,391	3,863,798	84,018	3,808
Miscellaneous	2,476,121	574,890	3,051,011	113,477	24,320
Gain (loss) on sales of capital assets	1,301,007	(162,158)	1,138,849	-	-
Transfers-internal activities	18,896,596	(18,896,596)	-	-	-
Total general revenues and transfers	<u>113,712,950</u>	<u>(17,410,473)</u>	<u>96,302,477</u>	<u>3,639,245</u>	<u>28,128</u>
Change in net position	<u>44,166,082</u>	<u>(8,991,166)</u>	<u>35,174,916</u>	<u>128,441</u>	<u>(20,529)</u>
Net position-beginning	205,580,975	143,820,405	349,401,380	1,658,905	5,338,766
Prior period adjustment	76,188	-	76,188	-	11,787
Net position-beginning restated	<u>205,657,163</u>	<u>143,820,405</u>	<u>349,477,568</u>	<u>1,658,905</u>	<u>5,350,553</u>
Net position-ending	<u>\$ 249,823,245</u>	<u>\$ 134,829,239</u>	<u>\$ 384,652,484</u>	<u>\$ 1,787,346</u>	<u>\$ 5,330,024</u>

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2023

	Riley County				Other Governmental Funds	Total Governmental Funds
	General	Police Department	Debt Service	Capital Projects		
ASSETS						
Cash and cash equivalents	\$ 14,508,897	\$ 1	\$ 15,689,748	\$ 13,956,892	\$ 23,785,251	\$ 67,940,789
Restricted cash	131,179	-	-	-	-	131,179
Investments with fiscal agent	190,322	-	-	-	6,378,349	6,568,671
Receivables:						
Accounts	582,756	-	45,600	-	4,660	633,016
Intergovernmental	97,416	-	-	4,420,324	327,426	4,845,166
Franchise tax	360,156	-	-	-	-	360,156
Sales tax	1,904,342	-	931,991	-	3,443,493	6,279,826
Transient guest tax	-	-	-	-	868,062	868,062
Property tax	8,021,024	19,858,173	2,546,276	-	3,594,723	34,020,196
Due from other funds	249,479	-	-	42,873,075	-	43,122,554
Other loans	-	-	-	-	3,205,415	3,205,415
Leases	5,809,805	-	1,121,003	-	-	6,930,808
Notes:						
Current	-	-	109,000	-	-	109,000
Noncurrent	-	-	5,581,000	-	-	5,581,000
Special assessments:						
Current	-	-	6,912,411	-	-	6,912,411
Noncurrent	-	-	57,806,898	-	-	57,806,898
Total Assets	\$ 31,855,376	\$ 19,858,174	\$ 90,743,927	\$ 61,250,291	\$ 41,607,379	\$ 245,315,147
LIABILITIES						
Accounts payable	\$ 1,382,690	\$ -	\$ 267	\$ 5,655,395	\$ 498,785	\$ 7,537,137
Accrued payroll	605,182	-	-	-	4,719	609,901
Unearned revenue	-	-	-	9,596,507	333,005	9,929,512
Temporary notes payable	-	-	-	6,380,000	-	6,380,000
Due to other funds	-	-	-	-	249,479	249,479
Total Liabilities	1,987,872	-	267	21,631,902	1,085,988	24,706,029
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	8,021,024	19,858,173	2,546,276	-	3,594,723	34,020,196
Unavailable revenue - receivables	592,974	-	45,600	-	3,210,075	3,848,649
Unavailable revenue - special assessments	-	-	64,719,309	-	-	64,719,309
Unavailable revenue - leases	5,839,150	-	1,104,839	-	-	6,943,989
Total Deferred Inflows of Resources	14,453,148	19,858,173	68,416,024	-	6,804,798	109,532,143
FUND BALANCES						
Nonspendable:						
Perpetual care	-	-	-	-	299,221	299,221
Restricted:						
Urban development and housing	-	-	-	-	8,737,658	8,737,658
General government	-	-	-	-	2,744,066	2,744,066
Capital projects	-	-	-	39,618,389	870,866	40,489,255
Culture and recreation	-	-	-	-	5,590,141	5,590,141
Public safety	-	1	-	-	-	1
Public works	-	-	-	-	6,223,991	6,223,991
Debt service	-	-	22,327,636	-	7,860,201	30,187,837
Assigned:						
Purchases on order	251,189	-	-	-	1,776,538	2,027,727
Unassigned	15,163,167	-	-	-	(386,089)	14,777,078
Total Fund Balances	15,414,356	1	22,327,636	39,618,389	33,716,593	111,076,975
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,855,376	\$ 19,858,174	\$ 90,743,927	\$ 61,250,291	\$ 41,607,379	\$ 245,315,147

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, 2023

Fund balances of governmental funds		\$ 111,076,975
Amounts reported for governmental activities in the statement of net position are different because:		
Certain receivables, net of an allowance for doubtful accounts, are not available to pay current period expenditures and therefore are deferred in the funds.		5,824,868
Capital assets net of depreciation are not financial resources and therefore have not been included in the funds.		359,233,139
Right to use lease and subscription assets net of amortization are not financial resources and therefore have not been included in the funds.		1,590,575
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	(104,570,000)	
Special obligation bonds payable	(12,830,000)	
Star bonds payable	(8,805,000)	
Temporary notes payable	(133,740,000)	
Premium on bonds payable	(7,737,588)	
Transportation revolving fund loan payable	(286,214)	
Notes payable - financed purchases	(2,797,298)	
Lease obligations payable	(1,035,387)	
Subscription liabilities	(315,114)	
Compensated absences	(3,481,189)	(275,597,790)
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		526,946
Accrued interest payable on long-term debt has not been reported in the governmental funds.		(825,108)
Other long-term assets related to special assessments are not available to pay current period expenditures and therefore are deferred in the funds.		64,719,309
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	(1,196,417)	
Deferred outflows of resources - OPEB	460,866	
Deferred inflows of resources - OPEB	(995,044)	(1,730,595)
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	(29,356,839)	
Deferred outflows of resources - pension	9,420,832	
Deferred inflows of resources - pension	(573,405)	(20,509,412)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		5,514,338
Net position of governmental activities		<u>\$ 249,823,245</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, 2023

	Riley County		
	General	Police Department	Debt Service
REVENUES			
Taxes	\$ 21,854,846	\$ 19,923,640	\$ 9,294,440
Special assessments	20,322	-	6,793,070
Licenses and permits	759,623	-	-
Intergovernmental revenues	2,004,525	-	-
Charges for services	3,762,888	-	242,477
Fines and forfeitures	1,159,841	2,994	324,333
Investment income	1,009,960	-	60,495
Miscellaneous	721,913	-	409,236
Total Revenues	<u>31,293,918</u>	<u>19,926,634</u>	<u>17,124,051</u>
EXPENDITURES			
Current			
General government	15,805,242	-	314,127
Public safety	10,414,846	20,000,064	-
Public works	5,768,295	-	-
Urban development and housing	968,178	-	-
Culture/recreation	12,902,031	-	-
Culture/recreation-payments to Library	-	-	-
Capital outlay	1,608,789	-	-
Debt service			
Principal	942,832	-	8,907,741
Bond issuance costs	-	-	404,091
Interest and fiscal charges	89,215	-	3,545,501
Total Expenditures	<u>48,499,428</u>	<u>20,000,064</u>	<u>13,171,460</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,205,510)</u>	<u>(73,430)</u>	<u>3,952,591</u>
OTHER FINANCING SOURCES (USES)			
Issuance of general obligation bonds	-	-	457,214
Issuance of premium on general obligation bonds	-	-	33,568
Issuance of temporary notes	-	-	-
Issuance of subscription liabilities	331,948	-	-
Sale of capital assets	-	-	-
Transfers in	12,079,047	63,685	1,032,030
Transfers out	(2,043,964)	-	(332,080)
Total Other Financing Sources (Uses)	<u>10,367,031</u>	<u>63,685</u>	<u>1,190,732</u>
NET CHANGE IN FUND BALANCES	<u>(6,838,479)</u>	<u>(9,745)</u>	<u>5,143,323</u>
FUND BALANCES - BEGINNING OF YEAR	22,252,835	9,746	11,484,313
Prior period adjustment	-	-	5,700,000
FUND BALANCES - BEGINNING OF YEAR, RESTATED	<u>22,252,835</u>	<u>9,746</u>	<u>17,184,313</u>
FUND BALANCES - END OF YEAR	<u>\$ 15,414,356</u>	<u>\$ 1</u>	<u>\$ 22,327,636</u>

(Continued)

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

For the Year Ended December 31, 2023

	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ 36,398,129	\$ 87,471,055
Special assessments	369,774	-	7,183,166
Licenses and permits	-	-	759,623
Intergovernmental revenues	25,702,480	4,353,601	32,060,606
Charges for services	-	184,090	4,189,455
Fines and forfeitures	275	-	1,487,443
Investment income	-	1,221,344	2,291,799
Miscellaneous	800,095	1,217,175	3,148,419
Total Revenues	<u>26,872,624</u>	<u>43,374,339</u>	<u>138,591,566</u>
EXPENDITURES			
Current			
General government	4,807	482,196	16,606,372
Public safety	-	-	30,414,910
Public works	-	4,903,760	10,672,055
Urban development and housing	-	2,860,318	3,828,496
Culture/recreation	-	14,933,636	27,835,667
Culture/recreation-payments to Library	-	3,441,750	3,441,750
Capital outlay	63,597,972	563,159	65,769,920
Debt service			
Principal	58,000,000	8,310,070	76,160,643
Bond issuance costs	217,306	-	621,397
Interest and fiscal charges	1,688,861	1,386,710	6,710,287
Total Expenditures	<u>123,508,946</u>	<u>36,881,599</u>	<u>242,061,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(96,636,322)</u>	<u>6,492,740</u>	<u>(103,469,931)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of general obligation bonds	25,147,786	-	25,605,000
Issuance of premium on general obligation bonds	2,727,878	-	2,761,446
Issuance of temporary notes	20,155,000	-	20,155,000
Issuance of subscription liabilities	-	-	331,948
Sale of capital assets	1,507,539	-	1,507,539
Transfers in	33,009,922	188,301	46,372,985
Transfers out	(348,575)	(16,850,326)	(19,574,945)
Total Other Financing Sources (Uses)	<u>82,199,550</u>	<u>(16,662,025)</u>	<u>77,158,973</u>
NET CHANGE IN FUND BALANCES	<u>(14,436,772)</u>	<u>(10,169,285)</u>	<u>(26,310,958)</u>
FUND BALANCES - BEGINNING OF YEAR	54,055,161	43,885,878	131,687,933
Prior period adjustment	-	-	5,700,000
FUND BALANCES - BEGINNING OF YEAR	<u>54,055,161</u>	<u>43,885,878</u>	<u>137,387,933</u>
FUND BALANCES - END OF YEAR	<u>\$ 39,618,389</u>	<u>\$ 33,716,593</u>	<u>\$ 111,076,975</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, 2023

Net change in fund balances - total governmental funds \$ (26,310,958)

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	\$ 57,231,381	
Less current year depreciation and amortization	(15,076,689)	42,154,692

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position. (9,204)

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	(46,091,948)	
Premium on debt issued	(2,761,446)	
Amortization of bond premium	452,161	
Amortization on deferred charge on refunding	(97,283)	
Principal reductions	76,160,643	27,662,127

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	(330,951)	
Other postemployment benefits other than pensions	131,851	
Net pension liability	(2,065,390)	
Accrued interest on bonds	(109,179)	(2,373,669)

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	2,317,720	
Special assessments	(898,362)	1,419,358

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

1,623,736

Change in net position of governmental activities \$ 44,166,082

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, 2023

	<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>		
REVENUES				
Taxes	\$ 16,664,954	\$ 16,664,954	\$ 17,706,497	\$ 1,041,543
Licenses and permits	612,400	612,400	758,073	145,673
Intergovernmental revenues	541,000	541,000	1,947,004	1,406,004
Charges for services	2,455,130	2,455,130	3,008,015	552,885
Fines and forfeitures	907,600	907,600	1,017,087	109,487
Investment income	404,832	404,832	927,608	522,776
Miscellaneous revenues	336,400	336,400	559,074	222,674
Total Revenues	<u>21,922,316</u>	<u>21,922,316</u>	<u>25,923,358</u>	<u>4,001,042</u>
EXPENDITURES				
Current				
General government				
Administration	1,233,553	1,233,553	1,216,589	16,964
Finance	1,313,324	1,313,324	863,248	450,076
Airport	1,954,174	1,954,174	1,969,616	(15,442)
Animal shelter	788,004	788,004	628,105	159,899
Human resources	766,856	766,856	744,495	22,361
Legal services	1,721,625	1,721,625	1,641,705	79,920
General services	3,584,115	3,584,115	2,567,858	1,016,257
Outside services	783,169	783,169	552,250	230,919
Public safety				
Fire department				
Administration	798,485	798,485	686,525	111,960
Operations	6,593,145	6,593,145	6,568,438	24,707
Technical services	1,359,799	1,359,799	1,372,733	(12,934)
Public works				
Administration	260,726	260,726	214,339	46,387
Street	2,964,844	2,964,844	2,929,137	35,707
Engineering	1,362,532	1,362,532	1,203,772	158,760
Traffic control	1,078,303	1,078,303	1,126,044	(47,741)
Urban development and housing	783,420	783,420	689,751	93,669
Culture/recreation				
Administration	381,259	381,259	312,950	68,309
Douglass Center	325,235	325,235	385,915	(60,680)
City parks	4,216,457	4,216,457	4,411,115	(194,658)
Swimming pools	1,168,599	1,168,599	1,233,484	(64,885)
Sunset Zoo	1,509,921	1,509,921	1,655,281	(145,360)
Blue Earth Park	69,000	69,000	34,167	34,833
Recreation	2,389,689	2,389,689	2,057,986	331,703
Discovery Center	1,357,215	1,357,215	1,282,694	74,521
Anthony Center	325,348	325,348	305,210	20,138
Eisenhower Center	333,299	333,299	216,500	116,799
Total Expenditures	<u>\$ 39,422,096</u>	<u>\$ 39,422,096</u>	<u>\$ 36,869,907</u>	<u>\$ 2,552,189</u>

(Continued)

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

(Continued)

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES NOT SUBJECT TO BUDGET				
Capital outlay	\$ -	\$ -	\$ 384,955	\$ (384,955)
Debt service				
Principal	-	-	69,272	(69,272)
Total Expenditures Not Subject To Budget	-	-	454,227	(454,227)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,499,780)	(17,499,780)	(11,400,776)	6,099,004
OTHER FINANCING SOURCES (USES)				
Issuance of subscription liabilities	-	-	7,348	7,348
Transfers in	9,140,000	9,140,000	7,469,272	(1,670,728)
Transfers out	-	-	(2,318,964)	(2,318,964)
Total Other Financing Sources (Uses)	9,140,000	9,140,000	5,157,656	(3,982,344)
NET CHANGE IN FUND BALANCES	\$ (8,359,780)	\$ (8,359,780)	(6,243,120)	\$ 2,116,660
FUND BALANCE - BEGINNING OF YEAR			19,275,632	
FUND BALANCE - END OF YEAR			13,032,512	
Fund balance for separately budgeted funds included with the General Fund on GAAP basis financials:				
Employee Benefit Contribution			97,563	
Fire Equipment Reserve			611,224	
Fire Pension KP&F			37,309	
General Improvement			267,718	
Industrial Promotion			233,966	
Park Development			912	
Special Sunset Zoo			313,684	
Risk Management Reserve			146,110	
Equipment Reserve			44,892	
Parking Management			(11,903)	
Fund balance for non-budgeted funds included with the General Fund on GAAP basis financials:				
Capital Improvement Reserve			326,133	
Special Taxi			45,259	
Cafeteria Plan			41,552	
Encumbrances			227,425	
FUND BALANCE - GAAP BASIS			\$ 15,414,356	

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 20,000,064	\$ 20,000,064	\$ 19,923,640	\$ (76,424)
Fines and forfeitures	-	-	2,994	2,994
Total Revenues	<u>20,000,064</u>	<u>20,000,064</u>	<u>19,926,634</u>	<u>(73,430)</u>
EXPENDITURES				
Current				
Public safety	20,000,064	20,000,064	20,000,064	-
Total Expenditures	<u>20,000,064</u>	<u>20,000,064</u>	<u>20,000,064</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	63,685	63,685
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(9,745)</u>	<u>(9,745)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>9,746</u>	
FUND BALANCE - END OF YEAR			1	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE - GAAP BASIS			<u><u>\$ 1</u></u>	

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
December 31, 2023

	Business-Type Activities-Enterprise Funds				Governmental
	Water	Wastewater	Stormwater Management	Total	Activities- Internal Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 11,134,264	\$ 8,709,621	\$ 4,210,222	\$ 24,054,107	\$ 7,178,137
Accounts receivable (net of allowance for uncollectibles)	1,373,148	1,741,433	630,085	3,744,666	134,405
Leases receivable	1,464,662	-	-	1,464,662	-
Inventories	119,123	3,865	-	122,988	96,525
Total Current Assets	14,091,197	10,454,919	4,840,307	29,386,423	7,409,067
Noncurrent Assets					
Restricted cash and cash equivalents	252	-	-	252	-
Capital assets:					
Land	281,430	4,340,717	3,414,788	8,036,935	-
Buildings and improvements	26,126,839	37,196,853	29,827	63,353,519	-
Equipment, contents and vehicles	3,745,537	4,168,110	1,318,154	9,231,801	-
Infrastructure	75,559,241	107,798,446	38,584,457	221,942,144	-
Construction in progress	5,769,944	2,909,695	30,893,608	39,573,247	-
Less accumulated depreciation	(45,619,522)	(73,462,868)	(10,196,585)	(129,278,975)	-
Total capital assets (net of accumulated depreciation)	65,863,469	82,950,953	64,044,249	212,858,671	-
Right to use lease asset	15,827	268,301	210,872	495,000	-
Less accumulated amortization	(8,943)	(93,239)	(210,252)	(312,434)	-
Total right to use lease asset (net of accumulated amortization)	6,884	175,062	620	182,566	-
Subscription asset	31,019	31,019	29,847	91,885	80,982
Less accumulated amortization	(14,943)	(14,943)	(14,882)	(44,768)	(26,248)
Total subscription asset (net of accumulated amortization)	16,076	16,076	14,965	47,117	54,734
Total Noncurrent Assets	65,886,681	83,142,091	64,059,834	213,088,606	54,734
TOTAL ASSETS	79,977,878	93,597,010	68,900,141	242,475,029	7,463,801
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	854,695	764,706	231,944	1,851,345	231,806
Deferred outflows - OPEB	75,193	67,276	20,406	162,875	20,393
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 929,888	\$ 831,982	\$ 252,350	\$ 2,014,220	\$ 252,199

(Continued)

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION
(Continued)
December 31, 2023

	Business-Type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Wastewater	Stormwater Management	Total	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 353,407	\$ 186,478	\$ 71,404	\$ 611,289	\$ 320,027
Accrued payroll	83,644	69,545	17,238	170,427	-
Estimated insurance claims payable	-	-	-	-	1,073,865
Unearned revenue	8,660	11,601	955	21,216	-
Due to other funds	4,561,201	1,976,368	36,335,506	42,873,075	-
Accrued interest payable	217,799	224,753	82,211	524,763	2,000
Current portion of compensated absences	258,332	113,039	39,441	410,812	-
Current portion of notes payable - financed purchases	45,082	59,838	58,281	163,201	-
Current portion of leases obligation payable	1,907	1,307	172	3,386	-
Current portion of subscription liabilities	15,103	15,103	14,726	44,932	20,025
Current portion of state revolving loan	1,325,244	2,102,639	-	3,427,883	-
Current portion of general obligation bonds payable	900,000	575,000	1,210,000	2,685,000	-
Total Current Liabilities	7,770,379	5,335,671	37,829,934	50,935,984	1,415,917
Noncurrent Liabilities					
Compensated absences	127,238	55,676	19,427	202,341	-
Net pension liability	2,373,297	2,123,418	644,057	5,140,772	643,673
Total OPEB liability	195,201	174,649	52,973	422,823	52,941
Notes payable - financed purchases	45,788	60,691	59,085	165,564	-
Leases obligation payable	4,970	3,405	448	8,823	-
Subscription liabilities	390	390	-	780	39,352
State revolving loan	11,896,438	18,095,556	-	29,991,994	-
General obligation bonds payable	5,529,847	4,852,040	10,506,170	20,888,057	-
Total Noncurrent Liabilities	20,173,169	25,365,825	11,282,160	56,821,154	735,966
TOTAL LIABILITIES	27,943,548	30,701,496	49,112,094	107,757,138	2,151,883
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	21,194	18,963	5,752	45,909	5,748
Deferred inflows - OPEB	162,346	145,253	44,057	351,656	44,031
Deferred inflows - leases	1,505,307	-	-	1,505,307	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,688,847	164,216	49,809	1,902,872	49,779
NET POSITION					
Net investment in capital assets	46,121,660	57,376,122	52,210,952	155,708,734	(4,643)
Unrestricted	5,153,711	6,187,158	(32,220,364)	(20,879,495)	5,518,981
TOTAL NET POSITION	\$ 51,275,371	\$ 63,563,280	\$ 19,990,588	\$ 134,829,239	\$ 5,514,338

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, 2023

	Business-Type Activities-Enterprise Funds				Governmental
					Activities-
	Water	Wastewater	Stormwater Management	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 15,615,458	\$ 13,847,085	\$ 4,998,852	\$ 34,461,395	\$ 10,066,148
Rent income	275,483	-	-	275,483	-
Miscellaneous revenue	103,236	100,694	95,477	299,407	758,323
Total Operating Revenues	15,994,177	13,947,779	5,094,329	35,036,285	10,824,471
OPERATING EXPENSES					
Personnel services	3,684,170	3,234,847	950,842	7,869,859	902,444
Commodities	2,320,004	376,191	59,216	2,755,411	521,242
Contractual services	3,295,544	2,384,448	964,806	6,644,798	9,257,233
Depreciation and amortization	2,633,014	3,241,903	1,140,833	7,015,750	26,248
Total Operating Expenses	11,932,732	9,237,389	3,115,697	24,285,818	10,707,167
OPERATING INCOME	4,061,445	4,710,390	1,978,632	10,750,467	117,304
NON-OPERATING REVENUE (EXPENSE)					
Investment income	458,999	378,498	235,894	1,073,391	238,432
Interest and fiscal charges	(662,506)	(740,048)	(353,716)	(1,756,270)	(2,000)
Gain (loss) on sale of capital assets	-	(56,058)	(106,100)	(162,158)	-
Total Non-Operating Revenue (Expense)	(203,507)	(417,608)	(223,922)	(845,037)	236,432
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	3,857,938	4,292,782	1,754,710	9,905,430	353,736
Capital contributions	4,524,508	1,147,911	3,499,025	9,171,444	-
Transfers in	1,945	9,681	260,951	272,577	1,270,000
Transfers out	(5,648,614)	(5,160,531)	(17,531,472)	(28,340,617)	-
CHANGE IN NET POSITION	2,735,777	289,843	(12,016,786)	(8,991,166)	1,623,736
TOTAL NET POSITION - BEGINNING OF YEAR	48,539,594	63,273,437	32,007,374	143,820,405	3,872,602
Prior period adjustment	-	-	-	-	18,000
TOTAL NET POSITION - BEGINNING OF YEAR, RESTATED	48,539,594	63,273,437	32,007,374	143,820,405	3,890,602
TOTAL NET POSITION - END OF YEAR	\$ 51,275,371	\$ 63,563,280	\$ 19,990,588	\$ 134,829,239	\$ 5,514,338

See accompanying notes to basic financial statements.

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	Business-Type Activities-Enterprise Funds				Governmental
	Water	Wastewater	Stormwater Management	Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 15,809,923	\$ 13,751,021	\$ 4,942,602	\$ 34,503,546	\$ 10,727,318
Cash paid to vendors and suppliers	(5,786,530)	(3,350,840)	(1,033,734)	(10,171,104)	(9,457,507)
Cash paid to employees	(3,316,004)	(3,069,239)	(917,572)	(7,302,815)	(408,250)
Cash received from miscellaneous sources	103,236	100,694	95,477	299,407	-
Net Cash Flows from Operating Activities	6,810,625	7,431,636	3,086,773	17,329,034	861,561
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from other funds	1,945	9,681	260,951	272,577	1,270,000
Cash paid to other funds	(3,999,141)	(6,779,845)	(8,067,272)	(18,846,258)	-
Net Cash Flows from Non-Capital Financing Activities	(3,997,196)	(6,770,164)	(7,806,321)	(18,573,681)	1,270,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from issuance of debt	1,501,459	4,221,726	6,279,421	12,002,606	-
Cash received from sale of capital assets	118,315	-	9,682	127,997	-
Cash paid for purchase of capital assets	-	(247,877)	-	(247,877)	-
Cash paid for purchase of subscription assets	-	-	-	-	(3,605)
Cash paid for interest on long-term debt	(675,179)	(728,565)	(312,489)	(1,716,233)	-
Cash paid for principal on long-term debt	(2,262,200)	(2,419,315)	(907,542)	(5,589,057)	-
Net Cash Flows from Capital and Related Financing Activities	(1,317,605)	825,969	5,069,072	4,577,436	(3,605)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from investment of idle funds	458,999	378,498	235,894	1,073,391	238,432
Net Cash Flows from Investing Activities	458,999	378,498	235,894	1,073,391	238,432
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,954,823	1,865,939	585,418	4,406,180	2,366,388
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	9,179,693	6,843,682	3,624,804	19,648,179	4,811,749
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 11,134,516	\$ 8,709,621	\$ 4,210,222	\$ 24,054,359	\$ 7,178,137

(Continued)

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS
(Continued)
For the Year Ended December 31, 2023

	Business-Type Activities-Enterprise Funds				Governmental
	Water	Wastewater	Stormwater Management	Total	Activities- Internal Service Funds
Reconciliation of operating income to net cash flows from operating activities:					
Operating income	\$ 4,061,445	\$ 4,710,390	\$ 1,978,632	\$ 10,750,467	\$ 117,304
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation and amortization	2,633,014	3,241,903	1,140,833	7,015,750	26,248
(Increase) decrease in accounts receivable	(75,880)	(105,206)	(55,858)	(236,944)	(97,153)
(Increase) decrease in leases receivable	306,570	-	-	306,570	-
(Increase) decrease in inventory	(19,740)	175	-	(19,565)	(37,990)
(Increase) decrease in deferred outflows - pension	(226,267)	(167,942)	(31,166)	(425,375)	(231,806)
(Increase) decrease in deferred outflows - OPEB	573	4,672	3,800	9,045	(20,393)
Increase (decrease) in accounts payable and accrued expenses	(102,527)	(628,083)	9,170	(721,440)	358,958
Increase (decrease) in unearned revenue	(9,749)	9,142	(392)	(999)	-
Increase (decrease) in net pension liability	540,620	383,081	58,532	982,233	643,673
Increase (decrease) in total OPEB liability	12,183	852	(5,500)	7,535	52,941
Increase (decrease) in deferred inflows - pension	(12,483)	(13,017)	(5,008)	(30,508)	5,748
Increase (decrease) in deferred inflows - OPEB	4,825	(4,331)	(6,270)	(5,776)	44,031
Increase (decrease) in deferred inflows - Leases	(301,959)	-	-	(301,959)	-
Total Adjustments	2,749,180	2,721,246	1,108,141	6,578,567	744,257
Net Cash Flows from Operating Activities	\$ 6,810,625	\$ 7,431,636	\$ 3,086,773	\$ 17,329,034	\$ 861,561
Noncash investing, capital, and financing activities:					
Capital assets acquired through contributions from governmental funds	\$ 4,524,508	\$ 1,147,911	\$ 3,499,025	\$ 9,171,444	\$ -
Right to use assets acquired through subscription liabilities	\$ 31,019	\$ 31,019	\$ 29,847	\$ 91,885	\$ 59,377

See accompanying notes to basic financial statements.



BASIC FINANCIAL STATEMENTS

Notes to the Basic Financial Statements

**For the Year Ended
December 31, 2023**

CITY OF MANHATTAN, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2023

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 5th 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 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, photocopy services, fleet management services, and information technology 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 and subscription 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, repurchase agreements, nonnegotiable certificates of deposit and money

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

market investments, such as U.S. Treasury and Agency obligations. The repurchase agreements are recorded at amortized cost due to their short-term nature, and the nonnegotiable certificates of deposit are recorded at cost, as they are not affected by market rate changes. The City reports all other investments at fair value. Fair value was determined using the bid price of each security as reported in the *Wall Street Journal*. There were no material changes in fair value and therefore no investment gain or loss was recorded. Investment earnings are allocated to the funds required to accumulate earnings based upon their average daily equity balances.

If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2023, investment earnings allocated to the various funds were \$2,802,430.

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.

Subscription Based Information Technology Arrangements (SBITAs)

The City has entered into various SBITAs. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription) in the statement of net position. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability 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 SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

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.

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

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 property tax receivable, 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 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 and in the governmental funds balance sheet 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 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, 2023, the City estimates the accumulated unpaid vacation amount to be \$1,838,482 for governmental funds and \$320,742 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, 2023, the City estimates the accumulated unpaid sick pay amount to be \$1,642,707 for governmental funds and \$292,411 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 \$3,481,189. 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

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

proprietary funds is \$613,153. 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 \$220,974 were delinquent at December 31, 2023.

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.

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

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

Net Position

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

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

Interfund Receivable/Liability

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

Interfund Transfers

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

Estimates

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

Adoption of New Accounting Standard

On January 1, 2023, the City adopted GASB statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement 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. The implementation of this standard increased beginning right-to-use subscription assets, subscription liabilities and net position in governmental activity by \$165,411, \$89,223 and \$76,188, respectively. Of this amount, the information technology internal service fund reported an increase to beginning right-to-use subscription assets, subscription liabilities and net position in governmental activity by \$77,377, \$59,377 and \$18,000, respectively. Business type activities had an increase in beginning right-to-use subscription assets and liabilities of \$91,885, with no net impact to beginning net position.

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

Pending Governmental Accounting Standards Board Statements

At December 31, 2023, 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. 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 item 1 is effective for financial statements for the City's fiscal year ending December 31, 2024. All other provisions of this statement are effective upon issuance.

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.

GASB Statement No. 102, *Certain Risk Disclosures*, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the City with its year ending December 31, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves five key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability:

- 1) Management Discussion and Analysis (MD&A) This statement requires that information presented in MD&A be limited to related topics discussed in five sections: 1) Overview of Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity and 5) Currently Known Facts, Decisions, or Conditions. MD&A should also explain why balances and results of operations changed and avoid unnecessary duplication by not repeating explanations that may be

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

relevant to multiple sections. MD&A should continue to distinguish between the primary government and its discretely presented component units.

- 2) Unusual or Infrequent Items are described as transactions and other events that are either unusual in nature or infrequent in occurrence. These items are required to be displayed separately as the last presented flow of resources prior to the net change in resource flows in government-wide, governmental fund, and proprietary fund statements of resource flows.
- 3) Presentation of Proprietary Fund Statement of Revenues, Expenses and Changes in Net position should continue to distinguish between operating and nonoperating revenues and expenses and provides additional guidance on determining nonoperating revenues and expenses. Additional subtotals are required to be presented to show a subtotal for “operating income (loss) and noncapital subsidies” prior to reporting other nonoperating revenues and expenses. Subsidies are defined within the statement.
- 4) Major Component Unit Information is required to be presented separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is impacted, combining statements of major component units should be presented after the fund financial statements.
- 5) Budgetary Comparison Information is required to be presented as required supplementary information (RSI) and variances between original and final budget amounts and variances between final and actual amounts are required to be presented. Explanation of significant difference must be presented in notes to the RSI.

The provisions of this statement are effective for financial statements for the City with its year ending December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, improves financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This statement requires certain capital assets to be disclosed separately in the capital assets note disclosures including lease assets, intangible right-to-use assets recognized in accordance with Public-Private and Public-Public Partnerships and Availability Payment Arrangements and subscription assets. In addition, intangible assets other than those three types must be disclosed separately by major class. This statement also requires additional disclosures on capital assets held for sale. The provisions of this statement are effective for financial statements for the City with its year ending December 31, 2026.

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.

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

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 2023: Fire Pension KP&F, Employee Benefit Contribution, Sales Tax, Special Street Maintenance and Parking Management.

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 2023.

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
- 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

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

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

Debt Service
Downtown Redevelopment Senior Lien TIF Bonds

The following enterprise funds also have legally adopted annual budgets:

Water
Wastewater
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.

Negative unencumbered cash – The Parking Management Fund, which is a subfund of the general fund, had negative unencumbered cash balance of \$11,903 at December 31, 2023. This will be addressed through future transfers into the fund.

B. Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis, levied by the County Treasurer on November 1 of each year, and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as deferred revenue.

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

Note 3: Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2023, the City's deposit and investment balances were:

	Reported Amount/ Fair Value
Investment Type:	
Repurchase Agreements	\$ 88,378,921
Money Market Mutual Funds	11,241,586
Total Investments	99,620,507
Deposits	6,246,578
Cash on Hand	6,050
Total Deposits	6,252,628
TOTAL DEPOSITS AND INVESTMENTS	\$ 105,873,135
 Reconciliation of Government-wide Statement of Net Position to Total Deposits and Investments:	
Cash and Cash Equivalents	\$ 99,173,033
Investments with Fiscal Agent	6,568,671
Restricted Construction Accounts	131,431
TOTAL DEPOSITS AND INVESTMENTS	\$ 105,873,135

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

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

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

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

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

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

Fair Value Measurement – The City categorizes its fair value measurements within the fair value hierarchy established by 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, 2023, the City had the following investments:

	Investment Maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less Than One	1 - 5 years	
Repurchase Agreements	\$ 88,378,921	\$ 88,378,921	\$ -	N/A
Money Market Mutual Funds	11,241,586	11,241,586	-	Level 1
Total Investments	\$ 99,620,507	\$ 99,620,507	\$ -	

Manhattan Public Library component unit cash and cash equivalents of \$2,410,676 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.

Manhattan Housing Authority component unit cash and cash equivalents of \$218,466 and restricted cash and cash equivalents of \$47,952 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.

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

B. Receivables

Accounts receivable for the governmental activities are reported net of an allowance for uncollectible accounts in the amount of \$1,072,568.

Accounts receivable for the enterprise funds are reported net of allowances for uncollectible accounts. The allowances at December 31, 2023, are as follows:

Water Fund	\$	106,384
Wastewater Fund		187,245
Stormwater Management Fund		27,863
 Total	 \$	 <u>321,492</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 \$800,000 at December 31, 2023, 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, 2023. The loan balance is also presented net of \$798,875 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. 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

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

remaining unpaid balance. The balance as of December 31, 2023 is \$11,227,498 and is reported net of the forgivable note balance of \$5,537,498 in the Debt Service Fund.

Correction of error: In fiscal year 2023, the City corrected an error in reporting of this receivable by restating the Debt Service Fund beginning fund balance by \$5,700,000 to properly report the receivable at the fund level. This error had no impact to governmental activities.

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
Governmental Activities:						
1725 South Airport Road	33	0.5517%	\$ 8,220	\$ 8,182	\$ 4,676	\$ 61
5500 Skyway Drive	60	0.8327%	85,767	85,068	21,267	809
Agricultural Land	36	0.5517%	67,105	66,776	33,388	508
CMO - Mall Lease	1163	1.6813%	5,226,499	5,262,669	54,867	88,117
Fuel Farm Land	27	0.4257%	293	286	221	2
Fuel Farm Land	372	1.6813%	2,324	2,290	106	40
General Aviation Building	272	1.6813%	1,444,769	1,423,936	65,720	24,792
Hangar Construction Land	208	1.4810%	8,261	8,215	503	129
Hangar Storage Building	27	0.4257%	21,892	21,393	16,562	131
JSG Properties #3	254	2.2980%	21,087	20,920	693	494
Land - Clear Span Hangar	208	1.4810%	8,261	8,215	503	129
T-Hangar A Row 2022-2027	48	2.1860%	36,330	36,039	10,144	91
Total for governmental activities			\$ 6,930,808	\$ 6,943,989	\$ 208,650	\$ 115,303
Business-type Activities:						
1201 Bluemont Scenic Drive	16	0.3300%	\$ -	\$ 10,812	\$ 32,435	\$ 128
4241 Miller Parkway	360	3.7300%	736,763	719,525	28,534	20,975
4241 Miller Parkway Antennae Lease	60	2.7360%	99,147	113,990	8,873	1,214
Animal House Cell Tower	50	0.6857%	71,976	73,861	22,962	656
Crown Castle	24	0.9220%	26,845	27,527	26,147	381
Manhattan Muni - KS4749	7	0.3300%	-	-	10,444	-
Miller Ranch Water Tower	46	0.6857%	86,563	96,670	33,689	866
Sunset Zoo Water Tower	16	2.7120%	221,367	227,545	40,098	-
Sunset Zoo Water Tower Site - 228 Oak Street	64	2.3100%	129,159	138,120	28,474	10
Tower -1201 Bluemont (County)	144	1.3063%	2,546	2,756	251	36
Tower - 4241 Miller Parkway (County)	144	1.3063%	2,546	2,756	251	36
Tower - Call Center Relo	39	0.5517%	87,750	91,745	39,603	715
Total for business-type activities			\$ 1,464,662	\$ 1,505,307	\$ 271,761	\$ 25,017

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

F. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

Primary Government

	Beginning Balance	Change in Accounting Principle	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 20,967,678	\$ -	\$ 1,796,184	\$ 371	\$ 22,763,491
Construction in progress	110,167,736	-	48,505,410	27,328,535	131,344,611
TOTAL	131,135,414	-	50,301,594	27,328,906	154,108,102
Capital assets being depreciated:					
Buildings and improvements	167,606,418	-	6,079,689	-	173,686,107
Contents and equipment	12,701,732	-	1,206,557	59,748	13,848,541
Vehicles	10,707,381	-	2,535,062	161,912	13,080,531
Infrastructure	198,148,319	-	24,015,857	-	222,164,176
TOTAL	389,163,850	-	33,837,165	221,660	422,779,355
Less accumulated depreciation:					
Buildings and improvements	61,301,127	-	4,483,278	-	65,784,405
Contents and equipment	9,937,983	-	528,011	50,915	10,415,079
Vehicles	8,464,235	-	743,027	161,912	9,045,350
Infrastructure	123,656,593	-	8,975,060	-	132,631,653
TOTAL	203,359,938	-	14,729,376	212,827	217,876,487
Total capital assets being depreciated, net	185,803,912	-	19,107,789	8,833	204,902,868
Right to use lease assets not being amortized:					
Construction in progress	149,459	-	72,710	-	222,169
Right to use lease assets and subscriptions being amortized:					
Buildings and improvements	767,058	-	-	-	767,058
Contents and equipment	712,382	-	-	-	712,382
Vehicles	1,069,439	-	-	-	1,069,439
Subscriptions	-	165,411	352,052	-	517,463
TOTAL	2,548,879	165,411	352,052	-	3,066,342
Less accumulated amortization:					
Buildings and improvements	118,416	-	25,199	-	143,615
Contents and equipment	310,029	-	142,050	-	452,079
Vehicles	619,027	-	106,944	-	725,971
Subscriptions	-	-	99,368	-	99,368
TOTAL	1,047,472	-	373,561	-	1,421,033
Total right to use lease assets and subscriptions being amortized, net	1,501,407	165,411	(21,509)	-	1,645,309
Governmental activities capital assets, net	\$ 318,590,192	\$ 165,411	\$ 69,460,584	\$ 27,337,739	\$ 360,878,448

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

	Beginning Balance	Change in Accounting Principle	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 505,833	\$ -	\$ 7,531,102	\$ -	\$ 8,036,935
Construction in progress	61,018,339	-	7,707,033	29,152,125	39,573,247
TOTAL	61,524,172	-	15,238,135	29,152,125	47,610,182
Capital assets being depreciated:					
Buildings and improvements	63,233,093	-	120,426	-	63,353,519
Contents and equipment	5,478,550	-	137,463	76,300	5,539,713
Vehicles	3,316,642	-	375,446	-	3,692,088
Infrastructure	199,532,459	-	22,409,685	-	221,942,144
TOTAL	271,560,744	-	23,043,020	76,300	294,527,464
Less accumulated depreciation:					
Buildings and improvements	22,488,137	-	1,316,920	-	23,805,057
Contents and equipment	3,765,719	-	214,852	33,504	3,947,067
Vehicles	2,335,304	-	366,913	42,932	2,659,285
Infrastructure	93,863,243	-	5,004,323	-	98,867,566
TOTAL	122,452,403	-	6,903,008	76,436	129,278,975
Total capital assets being depreciated, net	149,108,341	-	16,140,012	(136)	165,248,489
Right to use lease and subscription assets being amortized:					
Contents and equipment	495,000	-	-	-	495,000
Subscriptions	-	91,885	-	-	91,885
TOTAL	495,000	91,885	-	-	586,885
Less accumulated amortization:					
Contents and equipment	244,460	-	67,974	-	312,434
Subscriptions	-	-	44,768	-	44,768
TOTAL	244,460	-	112,742	-	357,202
Total right to use lease assets and subscriptions being amortized, net	250,540	91,885	(112,742)	-	229,683
Business-type activities capital assets, net	\$ 210,883,053	\$ 91,885	\$ 31,265,405	\$ 29,151,989	\$ 213,088,354

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

Discretely Presented Component Units

	Beginning Balance	Change in Accounting Principle	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Manhattan Public Library					
Capital assets not being depreciated:					
Works of art	\$ 32,400	\$ -	\$ -	\$ -	\$ 32,400
Capital assets being depreciated:					
Furniture and equipment	691,414	-	210,509	-	901,923
Leasehold improvements	930,306	-	-	-	930,306
TOTAL	1,621,720	-	210,509	-	1,832,229
Less accumulated depreciation	743,351	-	100,796	-	844,147
Total capital assets being depreciated, net	878,369	-	109,713	-	988,082
Library capital assets, net	\$ 910,769	\$ -	\$ 109,713	\$ -	\$ 1,020,482
	Beginning Balance	Change in Accounting Principle	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Manhattan Housing Authority					
Capital assets not being depreciated:					
Construction in progress	\$ 75,000	\$ -	\$ 11,457	\$ 86,457	\$ -
Capital assets being depreciated:					
Buildings and leasehold improvements	17,386,991	-	191,012	-	17,578,003
Contents and equipment	246,881	-	284,712	-	531,593
TOTAL	17,633,872	-	475,724	-	18,109,596
Less accumulated depreciation	9,635,213	-	584,537	-	10,219,750
Housing Authority capital assets, net	\$ 8,073,659	\$ -	\$ (97,356)	\$ 86,457	\$ 7,889,846

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	\$ 8,540,027
Culture/recreation	2,898,446
General government	2,274,436
Public safety	951,236
Downtown redevelopment	211,402
Urban development and housing	201,142
Internal service	<u>26,248</u>
Total depreciation/amortization expense for governmental activities	<u><u>\$ 15,102,937</u></u>

Business-type activities:

Wastewater	\$ 3,241,903
Water	2,633,014
Stormwater Management	<u>1,140,833</u>
Total depreciation/amortization expense for business-type activities	<u><u>\$ 7,015,750</u></u>

G. Capital Projects

At December 31, 2023, the City had contractual commitments for the construction of various projects:

	Expenditures to Date	Amount Authorized
Miscellaneous Governmental Activities	\$ 44,081,794	\$ 44,644,421
Street Improvements	56,128,970	60,949,948
Stormwater Improvements	30,893,608	39,586,470
Sanitary Sewer Improvements	2,909,695	4,327,754
Airport Improvements	31,133,848	33,442,877
Water Improvements	<u>5,769,944</u>	<u>6,587,819</u>
Total	<u><u>\$ 170,917,859</u></u>	<u><u>\$ 189,539,289</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, 2023, are as follows.

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
Governmental Funds:		
General	\$ 249,479	\$ -
Capital Projects Fund	42,873,075	-
Proprietary Funds:		
Water Fund	-	4,561,201
Wastewater Fund	-	1,976,368
Stormwater Management Fund	-	36,335,506
Nonmajor Governmental Funds	<u>-</u>	<u>249,479</u>
 TOTAL	 <u><u>\$ 43,122,554</u></u>	 <u><u>\$ 43,122,554</u></u>

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

I. Interfund Transfers

A summary of 2023 interfund transfers is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
Governmental Funds:		
General	\$ 12,079,047	\$ 2,043,964
Riley County Police Department	63,685	-
Debt Service	1,032,030	332,080
Capital Projects	33,009,922	348,575
Proprietary Funds:		
Water	1,945	5,648,614
Wastewater Fund	9,681	5,160,531
Stormwater Management Fund	260,951	17,531,472
Non-major Governmental Funds	188,301	16,850,326
Internal Service Funds	<u>1,270,000</u>	<u>-</u>
 TOTAL TRANSFERS	 <u><u>\$ 47,915,562</u></u>	 <u><u>\$ 47,915,562</u></u>

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

On the government-wide statement of activities, capital asset transfers of \$9,171,444 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 Liabilities

The following is a summary of the debt transactions of the City for the year ended December 31, 2023:

	Balance January 1, 2023	Change in Accounting Principle	Issued	Retired/ Refunded	Balance December 31, 2023	Due Within One Year
Governmental Activities:						
General obligation bonds	\$ 87,540,000	\$ -	\$ 25,605,000	\$ (8,575,000)	\$ 104,570,000	\$ 9,705,000
General obligation bonds-premium	5,428,303	-	2,761,446	(452,161)	7,737,588	-
Senior lien special obligation bonds- Series 2009-A – direct borrowings	7,110,000	-	-	(1,965,000)	5,145,000	1,910,000
Subordinate lien special obligation bonds- Series 2009-B – direct borrowings	4,130,000	-	-	-	4,130,000	-
Taxable STAR bonds-Series 2022-1 – direct borrowings	14,770,000	-	-	(5,965,000)	8,805,000	-
Temporary notes – direct borrowings	171,585,000	-	20,155,000	(58,000,000)	133,740,000	58,855,000
Transportation Development District Sales Tax Revenue Bonds-Series 2010 – direct borrowings	3,805,000	-	-	(250,000)	3,555,000	270,000
Transportation Revolving Fund Loan – direct borrowings	618,954	-	-	(332,740)	286,214	286,214
Notes payable - financed purchases – direct borrowings	3,478,376	-	-	(681,078)	2,797,298	617,777
Lease obligations payable - direct borrowings	1,380,532	-	-	(345,145)	1,035,387	342,332
Subscription liabilities - direct borrowings	-	89,223	331,948	(46,680)	374,491	66,338
Other postemployment benefits	1,287,373	-	146,097	(184,112)	1,249,358	-
Compensated absences	3,150,238	-	2,469,969	(2,139,018)	3,481,189	2,332,396
Net pension liability	26,597,839	-	10,096,488	(6,693,815)	30,000,512	-
Total for governmental activities	\$ 330,881,615	\$ 89,223	\$ 61,565,948	\$ (85,629,749)	\$ 306,907,037	\$ 74,385,057
Business-type Activities:						
General obligation bonds	\$ 12,930,000	\$ -	\$ 10,905,000	\$ (1,885,000)	\$ 21,950,000	\$ 2,685,000
General obligation bonds-premium	592,009	-	1,097,606	(66,558)	1,623,057	-
State revolving loans – direct borrowings	36,750,479	-	-	(3,330,602)	33,419,877	3,427,883
Notes payable - financed purchases – direct borrowings	489,661	-	-	(160,896)	328,765	163,201
Lease obligations payable - direct borrowings	112,037	-	-	(99,828)	12,209	3,386
Subscription liabilities - direct borrowings	-	91,885	-	(46,173)	45,712	44,932
Other postemployment benefits	415,288	-	64,699	(57,164)	422,823	-
Compensated absences	638,703	-	351,201	(376,751)	613,153	410,812
Net pension liability	4,158,539	-	1,744,526	(762,293)	5,140,772	-
Total for business-type activities	\$ 56,086,716	\$ 91,885	\$ 14,163,032	\$ (6,785,265)	\$ 63,556,368	\$ 6,735,214

Of the \$104,570,000 in general obligation bond debt shown above, \$43,653,282 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, 2023
				Lowest	Highest			
2011 Series 2011A	Serial	\$ 10,535,000	12/1/2011	\$ 110,000	\$ 145,000	2.0% to 3.75%	11/1/2031	\$ 1,025,000
2012 Series 2012A	Serial	1,465,000	6/1/2012	60,000	85,000	1.5% to 3.75%	1/1/2032	645,000
2012 Series 2012B	Serial	12,885,000	12/1/2012	45,000	495,000	1.5% to 3.0%	1/1/2032	2,125,000
2012 Refunding Series 2012C	Serial	4,895,000	12/20/2012	430,000	555,000	2.0% to 4.0%	11/1/2026	1,365,000
2013 Series 2013A	Serial	6,400,000	12/1/2013	45,000	695,000	3.0% to 4.0%	11/1/2033	520,000
2014 Series 2014A	Serial	12,310,000	6/2/2014	485,000	805,000	2.0% to 5.0%	11/1/2034	6,340,000
2014 Series 2014B	Serial/Term	9,685,000	6/2/2014	445	670,000	3.0% to 4.25%	11/1/2034	6,105,000
2014 Series 2014C	Serial/Term	3,940,000	12/8/2014	175,000	235,000	2.0% to 3.375%	11/1/2034	2,220,000
2015 Series 2015A	Serial/Term	5,475,000	12/7/2015	105,000	285,000	2.0% to 5.0%	11/1/2035	1,670,000
2015 Refunding Series 2015B	Serial	4,805,000	12/7/2015	500,000	595,000	2.0% to 5.0%	11/1/2027	2,210,000
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	11,595,000
2016 Series 2016B	Serial/Term	2,065,000	12/5/2016	50,000	165,000	2.0% to 3.5%	11/1/2036	1,035,000
2017 Series 2017A	Serial/Term	1,235,000	6/5/2017	55,000	80,000	2.0% to 3.50%	11/1/2037	925,000
2017 Series 2017B	Serial/Term	3,075,000	6/5/2017	135,000	205,000	3.0% to 3.5%	11/1/2037	2,340,000
Subject to AMT	Serial/Term	1,075,000	6/5/2017	25,000	60,000	3.0% to 4.1%	11/1/2047	940,000
2017 Series 2017C Taxable	Serial/Term	9,230,000	12/15/2017	65,000	640,000	3.0% to 5.0%	11/1/2037	3,135,000
2017 Series 2017D Refunding and Improvements	Serial/Term	17,630,000	6/4/2018	615,000	1,340,000	3.0% to 5.0%	11/1/2038	12,875,000
2018 Series 2018A	Serial/Term	11,780,000	6/14/2019	390,000	845,000	3.0% to 5.0%	11/1/2039	9,155,000
2019 Series 2019A Refunding and Improvements	Serial/Term	3,720,000	6/14/2019	225,000	300,000	2.30% to 3.15%	11/1/2034	2,865,000
2019 Series 2019B Taxable	Serial/Term	18,670,000	6/15/2020	290,000	1,315,000	2.85%	11/1/2040	13,300,000
2020 Refunding and Improvements Series 2020A	Serial	1,690,000	9/15/2020	155,000	195,000	3.00%	11/1/2030	1,240,000
2020 Refunding Series 2020B	Serial	4,940,000	6/7/2021	165,000	365,000	2.0% to 4.0%	11/1/2041	4,400,000
2021 Series 2021A	Serial	2,100,000	12/15/2022	50,000	185,000	4.0% to 5.0%	11/1/2042	1,980,000
2022 Series 2022A	Serial	27,545,000	6/5/2023	195,000	3,100,000	4.0% to 5.0%	11/1/2043	27,545,000
2023 Series 2023A	Serial	8,965,000	6/5/2023	245,000	735,000	4.35% to 5.0%	11/1/2043	8,965,000
Subtotal								126,520,000
Less amount to be paid by Enterprise Funds								(21,950,000)
Total General Obligation Bonds Payable – Governmental Activities								<u>\$ 104,570,000</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, 2023, are as follows:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 9,705,000	\$ 3,938,294	\$ 13,643,294
2025	9,780,000	3,534,974	13,314,974
2026	10,125,000	3,138,797	13,263,797
2027	9,800,000	2,787,751	12,587,751
2028	8,780,000	2,441,305	11,221,305
2029-2033	34,940,000	7,853,061	42,793,061
2034-2038	15,970,000	2,488,653	18,458,653
2039-2043	5,240,000	581,509	5,821,509
2044-2048	230,000	23,985	253,985
TOTAL	\$ 104,570,000	\$ 26,788,329	\$ 131,358,329

General obligation bonds in the amount of \$ 21,950,000 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, 2023, are as follows:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 2,685,000	\$ 992,484	\$ 3,677,484
2025	2,445,000	872,639	3,317,639
2026	2,555,000	761,717	3,316,717
2027	2,680,000	645,059	3,325,059
2028	2,365,000	522,524	2,887,524
2029-2033	8,915,000	1,201,051	10,116,051
2034-2038	305,000	23,100	328,100
TOTAL	\$ 21,950,000	\$ 5,018,574	\$ 26,968,574

\$22,327,636 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>12/31/2023 Balance</u>
2020-03	6/15/2024	0.75%	\$ 10,015,000
2021-01	6/15/2024	0.20%	40,110,000
2021-02	6/15/2025	0.40%	24,580,000
2021-03	6/15/2025	0.80%	6,090,000
2022-01	6/15/2025	1.75%	17,575,000
2022-02	6/15/2025	3.00%	3,585,000
2022-03	6/15/2024	3.00%	285,000
2022-03	6/15/2026	3.00%	11,345,000
2023-01	6/15/2024	3.75%	2,845,000
2023-01	6/15/2025	4.00%	1,285,000
2023-01	6/15/2026	4.00%	7,125,000
2023-02	6/15/2027	3.50%	5,820,000
2023-03	6/15/2027	4.00%	9,460,000
Total			<u>\$ 140,120,000</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 \$53,255,000 outstanding at December 31, 2023, will be retired on June 15, 2024, with funds on hand. Temporary notes in the amount of \$ 86,865,000 will mature in 2025, 2026, and 2027. As of the date of the financial statements, the City has refinanced \$ 5,600,000 of these temporary notes and has included them in the current balance on the long term liabilities table.

At December 31, 2023, there were temporary notes in the amount of \$6,380,000 maturing in 2024 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, 2023.

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

Changes in this short-term debt during 2023 are summarized in the following table:

Balance at January 1, 2023	\$	4,120,000
Issued		6,380,000
Retired		<u>(4,120,000)</u>
 Balance at December 31, 2023	 \$	 <u><u>6,380,000</u></u>

Debt Service Limit

The December 31, 2023 debt limit is \$222,555,903. There was \$165,764,793 in outstanding long and short-term G.O. debt applicable to the debt limit as of December 31, 2023. 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 payments for the bonds under these mandatory redemption provisions are as follows:

Years Ending December 31,	Principal	Interest	Total
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	365,000	116,750	481,750
2029-2033	<u>1,970,000</u>	<u>269,500</u>	<u>2,239,500</u>
 TOTAL	 <u><u>\$ 3,555,000</u></u>	 <u><u>\$ 1,007,200</u></u>	 <u><u>\$ 4,562,200</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

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

incremental tax revenues to the Series 2009A Bonds. Both series of bonds shall not constitute a debt or liability of the City nor any pledge of the full faith and credit of the City. Revenue available for debt service from the North District consists of incremental property taxes, City sales tax, compensating use tax, and the City's portion of the County's sales tax. Revenue available from the South District consists of incremental property taxes.

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

Series 2009A Bonds

Term Bonds		
Stated Maturity December 1,	Principal Amount	Annual Rate of Interest
2026	\$5,145,000	5.00%

Series 2009B Bonds

Stated Maturity December 1,	Principal Amount	Annual Rate of Interest
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.

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

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

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

Principal Amount	Year
\$1,910,000	2024
\$2,055,000	2025
\$1,180,000	2026

In 2023, \$1,965,000 in principal was redeemed on the Series 2009A bonds.

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

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 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 2023, \$5,965,000 in principal was redeemed on the 2022-1 STAR Bonds, resulting in a balance of \$8,805,000.

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

Principal Amount	Year
\$8,805,000	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:

Equipment Leased	Amount Financed	Notes Payable - Financed Purchases Balance 12/31/2023	Gross Cost of Assets under Notes Payable - Financed Purchases	Accumulated Amortization 12/31/2023
Governmental Activities:				
Backhoe	\$ 85,300	\$ -	\$ 96,492	\$ 38,597
Phone System	519,543	-	519,543	519,543
Aerial truck	953,091	561,166	1,094,876	547,438
Thermal imaging cameras	39,200	-	51,534	21,473
Groundskeeper mower	32,385	-	32,385	10,795
Storm warning sirens	45,484	-	58,962	14,741
Compact excavator	26,150	5,403	26,150	34,867
Forestry large aerial truck	126,784	26,059	153,739	76,870
Peace Memorial - new roof	205,774	122,424	228,237	114,119
2019 Ford F-350 SD and related equip.	65,900	17,090	67,320	26,928
Airfield Lighting	28,013	11,614	35,357	14,143
State Bid Vehicles (11)	237,934	139,576	249,603	99,841
Airport Deicer Trailer	42,854	17,590	54,660	21,864
Standard Cab Pickup Truck	127,058	74,486	146,884	83,934
Dump Truck and Pickup Truck	257,148	105,403	308,518	185,111
2 Ford SUV's	69,784	28,604	84,146	33,659
Replacement 1992 Fire Truck	1,050,000	956,077	1,050,000	105,000
New John Deere Model 5090E Tractor	41,264	31,102	59,248	7,900
Fire Rescue Equipment	139,791	104,298	141,080	9,405
John Deere Wide Area Mower	66,001	66,001	68,217	4,548
2022 Midsize SUV Vehicle	21,270	21,270	21,726	2,173
2022 Full Size SUV Vehicle	52,750	52,750	-	-
Tractor with Cab & Loader	69,583	51,259	71,281	4,752
4 Trucks	180,487	132,888	216,384	21,638
Building Maintenance Truck	58,286	42,917	-	-
1 Ton Truck - Primary mover for boats	72,677	72,677	60,447	6,045
Knuckleboom Truck	156,644	156,644	-	-
Total	\$ 4,771,155	\$ 2,797,298	\$ 4,896,789	\$ 2,005,384
Business-type Activities:				
International Dump Truck	\$ 87,345	\$ 35,802	\$ 109,808	\$ 43,923
One Ton Pickup Truck	60,670	24,868	75,721	22,716
Street Sweeper	232,612	117,366	289,223	173,534
Trunk-Mounted Sewer Jet	189,842	95,661	189,842	37,968
1.5 Ton Pickup Truck	109,586	55,068	135,790	27,158
Total	\$ 680,055	\$ 328,765	\$ 800,384	\$ 305,299

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

Future minimum notes payable – financed purchases obligations as of December 31, 2023, are:

Years Ending December 31,	Governmental Activities	Business-type Activities
2024	\$ 693,051	\$ 167,855
2025	643,353	167,855
2026	559,089	-
2027	428,686	-
2028	236,621	-
2029-2032	456,542	-
Total Minimum Payments	3,017,342	335,710
Less: Amount representing interest	(220,044)	(6,945)
Present Value of Minimum Payments	<u>\$ 2,797,298</u>	<u>\$ 328,765</u>

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, 2023, the total combined value of the lease liability is \$1,035,387. The combined value of the right to use assets, as of December 31, 2023 is \$2,548,879 with accumulated amortization of \$1,321,665 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, 2023, the total combined value of the lease liability is \$12,209. The combined value of the right to use assets, as of December 31, 2023 is \$495,000 with accumulated amortization of \$312,434 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, 2023 were as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 342,332	\$ 26,659	\$ 368,991
2025	267,556	17,271	284,827
2026	274,326	10,501	284,827
2027	151,173	3,511	154,684
TOTAL	\$ 1,035,387	\$ 57,942	\$ 1,093,329

Years Ending December 31,	Business-type activities		
	Principal	Interest	Total
2024	\$ 3,386	\$ 252	\$ 3,638
2025	3,467	171	3,638
2026	3,550	88	3,638
2027	1,806	13	1,819
TOTAL	\$ 12,209	\$ 524	\$ 12,733

Subscription liability

The City has entered into various subscription arrangements with companies and organizations in and around the City as summarized below:

Governmental Activities:

The City has eight subscriptions with payments that range from \$1,999 to \$37,260 and interest rates that range from 2.6820% to 3.6310%. As of December 31, 2023, the total combined value of the subscription liability is \$374,491. The combined value of the right to use assets, as of December 31, 2023 is \$517,463 with accumulated amortization of \$99,368 included within the capital assets footnote above.

Business-type activities:

The City has two subscriptions with payments that range from \$809 to \$15,125 and interest rates that range from 2.7070% to 3.6310%. As of December 31, 2023, the total combined value of the subscription liability is \$45,712. The combined value of the right to use assets, as of December 31, 2023 is \$91,885 with accumulated amortization of \$44,768 included within the capital assets footnote above.

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

The future principal and interest subscription payments as of December 31, 2023 were as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 66,338	\$ 10,166	\$ 76,504
2025	55,979	8,127	64,106
2026	30,924	6,336	37,260
2027	31,818	5,442	37,260
2028	32,738	4,522	37,260
2029-2032	156,694	8,348	165,042
TOTAL	\$ 374,491	\$ 42,941	\$ 417,432

Years Ending December 31,	Business-type activities		
	Principal	Interest	Total
2024	\$ 44,932	\$ 1,252	\$ 46,184
2025	780	28	808
TOTAL	\$ 45,712	\$ 1,280	\$ 46,992

State Revolving Loans

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 \$ 1,817,864 was paid in 2023. The balance on the loan as of December 31, 2023, is \$16,454,421 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
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	2,080,786	221,806	2,302,592
2029-2031	6,590,536	317,240	6,907,776
Totals	\$ 16,454,421	\$ 1,966,318	\$ 18,420,739

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

During 2010, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement enabled the City to borrow up to \$1,537,000 on a low-interest loan with a 20-year repayment period to finance the City's share of the cost of connecting the Pottawatomie County Blue Township Sewer District service area and adjacent tributary areas to the City's wastewater treatment facilities. The interest rate on the loan is 2.55%. The City started the draw-down process in 2010. The loan was amended to allow a total borrowing of \$1,642,258, with principal forgiveness of \$246,339. The balance on the loan as of December 31, 2023, is \$646,813 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. Principal in the amount of \$72,017 was paid in 2023. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
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	81,745	8,147	89,892
2029-2031	258,038	11,636	269,674
Totals	<u>\$ 646,813</u>	<u>\$ 72,317</u>	<u>\$ 719,130</u>

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 \$3,700,594 have been made on this loan. Principal in the amount of \$157,361 was paid in 2023. The balance on the loan as of December 31, 2023, is \$3,096,961 and is shown as a liability to the Wastewater Fund in the accompanying financial statements. This loan is payable from the revenues of the wastewater utility. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
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	177,122	56,761	233,883
2029-2033	951,287	218,128	1,169,415
2034-2038	1,070,748	98,667	1,169,415
2039-2043	229,773	4,110	233,883
Totals	<u>\$ 3,096,961</u>	<u>\$ 645,167</u>	<u>\$ 3,742,128</u>

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

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, 2023, is \$9,209,128 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 \$909,747 was paid in 2023. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
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	1,089,026	179,854	1,268,880
2029-2032	4,135,449	305,632	4,441,081
Totals	<u>\$ 9,209,128</u>	<u>\$ 1,576,353</u>	<u>\$ 10,785,481</u>

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, 2023, is \$212,499 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$18,364 was paid in 2023. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
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	20,917	3,377	24,294
2029-2033	113,155	8,312	121,467
Totals	<u>\$ 212,499</u>	<u>\$ 30,434</u>	<u>\$ 242,933</u>

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

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 principal forgiven amount is \$992,346. The City started the draw-down process in 2013. The balance on the loan as of December 31, 2023, is \$240,869 and is shown as a liability to the Water Fund in the accompanying financial statements. Principal in the amount of \$155,798 was paid in 2023. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 159,607	\$ 4,889	\$ 164,496
2025	81,262	987	82,249
Totals	<u>\$ 240,869</u>	<u>\$ 5,876</u>	<u>\$ 246,745</u>

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 \$3,559,186. This loan is payable from the revenues of the water utility. Principal in the amount of \$199,448 was paid in 2023. The annual amounts to amortize the loan are as follows if the full amount of the loan was borrowed:

Years Ending December 31,	Principal	Interest	Total
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	221,736	56,714	278,450
2029-2033	1,181,971	210,281	1,392,252
2034-2038	1,314,054	78,195	1,392,249
Totals	<u>\$ 3,559,186</u>	<u>\$ 617,567</u>	<u>\$ 4,176,753</u>

During 2023, 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 \$3,500,000 on a low-interest loan with a 20-year repayment period to finance Water Treatment Plant Improvements Project. The interest rate on the loan is 1.27%. The City has yet to drawdown on this loan. The annual amounts to amortize the loan will be determined when the loan is fully drawn down.

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

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, 2023, is \$286,214. The annual amounts to amortize the loan are as follows:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 286,214	\$ 10,647	\$ 296,861
Totals	\$ 286,214	\$ 10,647	\$ 296,861

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, 2023, Industrial Revenue Bonds relating to seven entities were outstanding with a total balance of \$87,260,670.

Manhattan Housing Authority Debt

The following is a summary of the debt transactions of the Housing Authority for the year ended December 31, 2023

	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023	Amounts Due within One Year
Accrued compensated absences	\$ 25,364	\$ 28,136	\$ (29,388)	\$ 24,112	\$ 12,056
EPC / recoverable advance	2,532,605	110,700	(225,493)	2,417,812	173,907
Accrued pension liability	528,780	277,705	(66,344)	740,141	-
Total for Housing Authority	\$ 3,086,749	\$ 416,541	\$ (321,225)	\$ 3,182,065	\$ 185,963

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

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, 2023 is \$1,362,112. 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.

KS State Bank Loan Agreement

The Authority entered into a loan agreement with KS State Bank on October 1, 2023, in the amount of \$110,700 for the purchase of two vehicles. Interest shall be fixed per annum at 5.76%. Commencing September 1, 2024, annual payments of principal and interest are due in the amount of \$26,108. The loan matures in October 2028 and is secured by the underlying vehicles. The balance of the loan as of December 31, 2023 is \$110,700.

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, 2023 is \$ 945,000.

The annual debt service requirements to maturity for long-term debt as of December 31, 2023 for the EPC contract, KS State Bank loan and Recoverable Advance Agreement combined are as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 173,907	\$ 90,454	\$ 264,361
2025	178,194	83,658	261,852
2026	189,612	76,998	266,610
2027	206,605	69,927	276,532
2028	225,007	62,778	287,785
2029-2033	866,578	228,300	1,094,878
2034-2038	160,000	142,280	302,280
2039-2043	417,909	88,080	505,989
	<u>\$ 2,417,812</u>	<u>\$ 842,475</u>	<u>\$ 3,260,287</u>

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

Note 4: Other Information

A. Risk Management

General

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

Self-Insured Health Care Fund

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

The internal service fund accrues the required amounts for the payment of these claims by rate charges to various City departments. These rate charges are reported as expenditures in the applicable funds. The Health Care Fund net position was \$2,971,611 at December 31, 2023. The claims liability of \$554,966 reported in the Fund at December 31, 2023 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 2023 and 2022 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in		Balance at Fiscal Year End
		Estimates	Claims Paid	
2023	\$ 490,156	\$ 6,557,078	\$ 6,492,268	\$ 554,966
2022	535,173	5,018,838	5,063,855	490,156

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 2023 and 2022 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in		Balance at Fiscal Year End
		Estimates	Claims Paid	
2023	\$ 426,610	\$ 240,930	\$ 148,641	\$ 518,899
2022	538,374	23,502	135,266	426,610

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

B. Contingent Liabilities

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

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

C. Defined Benefit Pension Plan

Plan Description

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

Public employees, which includes:

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

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

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

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

Benefits Provided

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

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

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

of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

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

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

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

Contributions

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

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

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

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.43% for the Local Group and 22.86% for the Police and Firemen Group for the year ended December 31, 2023. Contributions to the Pension Plan from the City of Manhattan were \$ 2,075,269 for the Local Group and \$ 1,412,606 for the Police and Firemen Group for the year ended December 31, 2023.

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

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

At December 31, 2023, the City of Manhattan reported a liability of \$20,330,731 for the Local Group and \$14,810,553 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, 2023, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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, 2023. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2023, the City of Manhattan's proportion and change from its proportion measured as of June 30, 2022 were as follows:

	Net Pension Liability as of June 30, 2023	Proportion as of June 30, 2023	Increase (Decrease) in Proportion From June 30, 2022
Local Group	\$ 20,330,731	0.969097%	0.111479%
Police and Firemen Group	14,810,553	0.927250%	-0.023121%
	\$ 35,141,284		

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

For the year ended December 31, 2023, the City of Manhattan recognized pension expense of \$3,538,301 for the Local Group and \$2,749,391 the Police and Firemen Group. At December 31, 2023, 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	\$ 3,061,208	\$ 2,863
Net difference between projected and actual earnings on pension plan investments	1,854,624	-
Changes of assumptions	3,353,934	-
Changes in proportionate share	1,537,602	622,199
City of Manhattan's contributions subsequent to measurement date	1,696,615	-
Total	\$ 11,503,983	\$ 625,062

The \$1,696,615 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, 2024. 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,			
2024	\$	3,012,421	
2025		1,826,085	
2026		3,441,024	
2027		878,508	
2028		24,268	
	\$	9,182,306	

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

Actuarial Assumptions

The total pension liability for KPERS in the December 31, 2022 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

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 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, 2023, was 7.00%, which was unchanged from the prior year. 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

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

the statutory cap. The statutory cap for fiscal year 2023 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	\$ 29,152,102	\$ 20,330,731	\$ 12,981,614
City of Manhattan's Police and Firemen Group proportionate share of the collective net pension liability	19,972,131	14,810,553	10,501,069
	\$ 49,124,233	\$ 35,141,284	\$ 23,482,683

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.

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

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, 2023 totaled \$ 26,105.

Employees Covered by Benefit Terms

As of the reporting date of December 31, 2023, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	5
Active plan members	447
	452

Total OPEB Liability

The City's total OPEB liability of \$ 950,024 was measured as of December 31, 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 as of measurement date	3.72 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	6.70 percent
Ultimate rate	3.70 percent
Year ultimate rate is reached	2074
Actuarial cost method	Entry Age Normal

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

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

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 mortality improvement scale was updated from MP-2020 to MP-2021.
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

	Total OPEB Liability
Balance at December 31, 2022	\$ 1,040,488
Changes for the year:	
Service cost	75,270
Interest cost	22,717
Effect of economic/demographic gains or losses	-
Changes in assumptions and inputs	(162,346)
Benefit payments	(26,105)
Net changes	(90,464)
Balance at December 31, 2023	\$ 950,024

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 2.72%	Discount Rate 3.72%	1% Increase 4.72%
Total OPEB liability	\$ 1,044,792	\$ 950,024	\$ 864,198

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	\$ 827,377	\$ 950,024	\$ 1,098,111

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, 2023, the City recognized OPEB expense of \$61,716.

At December 31, 2023, 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	\$ 197,835	\$ (45,631)
Changes of assumptions	74,713	(1,093,111)
	\$ 272,548	\$ (1,138,742)

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

Year Ended December 31,			
2024	\$	(159,703)	
2025		(159,703)	
2026		(159,703)	
2027		(164,143)	
2028		(125,052)	
Thereafter		(97,890)	
	\$	(866,194)	

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, 2023 totaled \$50,656.

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

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

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

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

Employees Covered by Benefit Terms

As of the valuation date of December 31, 2023, the following employees were covered by the benefit terms.

Active members	315
Disabled members	4
	4
	319

Total OPEB Liability

The City’s total OPEB liability of \$722,157 was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of December 31, 2022.

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2022 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	3.65 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, 2022 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

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.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2022	\$ 662,173
Changes for the year:	
Service cost	41,922
Interest	24,036
Effect of economic/demographic gains or losses	49,993
Effect of assumptions changes or inputs	(5,311)
Benefit payments	(50,656)
Net changes	59,984
Balance at December 31, 2023	\$ 722,157

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 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB liability	\$ 772,526	\$ 722,157	\$ 676,319

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	\$ 722,157	\$ 722,157	\$ 722,157

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, 2023, the City recognized OPEB expense of \$88,756. At December 31, 2023, 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	\$ 290,486	\$ (118,245)
Changes of assumptions	55,772	(133,744)
Benefit payments subsequent to the measurement date	25,328	-
	\$ 371,586	\$ (251,989)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$25,328 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,		
2024	\$	22,798
2025		22,798
2026		23,219
2027		25,992
2028		24,909
Thereafter		(25,447)
	\$	94,269

A reconciliation of the Total OPEB Liability, deferred outflows of resources for OPEB and deferred inflows of resources for OPEB reported at December 31, 2023 is as follows:

	Deferred Outflows of Resources	Total OPEB Liability	Deferred Inflows of Resources
Retiree Medical Plan	\$ 272,548	\$ 950,024	\$ (1,138,742)
Disability Benefits and Life Insurance	371,586	722,157	(251,989)
	\$ 644,134	\$ 1,672,181	\$ (1,390,731)

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, 2023, abated property taxes that impacted the City totaled \$10,959,192 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 \$1,214,200.
- A property tax abatement for constructing a commercial office building. The City's portion of the abatement amounted to \$7,188,132.
- A property tax abatement for expansion of a facility. The City's portion of the abatement amounted to \$2,556,860.

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 2023, the Libraries System made payments to the Library totaling \$705,601 for personnel services and \$46,124 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 2024 federal budget.

H. Subsequent Events

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%.

On December 11, 2024, the City issued \$54,370,000 in Series 2024-02 General Obligation Temporary Notes, maturing on June 15, 2028 with an interest rate of 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 Nine Fiscal Years¹

	2023	2022	2021	2020	
City of Manhattan's proportion of the collective net pension liability					
KPERS	0.969097%	0.857618%	0.858224%	0.886881%	
KP&F	0.927250%	0.950371%	0.988289%	0.949560%	
City of Manhattan's proportionate share of the collective net pension liability	\$ 35,141,284	\$ 30,756,378	\$ 19,729,005	\$ 27,084,823	
City of Manhattan's covered payroll	\$ 24,309,672	\$ 25,434,722	\$ 22,053,201	\$ 23,030,361	
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered payroll	145%	121%	89%	118%	
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	
	2019	2018	2017	2016	2015
City of Manhattan's proportion of the collective net pension liability					
KPERS	0.871924%	0.881000%	0.842342%	0.829237%	0.821215%
KP&F	0.922149%	0.962364%	0.970094%	0.949823%	0.978480%
City of Manhattan's proportionate share of the collective net pension liability	\$ 21,517,288	\$ 21,539,173	\$ 21,298,396	\$ 21,650,150	\$ 17,887,831
City of Manhattan's covered payroll	\$ 21,485,915	\$ 20,760,475	\$ 19,780,545	\$ 18,727,868	\$ 18,132,433
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered payroll	100%	104%	108%	116%	99%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%

¹The 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
KPERS/Ret Contractually required contributions	\$ 2,075,269	\$ 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
KP&F Contractually required contributions	1,412,606	1,338,228	1,256,407	1,249,535	1,118,987	991,873	919,706	962,890	952,624	874,519
Contributions in relation to the contractually required contributions	<u>(3,488,822)</u>	<u>(3,094,255)</u>	<u>(2,820,248)</u>	<u>(2,749,956)</u>	<u>(2,602,827)</u>	<u>(2,504,704)</u>	<u>(2,243,904)</u>	<u>(2,345,299)</u>	<u>(2,406,680)</u>	<u>(2,179,492)</u>
Contribution deficiency (excess)	<u>\$ (947)</u>	<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>
City of Manhattan's covered payroll	\$ 28,019,834	\$ 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
Contributions as a percentage of covered payroll	12.5%	12.8%	12.7%	11.9%	12.0%	11.9%	12.1%	13.1%	12.1%	10.9%

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 Six Fiscal Years¹

	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	\$ 75,270	\$ 99,642	\$ 86,384	\$ 148,052	\$ 162,220	\$ 146,086
Interest cost	22,717	29,741	33,241	78,836	65,032	62,814
Changes of assumptions and inputs	(162,346)	(638,096)	80,514	(752,116)	(131,158)	61,810
Economic gains and losses	-	260,641	-	(84,719)	-	-
Benefit payments	(26,105)	(29,212)	(18,205)	(57,420)	(41,925)	(74,000)
Net change in total OPEB liability	(90,464)	(277,284)	181,934	(667,367)	54,169	196,710
Total OPEB liability, beginning	1,040,488	1,317,772	1,135,838	1,803,205	1,749,036	1,552,326
Total OPEB liability, ending	<u>\$ 950,024</u>	<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	\$ 23,474,783	\$ 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	4.05%	5.07%	6.44%	5.24%	8.85%	8.97%

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

CITY OF MANHATTAN, KANSAS
Schedule of Changes in the City's Total OPEB Liability and Related Ratios -
Disability Benefits and Life Insurance
Last Seven Fiscal Years¹

	2023	2022	2021
Total OPEB liability:			
Service cost	\$ 41,922	\$ 72,392	\$ 68,745
Interest on total OPEB liability	24,036	20,491	19,149
Effect of economic/demographic gains or losses	49,993	(122,205)	85,700
Effect of assumptions changes or inputs	(5,311)	(154,023)	2,726
Benefit payments	(50,656)	(61,165)	(133,962)
Net change in total OPEB liability	59,984	(244,510)	42,358
Total OPEB liability, beginning	662,173	906,683	864,325
Total OPEB liability, ending	\$ 722,157	\$ 662,173	\$ 906,683
Covered payroll	\$ 17,931,431	\$ 16,259,159	\$ 16,187,671
City's total OPEB liability as a percentage of covered payroll	4.03%	4.07%	5.60%

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 56,885	\$ 56,168	\$ 55,817	\$ 56,189
Interest on total OPEB liability	22,487	16,780	15,626	11,363
Effect of economic/demographic gains or losses	166,019	177,739	(53,396)	-
Effect of assumptions changes or inputs	80,720	11,906	(5,263)	(12,809)
Benefit payments	(93,980)	(15,490)	(16,600)	(16,600)
Net change in total OPEB liability	232,131	247,103	(3,816)	38,143
Total OPEB liability, beginning	632,194	385,091	388,907	350,764
Total OPEB liability, ending	\$ 864,325	\$ 632,194	\$ 385,091	\$ 388,907
Covered payroll	\$ 15,755,136	\$ 14,785,584	\$ 14,915,895	\$ 13,852,617
City's total OPEB liability as a percentage of covered payroll	5.49%	4.28%	2.58%	2.81%

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



Nonmajor Governmental Funds

**For the Year Ended
December 31, 2023**

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, 2023

	Special Revenue				
	City/ University Projects	Business Improvement Districts	Economic Development	Library	Sales Tax
ASSETS					
Cash and cash equivalents	\$ 602,517	\$ 253	\$ 4,780,056	\$ 151,363	\$ 1,000,844
Investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	4,660	-	-	-
Intergovernmental	-	-	-	-	-
Sales tax	-	-	563,882	-	1,500,972
Transient guest tax receivable	-	-	-	-	-
Property tax	-	-	-	3,594,723	-
Other loans	-	-	3,205,415	-	-
Total Assets	\$ 602,517	\$ 4,913	\$ 8,549,353	\$ 3,746,086	\$ 2,501,816
LIABILITIES					
Accounts payable	\$ -	\$ 56	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	56	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	3,594,723	-
Unavailable revenue - receivables	-	4,660	3,205,415	-	-
Total Deferred Inflows of Resources	-	4,660	3,205,415	3,594,723	-
FUND BALANCE					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	602,517	197	5,343,938	-	-
General government	-	-	-	-	2,501,816
Capital projects	-	-	-	-	-
Culture & recreation	-	-	-	151,363	-
Public works	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned - purchases on order	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	602,517	197	5,343,938	151,363	2,501,816
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 602,517	\$ 4,913	\$ 8,549,353	\$ 3,746,086	\$ 2,501,816

(Continued)

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

December 31, 2023

	Special Revenue				
	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Promotion	Recreation and Trails Sales Tax
ASSETS					
Cash and cash equivalents	\$ 242,250	\$ 860,862	\$ 4,039,521	\$ 1,463,590	\$ 4,003,717
Investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Sales tax	-	-	-	-	580,287
Transient guest tax receivable	-	-	-	868,062	-
Property tax	-	-	-	-	-
Other loans	-	-	-	-	-
Total Assets	\$ 242,250	\$ 860,862	\$ 4,039,521	\$ 2,331,652	\$ 4,584,004
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 54,955	\$ -	\$ 509
Accrued payroll	-	-	1,633	-	-
Unearned revenue	-	5,579	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	5,579	56,588	-	509
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - receivables	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	-	-	-	2,331,652	-
General government	242,250	-	-	-	-
Capital projects	-	-	-	-	-
Culture & recreation	-	855,283	-	-	4,583,495
Public works	-	-	3,934,909	-	-
Debt service	-	-	-	-	-
Assigned - purchases on order	-	-	48,024	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	242,250	855,283	3,982,933	2,331,652	4,583,495
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 242,250	\$ 860,862	\$ 4,039,521	\$ 2,331,652	\$ 4,584,004

(Continued)

CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2023

	Special Revenue				
	Special Street Maintenance	Sunset Cemetery	CID Sales Tax	State and Federal Grants	Total
ASSETS					
Cash and cash equivalents	\$ 3,859,476	\$ 93,886	\$ 283,216	\$ -	\$ 21,381,551
Investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	4,660
Intergovernmental	-	-	-	327,426	327,426
Sales tax	464,230	-	82,252	-	3,191,623
Transient guest tax	-	-	-	-	868,062
Property tax	-	-	-	-	3,594,723
Other loans	-	-	-	-	3,205,415
Total Assets	\$ 4,323,706	\$ 93,886	\$ 365,468	\$ 327,426	\$ 32,573,460
LIABILITIES					
Accounts payable	\$ 306,110	\$ -	\$ -	\$ 133,524	\$ 495,154
Accrued payroll	-	-	-	3,086	4,719
Unearned revenue	-	-	-	327,426	333,005
Due to other funds	-	-	-	249,479	249,479
Total Liabilities	306,110	-	-	713,515	1,082,357
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	3,594,723
Unavailable revenue - receivables	-	-	-	-	3,210,075
Total Deferred Inflows of Resources	-	-	-	-	6,804,798
FUND BALANCE					
Nonspendable - perpetual care	-	-	-	-	-
Restricted:					
Urban development & housing	-	93,886	365,468	-	8,737,658
General government	-	-	-	-	2,744,066
Capital projects	-	-	-	-	-
Culture & recreation	-	-	-	-	5,590,141
Public works	2,289,082	-	-	-	6,223,991
Debt service	-	-	-	-	-
Assigned - purchases on order	1,728,514	-	-	-	1,776,538
Unassigned	-	-	-	(386,089)	(386,089)
Total Fund Balance	4,017,596	93,886	365,468	(386,089)	24,686,305
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,323,706	\$ 93,886	\$ 365,468	\$ 327,426	\$ 32,573,460

(Continued)

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

December 31, 2023

	Debt Service			Capital Projects	Permanent	Total Nonmajor Governmental Funds		
	Downtown Redevelopment Senior Lien TIF Bonds	Combined TDD	Total	Aggieville TIF	Sunrise Cemetery Perpetual Care			
	ASSETS							
	Cash and cash equivalents	\$ 82,946	\$ 1,147,036	\$ 1,229,982	\$ 874,497		\$ 299,221	\$ 23,785,251
Investments with fiscal agent	6,378,349	-	6,378,349	-	-	6,378,349		
Receivables:								
Accounts	-	-	-	-	-	4,660		
Intergovernmental	-	-	-	-	-	327,426		
Sales tax	172,082	79,788	251,870	-	-	3,443,493		
Transient guest tax	-	-	-	-	-	868,062		
Property tax	-	-	-	-	-	3,594,723		
Other loans	-	-	-	-	-	3,205,415		
Total Assets	\$ 6,633,377	\$ 1,226,824	\$ 7,860,201	\$ 874,497	\$ 299,221	\$ 41,607,379		
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 3,631	\$ -	\$ 498,785		
Accrued payroll	-	-	-	-	-	4,719		
Unearned revenue	-	-	-	-	-	333,005		
Due to other funds	-	-	-	-	-	249,479		
Total Liabilities	-	-	-	3,631	-	1,085,988		
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	3,594,723		
Unavailable revenue - receivables	-	-	-	-	-	3,210,075		
Total Deferred Inflows of Resources	-	-	-	-	-	6,804,798		
FUND BALANCE								
Nonspendable - perpetual care	-	-	-	-	299,221	299,221		
Restricted:								
Urban development & housing	-	-	-	-	-	8,737,658		
General government	-	-	-	-	-	2,744,066		
Capital projects	-	-	-	870,866	-	870,866		
Culture & recreation	-	-	-	-	-	5,590,141		
Public works	-	-	-	-	-	6,223,991		
Debt service	6,633,377	1,226,824	7,860,201	-	-	7,860,201		
Assigned - purchases on order	-	-	-	-	-	1,776,538		
Unassigned	-	-	-	-	-	(386,089)		
Total Fund Balance	6,633,377	1,226,824	7,860,201	870,866	299,221	33,716,593		
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 6,633,377	\$ 1,226,824	\$ 7,860,201	\$ 874,497	\$ 299,221	\$ 41,607,379		

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Special Revenue			
	City/ University Projects	Business Improvement Districts	Economic Development	Library
REVENUES				
Taxes	\$ 502,441	\$ -	\$ 3,544,916	\$ 3,630,394
Intergovernmental	-	-	-	-
Charges for services	-	173,284	-	-
Investment income	-	-	156,948	11,626
Miscellaneous	17,834	-	536,470	-
Total Revenues	<u>520,275</u>	<u>173,284</u>	<u>4,238,334</u>	<u>3,642,020</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	173,762	799,227	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	3,441,750
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>173,762</u>	<u>799,227</u>	<u>3,441,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>520,275</u>	<u>(478)</u>	<u>3,439,107</u>	<u>200,270</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	135,000	-	-	-
Transfers out	(650,000)	-	(200,000)	(133,750)
Total Other Financing Sources (Uses)	<u>(515,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>(133,750)</u>
NET CHANGE IN FUND BALANCES	5,275	(478)	3,239,107	66,520
FUND BALANCE - BEGINNING OF YEAR	<u>597,242</u>	<u>675</u>	<u>2,104,831</u>	<u>84,843</u>
FUND BALANCE - END OF YEAR	<u>\$ 602,517</u>	<u>\$ 197</u>	<u>\$ 5,343,938</u>	<u>\$ 151,363</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, 2023

	Special Revenue			
	Sales Tax	Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway
REVENUES				
Taxes	\$ 7,693,863	\$ -	\$ -	\$ -
Intergovernmental	-	606,340	606,340	1,892,188
Charges for services	-	-	-	-
Investment income	-	7,734	32,359	187,719
Miscellaneous	-	3,350	1,030	41,469
Total Revenues	<u>7,693,863</u>	<u>617,424</u>	<u>639,729</u>	<u>2,121,376</u>
EXPENDITURES				
Current				
General government	-	482,196	-	-
Public works	-	-	-	284,771
Urban development and housing	-	-	-	-
Culture/recreation	-	-	11,109	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	89,287	86,533
Debt service				
Principal	-	-	78,966	51,104
Interest and fiscal charges	-	-	5,349	3,302
Total Expenditures	<u>-</u>	<u>482,196</u>	<u>184,711</u>	<u>425,710</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,693,863</u>	<u>135,228</u>	<u>455,018</u>	<u>1,695,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(7,380,000)	-	(318,139)	(1,041,152)
Total Other Financing Sources (Uses)	<u>(7,380,000)</u>	<u>-</u>	<u>(318,139)</u>	<u>(1,041,152)</u>
NET CHANGE IN FUND BALANCES	313,863	135,228	136,879	654,514
FUND BALANCE - BEGINNING OF YEAR	<u>2,187,953</u>	<u>107,022</u>	<u>718,404</u>	<u>3,328,419</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,501,816</u>	<u>\$ 242,250</u>	<u>\$ 855,283</u>	<u>\$ 3,982,933</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, 2023

	Special Revenue			
	Tourism and Convention Promotion	Recreation and Trails Sales Tax	Special Street Maintenance	Sunset Cemetery
REVENUES				
Taxes	\$ 3,077,108	\$ 3,819,316	\$ 3,055,453	\$ -
Intergovernmental	-	-	300,000	-
Charges for services	-	-	-	-
Investment income	-	-	-	4,350
Miscellaneous	-	-	548,526	-
Total Revenues	3,077,108	3,819,316	3,903,979	4,350
EXPENDITURES				
Current				
General government	-	-	-	-
Public works	-	-	3,587,562	-
Urban development and housing	1,501,443	-	-	-
Culture/recreation	-	12,315	-	630
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,501,443	12,315	3,587,562	630
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,575,665	3,807,001	316,417	3,720
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(664,795)	(5,412,413)	(799,199)	-
Total Other Financing Sources (Uses)	(664,795)	(5,412,413)	(799,199)	-
NET CHANGE IN FUND BALANCES	910,870	(1,605,412)	(482,782)	3,720
FUND BALANCE - BEGINNING OF YEAR	1,420,782	6,188,907	4,500,378	90,166
FUND BALANCE - END OF YEAR	\$ 2,331,652	\$ 4,583,495	\$ 4,017,596	\$ 93,886

(Continued)

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

For the Year Ended December 31, 2023

	Special Revenue			Debt Service
	CID Sales Tax	State and Federal Grants	Total	Downtown Redevelopment Senior Lien TIF Bonds
REVENUES				
Taxes	\$ 426,402	\$ -	\$ 25,749,893	\$ 9,293,758
Intergovernmental	-	948,733	4,353,601	-
Charges for services	-	-	173,284	-
Investment income	-	-	400,736	777,369
Miscellaneous	-	68,496	1,217,175	-
Total Revenues	426,402	1,017,229	31,894,689	10,071,127
EXPENDITURES				
Current				
General government	-	-	482,196	-
Public works	-	1,031,427	4,903,760	-
Urban development and housing	385,766	120	2,860,318	-
Culture/recreation	-	-	24,054	14,909,307
Culture/recreation-payments to Library	-	-	3,441,750	-
Capital outlay	-	369,270	545,090	-
Debt service				
Principal	-	-	130,070	7,930,000
Interest and fiscal charges	-	-	8,651	1,191,884
Total Expenditures	385,766	1,400,817	12,395,889	24,031,191
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	40,636	(383,588)	19,498,800	(13,960,064)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	135,000	-
Transfers out	-	(3,974)	(16,603,422)	(240,680)
Total Other Financing Sources (Uses)	-	(3,974)	(16,468,422)	(240,680)
NET CHANGE IN FUND BALANCES	40,636	(387,562)	3,030,378	(14,200,744)
FUND BALANCE - BEGINNING OF YEAR	324,832	1,473	21,655,927	20,834,121
FUND BALANCE - END OF YEAR	\$ 365,468	\$ (386,089)	\$ 24,686,305	\$ 6,633,377

(Continued)

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

For the Year Ended December 31, 2023

	Debt Service		Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Combined TDD	Total	Aggieville TIF	Sunrise Cemetery	
REVENUES					
Taxes	\$ 462,025	\$ 9,755,783	\$ 892,453	\$ -	\$ 36,398,129
Intergovernmental	-	-	-	-	4,353,601
Charges for services	-	-	-	10,806	184,090
Investment income	29,649	807,018	-	13,590	1,221,344
Miscellaneous	-	-	-	-	1,217,175
Total Revenue	491,674	10,562,801	892,453	24,396	43,374,339
EXPENDITURES					
Current					
General government	-	-	-	-	482,196
Public works	-	-	-	-	4,903,760
Urban development and housing	-	-	-	-	2,860,318
Culture/recreation	-	14,909,307	-	275	14,933,636
Culture/recreation-payments to Library	-	-	-	-	3,441,750
Capital outlay	-	-	18,069	-	563,159
Debt service					
Principal	250,000	8,180,000	-	-	8,310,070
Interest and fiscal charges	186,175	1,378,059	-	-	1,386,710
Total Expenditures	436,175	24,467,366	18,069	275	36,881,599
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	55,499	(13,904,565)	874,384	24,121	6,492,740
OTHER FINANCING SOURCES (USES)					
Transfers in	53,301	53,301	-	-	188,301
Transfers out	-	(240,680)	(6,224)	-	(16,850,326)
Total Other Financing Sources (Uses)	53,301	(187,379)	(6,224)	-	(16,662,025)
NET CHANGE IN FUND BALANCES	108,800	(14,091,944)	868,160	24,121	(10,169,285)
FUND BALANCE - BEGINNING OF YEAR	1,118,024	21,952,145	2,706	275,100	43,885,878
FUND BALANCE - END OF YEAR	\$ 1,226,824	\$ 7,860,201	\$ 870,866	\$ 299,221	\$ 33,716,593



Budgetary Schedules Section

**For the Year Ended
December 31, 2023**

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, 2023

	Employee Benefit Contribution			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 195,212	\$ 2,426,212	\$ 2,391,984	\$ (34,228)
Intergovernmental	-	-	1,663	1,663
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	8,123	8,123
Total Revenues	<u>195,212</u>	<u>2,426,212</u>	<u>2,401,770</u>	<u>(24,442)</u>
EXPENDITURES				
Current				
General government	5,851,212	6,226,212	4,190,993	2,035,219
Public safety	-	-	265,296	(265,296)
Public works	-	-	499,867	(499,867)
Urban development and housing	-	-	102,142	(102,142)
Culture/recreation	-	-	1,062,176	(1,062,176)
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>5,851,212</u>	<u>6,226,212</u>	<u>6,120,474</u>	<u>105,738</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,656,000)</u>	<u>(3,800,000)</u>	<u>(3,718,704)</u>	<u>81,296</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,425,000	3,800,000	3,425,000	(375,000)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,425,000</u>	<u>3,800,000</u>	<u>3,425,000</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,231,000)</u>	<u>\$ -</u>	<u>(293,704)</u>	<u>\$ (293,704)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>391,267</u>	
FUND BALANCE - END OF YEAR			97,563	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 97,563</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, 2023

	Fire Equipment Reserve			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 770,569	\$ 770,569	\$ 762,868	\$ (7,701)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	24,513	24,513
Miscellaneous	-	-	-	-
Total Revenues	<u>770,569</u>	<u>770,569</u>	<u>787,381</u>	<u>16,812</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	74,503	(74,503)
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	34,000	34,000	204,586	(170,586)
Debt service				
Principal	904,195	904,195	468,488	435,707
Interest and fiscal charges	149,805	149,805	62,585	87,220
Total Expenditures	<u>1,088,000</u>	<u>1,088,000</u>	<u>810,162</u>	<u>277,838</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(317,431)</u>	<u>(317,431)</u>	<u>(22,781)</u>	<u>294,650</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (317,431)</u>	<u>\$ (317,431)</u>	<u>(22,781)</u>	<u>\$ 294,650</u>
FUND BALANCE - BEGINNING OF YEAR			<u>610,241</u>	
FUND BALANCE - END OF YEAR			587,460	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>23,764</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 611,224</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, 2023

	Fire Pension KP&F			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,016,500	\$ 1,016,500	\$ 1,013,819	\$ (2,681)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,016,500	1,016,500	1,013,819	(2,681)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	1,196,500	1,416,500	1,412,606	3,894
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,196,500	1,416,500	1,412,606	3,894
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(180,000)	(400,000)	(398,787)	1,213
OTHER FINANCING SOURCES (USES)				
Transfers in	180,000	400,000	400,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	180,000	400,000	400,000	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	1,213	\$ 1,213
FUND BALANCE - BEGINNING OF YEAR			36,096	
FUND BALANCE - END OF YEAR			37,309	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 37,309	

(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, 2023

	General Improvement			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	11,551	11,551
Miscellaneous	-	-	-	-
Total Revenues	-	-	11,551	11,551
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	200,000	200,000	-	200,000
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	100,000	100,000	8,778	91,222
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	300,000	300,000	8,778	291,222
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300,000)	(300,000)	2,773	302,773
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	65,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	65,000	65,000	65,000	-
NET CHANGE IN FUND BALANCES	\$ (235,000)	\$ (235,000)	67,773	\$ 302,773
FUND BALANCE - BEGINNING OF YEAR			199,945	
FUND BALANCE - END OF YEAR			267,718	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 267,718	

(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, 2023

	Industrial Promotion			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	5,000	5,000	11,601	6,601
Miscellaneous	50,000	50,000	98,455	48,455
Total Revenues	55,000	55,000	110,056	55,056
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	415,000	415,000	176,285	238,715
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	415,000	415,000	176,285	238,715
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(360,000)	(360,000)	(66,229)	293,771
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (360,000)	\$ (360,000)	(66,229)	\$ 293,771
FUND BALANCE - BEGINNING OF YEAR			300,195	
FUND BALANCE - END OF YEAR			233,966	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 233,966	

(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, 2023

	Park Development			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	42	42
Miscellaneous	-	-	-	-
Total Revenues	-	-	42	42
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	660	660	-	660
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	660	660	-	660
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(660)	(660)	42	702
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (660)	\$ (660)	42	\$ 702
FUND BALANCE - BEGINNING OF YEAR			870	
FUND BALANCE - END OF YEAR			912	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 912	

(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, 2023

	<u>Special Sunset Zoo</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -		\$ -
Intergovernmental	-	-	55,858	55,858
Charges for services	454,500	454,500	575,310	120,810
Investment income	500	500	19,313	18,813
Miscellaneous	25,500	25,500	53,515	28,015
Total Revenues	<u>480,500</u>	<u>480,500</u>	<u>703,996</u>	<u>223,496</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	780,500	780,500	704,774	75,726
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	1,084	(1,084)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>780,500</u>	<u>780,500</u>	<u>705,858</u>	<u>74,642</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(300,000)</u>	<u>(300,000)</u>	<u>(1,862)</u>	<u>298,138</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>(1,862)</u>	<u>\$ 298,138</u>
FUND BALANCE - BEGINNING OF YEAR			<u>315,546</u>	
FUND BALANCE - END OF YEAR			313,684	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 313,684</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, 2023

	Risk Management Reserve			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current				
General government	171,000	171,000	-	171,000
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	171,000	171,000	-	171,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(171,000)	(171,000)	-	171,000
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	-	(25,000)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	25,000	25,000	-	(25,000)
NET CHANGE IN FUND BALANCES	\$ (146,000)	\$ (146,000)	-	\$ 146,000
FUND BALANCE - BEGINNING OF YEAR			146,110	
FUND BALANCE - END OF YEAR			146,110	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 146,110	

(Continued)

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

For the Year Ended December 31, 2023

	<u>Equipment Reserve</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	58,672	58,672	58,472	200
Interest and fiscal charges	6,329	6,329	4,420	1,909
Total Expenditures	<u>65,001</u>	<u>65,001</u>	<u>62,892</u>	<u>2,109</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(65,001)</u>	<u>(65,001)</u>	<u>(62,892)</u>	<u>2,109</u>
OTHER FINANCING SOURCES (USES)				
Issuance of notes payable - financed purchases			-	-
Transfers in	65,001	65,001	65,001	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>65,001</u>	<u>65,001</u>	<u>65,001</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	2,109	<u>\$ 2,109</u>
FUND BALANCE - BEGINNING OF YEAR			<u>42,783</u>	
FUND BALANCE - END OF YEAR			44,892	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 44,892</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, 2023

	Parking Management			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	769,106	769,106	144,304	(624,802)
Investment income	-	-	-	-
Miscellaneous	-	-	2,195	2,195
Total Revenues	769,106	769,106	146,499	(622,607)
EXPENDITURES				
Current				
General government	769,106	820,106	753,080	67,026
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	14,500	(14,500)
Debt service				
Principal	-	-	31,122	(31,122)
Interest and fiscal charges	-	-	8,296	(8,296)
Total Expenditures	769,106	820,106	806,998	13,108
EXPENDITURES NOT SUBJECT TO BUDGET				
Capital Outlay	-	-	324,600	(324,600)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(51,000)	(985,099)	(934,099)
OTHER FINANCING SOURCES (USES)				
Issuance of subscriptions	-	-	324,600	324,600
Transfers in	-	51,000	654,773	603,773
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	51,000	979,373	928,373
NET CHANGE IN FUND BALANCES	\$ -	\$ -	(5,726)	\$ (5,726)
FUND BALANCE - BEGINNING OF YEAR			(6,177)	
FUND BALANCE - END OF YEAR			(11,903)	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ (11,903)	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,286,002	\$ 7,286,002	\$ 9,294,440	\$ 2,008,438
Special assessments	6,390,000	6,390,000	6,793,070	403,070
Charges for services	125,000	125,000	242,477	117,477
Fines and forfeitures	-	-	324,333	324,333
Investment income	-	-	60,495	60,495
Miscellaneous revenues	2,305,269	2,305,269	409,236	(1,896,033)
Total Revenues	<u>16,106,271</u>	<u>16,106,271</u>	<u>17,124,051</u>	<u>1,017,780</u>
EXPENDITURES				
Current				
General government	32,488	32,488	314,127	(281,639)
Debt service				
Principal	11,292,741	11,292,741	8,907,741	2,385,000
Bond issuance costs	-	-	404,091	(404,091)
Interest and fiscal charges	3,560,868	3,560,868	3,545,501	15,367
Other	14,883,946	14,883,946	-	14,883,946
Total Expenditures	<u>29,770,043</u>	<u>29,770,043</u>	<u>13,171,460</u>	<u>16,598,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(13,663,772)</u>	<u>(13,663,772)</u>	<u>3,952,591</u>	<u>17,616,363</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	457,214	457,214
Premium on general obligation bonds	-	-	33,568	33,568
Transfers in	4,661,780	4,661,780	1,032,030	(3,629,750)
Transfers out	-	-	(332,080)	(332,080)
Total Other Financing Sources (Uses)	<u>4,661,780</u>	<u>4,661,780</u>	<u>1,190,732</u>	<u>(3,471,048)</u>
NET CHANGE IN FUND BALANCES				
	<u>\$ (9,001,992)</u>	<u>\$ (9,001,992)</u>	<u>5,143,323</u>	<u>\$ 14,145,315</u>
FUND BALANCE - BEGINNING OF YEAR			<u>17,184,313</u>	
FUND BALANCE - END OF YEAR			22,327,636	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE - GAAP BASIS			<u>\$ 22,327,636</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, 2023

	<u>City/University Projects</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 430,000	\$ 430,000	\$ 502,441	\$ 72,441
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	45,000	45,000	17,834	(27,166)
Total Revenues	<u>475,000</u>	<u>475,000</u>	<u>520,275</u>	<u>45,275</u>
EXPENDITURES				
Current				
General government	360,000	360,000	-	360,000
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>360,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>115,000</u>	<u>115,000</u>	<u>520,275</u>	<u>405,275</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	135,000	135,000	135,000	-
Transfers out	(650,000)	(650,000)	(650,000)	-
Total Other Financing Sources (Uses)	<u>(515,000)</u>	<u>(515,000)</u>	<u>(515,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	5,275	<u>\$ 405,275</u>
FUND BALANCE - BEGINNING OF YEAR			<u>597,242</u>	
FUND BALANCE - END OF YEAR			602,517	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 602,517</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, 2023

Business Improvement Districts				
Aggieville Business Improvement District				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 78,000	\$ 78,000	\$ -	\$ (78,000)
Intergovernmental	-	-	-	-
Charges for services	-	-	76,005	76,005
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	78,000	78,000	76,005	(1,995)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	78,000	78,000	76,482	1,518
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	78,000	78,000	76,482	1,518
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(477)	(477)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	(477)	\$ (477)
FUND BALANCE - BEGINNING OF YEAR			674	
FUND BALANCE - END OF YEAR			197	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 197	

(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, 2023

Business Improvement Districts				
Downtown Business Improvement District				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 98,500	\$ 98,500	\$ -	\$ (98,500)
Intergovernmental	-	-	-	-
Charges for services	-	-	97,279	97,279
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	98,500	98,500	97,279	(1,221)
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	98,500	98,500	97,280	1,220
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	98,500	98,500	97,280	1,220
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ -	\$ -	(1)	\$ (1)
FUND BALANCE - BEGINNING OF YEAR			1	
FUND BALANCE - END OF YEAR			-	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ -	

(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, 2023

	Economic Development			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,017,015	\$ 2,017,015	\$ 3,544,916	\$ 1,527,901
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	6,700	6,700	156,948	150,248
Miscellaneous	557,917	557,917	536,470	(21,447)
Total Revenues	2,581,632	2,581,632	4,238,334	1,656,702
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	3,878,984	3,878,984	799,227	3,079,757
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,878,984	3,878,984	799,227	3,079,757
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,297,352)	(1,297,352)	3,439,107	4,736,459
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,223,088)	(1,223,088)	(200,000)	1,023,088
Total Other Financing Sources (Uses)	(1,223,088)	(1,223,088)	(200,000)	1,023,088
NET CHANGE IN FUND BALANCES	\$ (2,520,440)	\$ (2,520,440)	3,239,107	\$ 5,759,547
FUND BALANCE - BEGINNING OF YEAR			2,104,831	
FUND BALANCE - END OF YEAR			5,343,938	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 5,343,938	

(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, 2023

	Library			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 151,768	\$ 151,768	\$ 2,937,191	\$ 2,785,423
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	10,089	10,089
Miscellaneous	-	-	-	-
Total Revenues	<u>151,768</u>	<u>151,768</u>	<u>2,947,280</u>	<u>2,795,512</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,761,750	2,761,750	2,761,750	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,761,750</u>	<u>2,761,750</u>	<u>2,761,750</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,609,982)</u>	<u>(2,609,982)</u>	<u>185,530</u>	<u>2,795,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(133,750)	(133,750)	(133,750)	-
Total Other Financing Sources (Uses)	<u>(133,750)</u>	<u>(133,750)</u>	<u>(133,750)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,743,732)</u>	<u>\$ (2,743,732)</u>	<u>51,780</u>	<u>\$ 2,795,512</u>
FUND BALANCE - BEGINNING OF YEAR			<u>68,952</u>	
FUND BALANCE - END OF YEAR			120,732	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 120,732</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, 2023

Library Employee Benefit Contribution				
REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes	\$ 679,376	\$ 679,376	\$ 693,203	\$ 13,827
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,537	1,537
Miscellaneous	-	-	-	-
Total Revenues	679,376	679,376	694,740	15,364
 EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	680,000	680,000	680,000	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	680,000	680,000	680,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(624)	(624)	14,740	15,364
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (624)	\$ (624)	14,740	\$ 15,364
FUND BALANCE - BEGINNING OF YEAR			15,891	
FUND BALANCE - END OF YEAR			30,631	
 ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 30,631	

(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, 2023

	Sales Tax			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,900,000	\$ 7,600,000	\$ 7,693,863	\$ 93,863
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>5,900,000</u>	<u>7,600,000</u>	<u>7,693,863</u>	<u>93,863</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,900,000</u>	<u>7,600,000</u>	<u>7,693,863</u>	<u>93,863</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(5,900,000)	(7,600,000)	(7,380,000)	220,000
Total Other Financing Sources (Uses)	<u>(5,900,000)</u>	<u>(7,600,000)</u>	<u>(7,380,000)</u>	<u>220,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	313,863	<u>\$ 313,863</u>
FUND BALANCE - BEGINNING OF YEAR			<u>2,187,953</u>	
FUND BALANCE - END OF YEAR			2,501,816	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 2,501,816</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, 2023

	<u>Special Alcohol Programs</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	492,196	492,196	606,340	114,144
Charges for services	-	-	-	-
Investment income	-	-	7,734	7,734
Miscellaneous	-	-	3,350	3,350
Total Revenues	<u>492,196</u>	<u>492,196</u>	<u>617,424</u>	<u>125,228</u>
EXPENDITURES				
Current				
General government	492,196	492,196	482,196	10,000
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>492,196</u>	<u>492,196</u>	<u>482,196</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>135,228</u>	<u>135,228</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>135,228</u>	<u>\$ 135,228</u>
FUND BALANCE - BEGINNING OF YEAR			<u>107,022</u>	
FUND BALANCE - END OF YEAR			242,250	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 242,250</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, 2023

	Special Parks and Recreation			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	490,000	490,000	606,340	116,340
Charges for services	-	-	-	-
Investment income	1,000	1,000	32,359	31,359
Miscellaneous	-	-	1,030	1,030
Total Revenues	491,000	491,000	639,729	148,729
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	194,577	194,577	11,109	183,468
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	216,231	216,231	89,287	126,944
Debt service				
Principal	78,938	78,938	78,966	(28)
Interest and fiscal charges	5,378	5,378	5,349	29
Total Expenditures	495,124	495,124	184,711	310,413
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,124)	(4,124)	455,018	459,142
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(395,876)	(395,876)	(318,139)	77,737
Total Other Financing Sources (Uses)	(395,876)	(395,876)	(318,139)	77,737
NET CHANGE IN FUND BALANCES	\$ (400,000)	\$ (400,000)	136,879	\$ 536,879
FUND BALANCE - BEGINNING OF YEAR			718,404	
FUND BALANCE - END OF YEAR			855,283	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 855,283	

(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, 2023

	<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>		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,644,390	1,644,390	1,892,188	247,798
Charges for services	-	-	-	-
Investment income	2,000	2,000	187,719	185,719
Miscellaneous	10,000	10,000	41,469	31,469
Total Revenues	<u>1,656,390</u>	<u>1,656,390</u>	<u>2,121,376</u>	<u>464,986</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	319,320	319,320	97,417	221,903
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	2,297,321	2,297,321	63,899	2,233,422
Debt service				
Principal	51,104	51,104	51,104	-
Interest and fiscal charges	3,240	3,240	3,302	(62)
Total Expenditures	<u>2,670,985</u>	<u>2,670,985</u>	<u>215,722</u>	<u>2,455,263</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,014,595)</u>	<u>(1,014,595)</u>	<u>1,905,654</u>	<u>2,920,249</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(286,015)	(286,015)	(1,041,152)	(755,137)
Total Other Financing Sources (Uses)	<u>(286,015)</u>	<u>(286,015)</u>	<u>(1,041,152)</u>	<u>(755,137)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,300,610)</u>	<u>\$ (1,300,610)</u>	<u>864,502</u>	<u>\$ 2,165,112</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,070,407</u>	
FUND BALANCE - END OF YEAR			3,934,909	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>48,024</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 3,982,933</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, 2023

Tourism and Convention Promotion				
REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes	\$ 2,166,238	\$ 2,166,238	\$ 3,077,108	\$ 910,870
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,166,238	2,166,238	3,077,108	910,870
 EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	1,625,904	1,625,904	1,501,443	124,461
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,625,904	1,625,904	1,501,443	124,461
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	540,334	540,334	1,575,665	1,035,331
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(540,334)	(540,334)	(664,795)	(124,461)
Total Other Financing Sources (Uses)	(540,334)	(540,334)	(664,795)	(124,461)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	910,870	\$ 910,870
FUND BALANCE - BEGINNING OF YEAR				1,420,782
FUND BALANCE - END OF YEAR				2,331,652
 ADJUSTMENTS TO GAAP				
Encumbrances				-
FUND BALANCE-GAAP BASIS				\$ 2,331,652

(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, 2023

	Recreation and Trails Sales Tax			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,450,000	\$ 3,450,000	\$ 3,819,316	\$ 369,316
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,819,316</u>	<u>369,316</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	12,315	(12,315)
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>12,315</u>	<u>(12,315)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,807,001</u>	<u>357,001</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(8,450,000)	(8,450,000)	(5,412,413)	3,037,587
Total Other Financing Sources (Uses)	<u>(8,450,000)</u>	<u>(8,450,000)</u>	<u>(5,412,413)</u>	<u>3,037,587</u>
NET CHANGE IN FUND BALANCES	<u>\$ (5,000,000)</u>	<u>\$ (5,000,000)</u>	<u>(1,605,412)</u>	<u>\$ 3,394,588</u>
FUND BALANCE - BEGINNING OF YEAR			<u>6,188,907</u>	
FUND BALANCE - END OF YEAR			4,583,495	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 4,583,495</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, 2023

	Special Street Maintenance			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,620,000	\$ 2,620,000	\$ 3,055,453	\$ 435,453
Intergovernmental	-	-	300,000	300,000
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	548,526	548,526
Total Revenues	<u>2,620,000</u>	<u>2,620,000</u>	<u>3,903,979</u>	<u>1,283,979</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	4,038,927	(4,038,927)
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	3,820,000	5,270,000	-	5,270,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>3,820,000</u>	<u>5,270,000</u>	<u>4,038,927</u>	<u>1,231,073</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,200,000)</u>	<u>(2,650,000)</u>	<u>(134,948)</u>	<u>2,515,052</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(799,199)	(799,199)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(799,199)</u>	<u>(799,199)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,200,000)</u>	<u>\$ (2,650,000)</u>	<u>(934,147)</u>	<u>\$ 1,715,853</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,223,229</u>	
FUND BALANCE - END OF YEAR			2,289,082	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>1,728,514</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 4,017,596</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, 2023

	Downtown Redevelopment Senior Lien TIF Bonds			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,080,000	\$ 3,080,000	\$ 9,293,758	\$ 6,213,758
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	777,369	777,369
Miscellaneous	-	-	-	-
Total Revenues	3,080,000	3,080,000	10,071,127	6,991,127
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	3,180,000	3,180,000	1,965,000	1,215,000
Interest and fiscal charges	-	-	671,884	(671,884)
Total Expenditures	3,180,000	3,180,000	2,636,884	543,116
EXPENDITURES NOT SUBJECT TO BUDGET				
Current				
Culture/recreation	-	-	14,909,307	(14,909,307)
Debt service				
Principal	-	-	5,965,000	(5,965,000)
Interest and fiscal charges	-	-	520,000	(520,000)
Total Expenditures Not Subject To Budget	-	-	21,394,307	(21,394,307)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(100,000)	(13,960,064)	(13,860,064)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(240,680)	(240,680)
Total Other Financing Sources (Uses)	-	-	(240,680)	(240,680)
NET CHANGE IN FUND BALANCES	\$ (100,000)	\$ (100,000)	(14,200,744)	\$ (14,100,744)
FUND BALANCE - BEGINNING OF YEAR			20,834,121	
FUND BALANCE - END OF YEAR			6,633,377	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			\$ 6,633,377	



Internal Service Funds

**For the Year Ended
December 31, 2023**

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.

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.

Fleet Management Fund

This fund serves as a central hub for the City garage and fleet services. All fuel, oil, maintenance, repairs, procurement, and disposal of equipment necessary to provide City services is paid from this fund.

Information Technology Fund

This fund serves as a central hub for the Informational Technology Division. All IT services will be paid from this fund.

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
December 31, 2023

	Health Care	Workers' Compensation	Fleet Management	Information Technology	Total
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 3,410,331	\$ 1,379,997	\$ 2,323,125	\$ 64,684	\$ 7,178,137
Accounts receivable	134,405	-	-	-	134,405
Inventories	-	-	96,525	-	96,525
Total Current Assets	3,544,736	1,379,997	2,419,650	64,684	7,409,067
Noncurrent Assets					
Subscription asset	-	-	-	80,982	80,982
Less accumulated amortization	-	-	-	(26,248)	(26,248)
Total subscription asset (net of accumulated amortization)	-	-	-	54,734	54,734
TOTAL ASSETS	3,544,736	1,379,997	2,419,650	119,418	7,463,801
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	-	-	80,321	151,485	231,806
Deferred outflows - OPEB	-	-	7,066	13,327	20,393
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	87,387	164,812	252,199
LIABILITIES					
Current Liabilities					
Accounts payable	18,159	105	280,935	20,828	320,027
Accrued interest payable	-	-	-	2,000	2,000
Estimated insurance claims payable	554,966	518,899	-	-	1,073,865
Current portion of subscription liabilities	-	-	-	20,025	20,025
Total Current Liabilities	573,125	519,004	280,935	42,853	1,415,917
Noncurrent Liabilities					
Subscription liabilities	-	-	-	39,352	39,352
Net pension liability	-	-	223,033	420,640	643,673
Total OPEB liability	-	-	18,344	34,597	52,941
Total Noncurrent Liabilities	-	-	241,377	494,589	735,966
TOTAL LIABILITIES	573,125	519,004	522,312	537,442	2,151,883
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	-	-	1,992	3,756	5,748
Deferred inflows - OPEB	-	-	15,257	28,774	44,031
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	17,249	32,530	49,779
NET POSITION					
Net investment in capital assets	-	-	-	(4,643)	(4,643)
Unrestricted	2,971,611	860,993	1,967,476	(281,099)	5,518,981
TOTAL NET POSITION	\$ 2,971,611	\$ 860,993	\$ 1,967,476	\$ (285,742)	\$ 5,514,338

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2023

	Health Care	Workers' Compensation	Fleet Management	Information Technology	Total
OPERATING REVENUES					
Service charges	\$ 6,683,376	\$ -	\$ 2,370,860	\$ 1,011,912	\$ 10,066,148
Miscellaneous	753,721	478	4,124	-	758,323
Total Operating Revenues	7,437,097	478	2,374,984	1,011,912	10,824,471
OPERATING EXPENSES					
Personnel	-	-	329,848	572,596	902,444
Commodities	-	-	188,913	332,329	521,242
Contractual services	7,555,323	372,147	947,282	382,481	9,257,233
Depreciation and amortization	-	-	-	26,248	26,248
Total Operating Expenses	7,555,323	372,147	1,466,043	1,313,654	10,707,167
OPERATING INCOME (LOSS)	(118,226)	(371,669)	908,941	(301,742)	117,304
NON-OPERATING REVENUE					
Investment income	170,295	68,137	-	-	238,432
Interest expense	-	-	-	(2,000)	(2,000)
Total Non-Operating Expenses	170,295	68,137	-	(2,000)	236,432
INCOME (LOSS) BEFORE TRANSFERS	52,069	(303,532)	908,941	(303,742)	353,736
Transfers in	-	270,000	1,000,000	-	1,270,000
Transfers out	-	-	-	-	-
CHANGE IN NET POSITION	52,069	(33,532)	1,908,941	(303,742)	1,623,736
TOTAL NET POSITION - BEGINNING	2,919,542	894,525	58,535	-	3,872,602
Prior period adjustment	-	-	-	18,000	18,000
TOTAL NET POSITION - BEGINNING RESTATED	2,919,542	894,525	58,535	18,000	3,890,602
TOTAL NET POSITION - ENDING	\$ 2,971,611	\$ 860,993	\$ 1,967,476	\$ (285,742)	\$ 5,514,338

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2023

	Health Care	Workers' Compensation	Fleet Management	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 7,339,944	\$ 478	\$ 2,374,984	\$ 1,011,912	\$ 10,727,318
Payment to employees	-	-	(158,609)	(249,641)	(408,250)
Payments to suppliers	(7,495,693)	(283,005)	(984,827)	(693,982)	(9,457,507)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(155,749)	(282,527)	1,231,548	68,289	861,561
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from other funds	-	270,000	1,000,000	-	1,270,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash paid for purchase of subscription assets	-	-	-	(3,605)	(3,605)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	170,295	68,137	-	-	238,432
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,546	55,610	2,231,548	64,684	2,366,388
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,395,785	1,324,387	91,577	-	4,811,749
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,410,331	\$ 1,379,997	\$ 2,323,125	\$ 64,684	\$ 7,178,137
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ (118,226)	\$ (371,669)	\$ 908,941	\$ (301,742)	\$ 117,304
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation and amortization	-	-	-	26,248	26,248
(Increase) decrease in receivables	(97,153)	-	-	-	(97,153)
(Increase) decrease in inventory	-	-	(37,990)	-	(37,990)
(Increase) decrease in deferred outflows - pension	-	-	(80,321)	(151,485)	(231,806)
(Increase) decrease in deferred outflows - OPEB	-	-	(7,066)	(13,327)	(20,393)
Increase (decrease) in accounts payable and accrued expenses	59,630	89,142	189,358	20,828	358,958
Increase (decrease) in net pension liability	-	-	223,033	420,640	643,673
Increase (decrease) in total OPEB liability	-	-	18,344	34,597	52,941
Increase (decrease) in deferred inflows - pension	-	-	1,992	3,756	5,748
Increase (decrease) in deferred inflows - OPEB	-	-	15,257	28,774	44,031
Total Adjustments	(37,523)	89,142	322,607	370,031	744,257
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (155,749)	\$ (282,527)	\$ 1,231,548	\$ 68,289	\$ 861,561
Right to use assets acquired through subscription liabilities	\$ -	\$ -	\$ -	\$ 59,377	\$ 59,377



Single Audit Section

**For the Year Ended
December 31, 2023**



Certified Public Accountants

**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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 25, 2025. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.

February 25, 2025
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, 2023. 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, 2023.

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, 2023. 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 2023-001. 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 2023-001 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.

February 25, 2025
Topeka, Kansas

CITY OF MANHATTAN, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor/Program Title	Assistance Listing Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Department of Defense</u>				
Defense Community Infrastructure Program	12.600	None	\$ 3,018,931	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster:				
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-20-0009	307,725	85,564
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-20-0009	223,342	2,943
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-20-0009	259,631	54,866
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-20-0009	118,829	31,871
Total CDBG - Entitlement Grants Cluster			909,527	175,244
Passed through the Kansas Housing Resources Corporation:				
COVID-19 - Emergency Solutions Grants Program	14.231	ESG CV-FFY2020	153,297	153,297
Emergency Solutions Grants Program	14.231	ESG FFY 2022	147,122	147,122
Emergency Solutions Grants Program	14.231	ESG-FFY2023	66,213	66,213
Emergency Solutions Grants Program - Admin	14.231	ESD Admin	4,900	-
			371,532	366,632
Total U.S. Department of Housing and Urban Development			1,281,059	541,876
<u>U.S. Department of Transportation</u>				
Passed through the Federal Aviation Administration:				
COVID-19 - ARPA grant	20.106	3-20-0052-055-2021	1,092,570	-
Runway 3/21 Reconstruction	20.106	3-20-0052-056-2022	21,506,395	-
Construct 2-Bay & 6-Bay Hangars	20.106	3-20-0052-057-2024	160,605	-
Purchase ARFF Safety Equipment	20.106	3-20-0052-058-2023	23,250	-
Enhanced Mobility of Seniors & Individuals with Disabilities	20.106	PT-0078-20	59,977	-
CG Safe Routes Masterplan	20.106	081-U-2405-01	12,872	-
Public Transportation Innovation	20.106	None	588,725	-
Total U.S. Department of Transportation			23,444,394	-

(Continued)

CITY OF MANHATTAN, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
Year Ended December 31, 2023

Federal Grantor/Program Title	Federal ALN Number	Grantor's Number	Expenditures	Amounts Passed to Subrecipients
<u>U.S. Department of the Treasury</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	\$ 70,877	\$ -
<u>National Aeronautics and Space Administration</u>				
NASA Inspires Team	43.008	NNH21ZHA002N	17,345	-
Passed through the Association of Science and Technology Center: Community Science Partnership Planning Seed Grant Program	43.001	NNH21ZHA002N	4,000	-
Total National Aeronautics and Space Administration			21,345	-
<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	144,758	-
<u>U.S. Department of Homeland Security</u>				
Passed through the Kansas Department of Emergency Management: Federal Emergency Management	97.039	FEMA-4504DRKS0000005	134,464	-
Homeland Security - Search & Rescue Training	97.067	2-508-1050	9,488	-
Total U.S. Department of Homeland Security			143,952	-
Total expenditures of federal awards			\$ 28,125,316	\$ 541,876

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, 2023

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, 2023. 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, 2023

Section I – Summary of Independent Auditors’ Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified:	Finding 2023-001
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 2023-001

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
12.600	Defense Community Infrastructure Program
14.218	Community Development Block Grant Program
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 843,759
Auditee qualified as a low-risk auditee:	No

(Continued)

CITY OF MANHATTAN, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)
 Year Ended December 31, 2023

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

Finding 2023-001 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
3	0	1	0	0
Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$ 337,219	\$ 0	\$ 337,219	\$ 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 Accountability and Transparency Act Subaward Reporting System (FSRS).

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.

Repeat finding – Yes, Finding 2022-002

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.