



Comprehensive Annual Financial Report

For the year ended December 31, 2015



CITY OF MANHATTAN, KANSAS

Comprehensive Annual Financial Report

**Year Ended
December 31, 2015**

Prepared by:

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

CITY OF MANHATTAN, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

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August 31, 2016

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

RE: 2015 Comprehensive Annual Financial Report

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Manhattan, Kansas (the City) for the fiscal year ended December 31, 2015.

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

The City's financial statements have been audited by Varney & Associates, CPAs, LLC, an independent firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2015, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the City of Manhattan

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

The City is in Pottawatomie and Riley Counties, and is located at the confluence of the Blue and Kansas Rivers in Northeast Kansas approximately 116 miles west of Kansas City (56 miles west of Topeka, the Kansas State Capital). The City encompasses approximately 18 square miles and has a current estimated population of 56,078 persons (includes Kansas State University which was annexed on July 3, 1994).

The City provides a full range of services including fire protection, construction and maintenance of streets, storm drainage facilities and other infrastructure, comprehensive parks and recreational activities, cemetery, zoo and cultural events, planning, zoning, code enforcement, engineering, airport operations, and general administrative services. The water, wastewater, and storm water management utilities operate as enterprise funds of the City. The City is also financially accountable for a legally separate public library and a legally separate housing authority, both of which are reported separately within the City’s financial statements. Additional information on these legally separate entities can be found on Note 1.A. in the notes to the financial statements.

The City is also legally responsible for 80% of the operational budget for the Riley County Police Department, a City/Riley County consolidated law enforcement agency. This legally separate entity does not meet the criteria for inclusion as a component unit in the City’s financial statements.

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

Factors Affecting Financial Condition

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

Municipal Services and Utilities

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

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

Transportation Facilities

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

Kansas State University

Kansas State University, formerly Kansas State Agricultural College, has 150 years of distinguished service as one of the leading examples of the successful system of land-grant universities developed throughout the United States. Its campus contains over 668 acres and beyond the campus are more than 4,000 acres of university land used for experimental work in agriculture. Kansas State University is fully accredited by the North Central Accrediting Association and by various professional accrediting agencies. The University had an enrollment of 24,146 in the fall of 2015. Kansas State University ranks first nationally among state universities in its total of Rhodes, Marshall, Truman, Goldwater, and Udall scholars since 1986. The University offers many cultural, recreational, educational, and NCAA Division 1, Big XII athletic attractions.

Military-Activity - Fort Riley

Founded in 1853, Fort Riley is a military installation 15 miles west of Manhattan. Originally known as Camp Center, Fort Riley is a permanent post and has long been one of the nation's largest military installations. Today, Fort Riley is widely recognized as the Army's premier division-level installation covering approximately 101,000 acres with a military strength of approximately 17,115 soldiers and 22,983 family members. In addition to the military personnel at Fort Riley, approximately 5,731 civilians work at the installation.

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

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

Impact of Fort Riley

The following is the Economic Impact Summary for Fort Riley for the year ended September 30, 2015 (most recent federal fiscal year available):

Economic Impact of Fort Riley on the State of Kansas

Direct Economic Impact on Kansas	\$1,584,227,257
Payroll (Annually)	1,170,596,248
Supplies/Services/Contracts	239,754,394
Construction	51,200,000
Health Care	90,957,236
Education	31,719,379

Medical and Health Facilities

The City's two local hospitals, St. Mary's Hospital, built in 1960, and Riley County owned Memorial Hospital, which was built in 1954, have consolidated into one entity, Mercy Regional Health Center, which employs approximately 795 persons. In 2015, Mercy Regional Health Center underwent a change in name and ownership and is now Via Christi Hospital. The City also has two major retirement facilities, Meadowlark Hills Retirement Community and Via Christi Village, which provide assisted care as well as independent living. There are currently over 90 medical doctors practicing in the City, and a surgical center has been constructed to provide surgical and post-surgical services to the region.

Recreational Facilities

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

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

Employment and Labor Force

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

In total, the civilian labor force of Riley County according to the Kansas Department of Labor, Labor Market Information Services, is 39,048 as of December of 2015. Of this number, 37,991 or 97.3% are employed. The area civilian labor force is primarily employed in the governmental sector. Kansas State University currently employs approximately 6,028 people, and Fort Riley has a complement of approximately 17,115 military and approximately 5,731 civilian employees.

Work Force - Riley County, Kansas as of December 31, 2015

Civilian Work Force	39,048
Unemployed	1,057
Employed	37,991
Estimated % Unemployed	2.7%

Major Employers in the Manhattan Area:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Fort Riley Military Base	Military training	17,115
Kansas State University	Higher education	6,028
Fort Riley Military Base	Civilian employees	5,731
U.S.D. No. 383 - Manhattan Schools	Public Schools	1,600
GTM Sportswear	Retail & Manufacturing	900
Via Christi Hospital	Health Care	800
Wal-Mart*	Discount department store	480
Florence Corporation	Commercial Mailbox Manufacturer	400
City of Manhattan	Government	374
Meadowlark Hills Retirement Community	Geriatric care	349

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

Economic Condition and Outlook

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

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

- CivicPlus. In May 2012, the City Commission approved an economic development agreement with CivicPlus, a local company specializing in cost-effective website solutions to enhance community engagement for public sector clients. For all reporting periods thus far (2012, 2013, 2014, and 2015), CivicPlus has achieved greater than or equal to 100% compliance with the terms of their economic development agreement. CivicPlus plans to add 250 new high wage jobs over the next ten years. In May 2013, the City issued IRBs in an amount not to exceed \$15 million to finance a new five-story 50,000 square-foot office/commercial facility in downtown Manhattan. The incentive package includes a \$750,000 forgivable loan and partial tax abatement. CivicPlus held a groundbreaking ceremony in early 2013 and started demolition work in May of 2013. Construction was completed in September 2014, and the building is now occupied. CivicPlus has also renovated a significant amount of existing downtown space.
- National Bio and Agro-Defense Facility (NBAF). The United States Department of Homeland Security's Science and Technology Directorate has selected the City and Kansas State University (KSU) as the site of a state-of-the-art, high security laboratory facility to study foreign animal and zoonotic diseases that may impact livestock. There is currently no laboratory facility in the United States with the capabilities for BSL-4 research on large livestock. The facility design began in 2009 and site work began in 2010 with utility relocation. A Central Utility Plant (CUP) groundbreaking was held in May of 2013 for the NBAF. NBAF will replace the current facilities at the Plum Island Animal Disease Center (PIADC) in New York. Kansas' national leadership in animal health research and industry has made it the preferred location for the federal scientific laboratory that will accelerate animal disease research to protect the American food supply and agricultural economy. The total project estimate now exceeds \$1 billion. Related to this, in 2009, the United States Department of Agriculture (USDA) Arthropod-Borne Animal Diseases Research Unit was successfully recruited from Laramie, Wyoming. This team occupies renovated space in the current USDA research facility, and periodically leases space in KSU's state-of-the-art BSL 3-3Ag Biosecurity Research Institute. KSU recently demolished an old feed mill, which was located on the NBAF site, and constructed a new modern Feed Technology Innovation Center. As of June 2015, the CUP was approximately 95% complete, and construction has begun on the main lab with an estimated building completion date of 2020.
- KSU Institute for Commercialization (KSU-IC). Once known as the National Institute for Strategic Technology Acquisition and Commercialization (NISTAC), KSU-IC has made significant contributions toward the development of new technical business in

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

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

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

- Tallgrass Brewing Company. Tallgrass is a regional craft beer brewery with distribution to 14 states. Tallgrass received a \$250,000 forgivable loan and \$180,000 performance grant in April 2014 to assist in acquisition and equipping a new facility at the Manhattan Tech Park. Tallgrass also recently finished construction on the Tallgrass Taphouse restaurant in downtown Manhattan, which opened in June 2015.
- Kansas State University. Major improvements have been completed since 2012, and construction is ongoing at the athletic complexes. A new \$90 million West Stadium Center for KSU football was dedicated in August 2013. This facility also includes a cafeteria/training table for all KSU student athletes. In addition, new basketball practice/team facilities and new rowing and tennis facilities were also dedicated. Demolition and construction of the Vanier Football Complex was completed prior to the 2015 football season. An expansion to the College of Engineering is underway, as well as a new building for the College of Business Administration, renovations to Memorial Stadium, and a new \$56 million chilled water plant expansion.
- Manhattan has experienced steady growth during the past few years although growth has moderated somewhat with the recent economic downturn. In 2015, the value of the property tax base grew about 4%. Total sales tax revenues in 2015 were \$26,797,630, which represents an 0.36% decrease from 2015. The population has grown 9.3% from five years ago. On July 3, 1994, the City annexed Kansas State University. This annexation of students living on campus added approximately 4,200 individuals to the City's population. The 2014 estimated population for Manhattan is 56,078 persons.

Current Major Initiatives/Planned Activities

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

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

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

This new entertainment area also features Blue Earth Plaza, a public park with a fountain, river, splash component synchronized with music and light shows as well as a central shade gathering area. Two additional hotels and a mixed use building bordering the periphery have been approved, with a Candlewood Suites hotel opening in March 2013, and a Holiday Inn Express in May of 2015. A four-story residential structure with 32 living units was completed in December of 2014. Total private investment by HCW, Nobel Inc., Riffel Asset Management, and McCullough Development for the South project is approximately \$36 million, with the City contributing an additional \$31 million. Of this \$31 million, \$9.5 million will be used to pay for the Conference Center, \$7.2 million for the Discovery Center exhibits, \$3.2 million for the parking garage, and approximately \$11.1 million for site preparation and infrastructure improvements. In 2006, the City received approval for \$50 million in Sales Tax and Revenue (STAR) Bonds for the South Project Downtown Redevelopment. The City issued the 2009-1 STAR Bonds and the 2009-2 STAR Bonds in December 2009, with the 2009-2 STAR Bonds being issued as Build America Bonds under the American Recovery and Reinvestment Act of 2009. Additional STAR bonds totaling approximately \$50 million will be issued for the construction of the Discovery Center, land acquisition, and infrastructure costs.

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

- Airport. American Eagle Airlines provides three (3) daily regional jet flights to and from Dallas/Fort Worth and Manhattan and two (2) daily non-stop service flights to and from Chicago O'Hare International Airport. The airport continues on a track of significant growth as it responds to the growth occurring throughout this region of Kansas. A 42,000 square-foot expansion of the passenger terminal began in November 2013 and will be completed in two phases. Phase I is substantially complete as of summer 2015. Phase II has been funded by the FAA and began in late 2015. Coinciding with the end of Phase II will be the start of a parking lot expansion. Improvements will create a segment of the new loop road, align parking stalls consistent with the new terminal, and add access control and revenue collection equipment. Construction of the parking lot expansion is expected to be completed in October 2016. To accommodate the parking lot expansion a new military entry road will be designed and built West of the airport terminal entrance to provide access for Fort Riley equipment to the military aircraft apron. Design of this road has been completed and construction is scheduled to begin in spring 2016 and completed in September 2016. Installation of security and wildlife fence around the airport perimeter began in October 2013 and was completed in May 2014.

The Airport is also beginning the design process to upgrade its General Aviation (GA) area, which will include a new \$1 million 5,000 square-foot Fixed Base Operator (FBO) Facility to be lease financed by Kansas Air Center the Airport's Fixed Base Operator and infrastructure (water, sewer, stormwater, parking, access

road) improvements to support it. Design will be completed by Summer of 2015 with construction expected to begin immediately afterwards. In support of the GA improvements, the City and Riley County will make improvements to Airport Road, improving its design by improving drainage and adding a below grade storm sewer system.

- Community Development. In 2015, the Community Development Department administered grants totaling approximately \$753,485 for projects to improve the Senior Center, renovate and improve park facilities, rehabilitate single-family homes for LMI households and address modification to neighborhood intersections. The Community Development Department also administered grant funds for programs that addressed homelessness issues, provided financial counseling to LMI households and aided children. The Department continued work on an update of the City's Comprehensive Plan that will also include segments of Western Pottawatomie County and Riley County. Other efforts included several floodplain related projects, including public education on the new FEMA Floodplain maps, new insurance requirements for properties affected by the floodplain; adoption of the Wildcat Creek Floodplain Management Plan and meetings to develop a Blue River Floodplain Management Plan. The Department also completed a total revision of the City's sign regulations, which was adopted by the City Commission in December 2014.
- Public Works. Some of the more significant infrastructure improvements completed in the City over the past year are the following projects:
 - Expansion of North Manhattan Avenue from Kimball Avenue to south of Research Park Drive. This project widened the existing roadway and allowed for additional turn lanes for the intersection at Research Park Drive.
 - Roadway improvements for Casement Road from Marlatt Avenue south to Northfield Road, which included widening the existing rural two lane section of road to a three lane urban roadway segment with a sidewalk on the west side of the road to serve the neighborhood.
- Residential. In 2015, the City experienced a growth in the number of new subdivisions with the outlook for 2016 to continue with a similar pace to keep up with demand for new homes in the community. Some of the subdivisions completed in 2015 were the following: Grand Luxe Addition, Interlachen Addition, Lee Mill Heights Unit 9, Scenic Meadows Unit 3 Phase 3, Stone Valley Unit 2, Turnberry Addition, and Western Hills Addition Unit 14 Phase 2.
- Utilities. Due to existing and expected growth in the City, and to achieve full compliance with State and Federal environmental regulations, the Water and Wastewater Treatment Plants began major expansions in 2010 at costs of \$16.59 million and \$23.67 million, respectively. The expansion of the Water Treatment Plant was completed in December 2012, increasing the plant capacity from 20 to 30 million gallons per day. Progress at the Wastewater Treatment Plant's expansion project allowed the majority of the improvements to go online. The plant capacity went from 8.7 million gallons a day to 11 million gallons per day. In addition, Biological Nutrient Removal (BNR) has been added to the treatment process. Low-interest loans from the Kansas Department of Health and Environment financed these expansions, and utility rate increases may be necessary over the next several years in order to meet the debt service requirements of these loans.

In 2014, the City began projects to provide improvements to various portions of the City's Water Distribution and Sewer Collection Systems.

In order to replace undersized and deteriorated water mains in the College View and Westwood neighborhoods, as well as other locations, the City began a water systems improvement project at a cost estimated at nearly \$2 million. Design and construction also began on a \$5.7 million project that is being funded by both the City and the Pottawatomie County RWD No.1 to install a new transmission main, booster pump station and water tower that will supply water to the Blue Township area. Design commenced on a \$3.8 million project to construct a high-pressure transmission main to supply adequate amounts of domestic water and fire protection to K-18/Eureka Valley Corridor, which includes the Manhattan Regional Airport, TecPark, and all future development throughout the corridor. Finally, construction began on the Water Meter Replacement and Automation project, a \$3 million project to replace over 8,000 water meters and meter reading infrastructure that will replace older meters and complete the full automation of the meter reading system. This project is being funded with a KDHE Kansas Public Water Supply Loan that has 40 percent principal forgiveness.

The Wastewater Department neared completion of construction of the Wildcat Creek Lift Station, Phase II Improvements in 2014, which had an estimated cost of \$860,000. This project increased the pumping capacity of the City's biggest lift station, which serves roughly a third of the City's area. Approximately \$900,000 of improvements were made to the sewer collection system, including a large replacement project in the Wildcat Ridge neighborhood, as well as sewer lining and manhole rehabilitation projects city-wide.

- Parks and Recreation. In 2009, City voters approved an increase in the City's sales tax rate from 1.00% to 1.25%. The additional 0.25% is dedicated to the payment of debt service on debt issued to finance the construction the new City Park Aquatic Center, renovations and improvements to the CiCo Park and Northview Park pools, and construction of a new Nature Education Center at the Sunset Zoo. Construction on the City Park Aquatic Center began in 2009 and was completed in July of 2010. The Cico Park pool was completed in June 2011, and the Northview pool opened to the public on July 4, 2011. All three pools were opened in May for the 2012 swim season, which was the first year all three pools were in continuous operations since 2007. The Sunset Zoo Nature Exploration Center held its grand opening on June 2, 2012.
- Fire Department. Construction was completed on two new fire stations in the summer of 2012. The southwest fire station is a relocation of the fire station on Anderson Avenue to Amherst Avenue, and the northwest fire station is an entirely new station located on Vanesta Drive. In 2012, fire dispatching was consolidated and is now done from the 911 dispatchers at the Riley County Police Department. The City has also completed the FCC requirements of narrow banding on all City radio frequencies and hardware. The Fire Department upgraded all the self-contained breathing apparatus (SCBA) to the 2012 National Fire Protection Association (NFPA) standard in 2014. The City has adopted the 2012 International Fire Code along with

the 2012 International Building Code. In 2015, the Fire Department lease-purchased a new Pierce PUC fire apparatus that was delivered in October of 2015.

Financial Policies

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

- **Capital Improvements Program (CIP)**. This policy establishes a process for a six-year CIP which shall set priorities and provide for the scheduling of capital improvements, major purchases of equipment and major studies or surveys. The first year of the CIP is considered in the development of the annual operating budget. The CIP is adopted by resolution approved by the City Commission after a public hearing has been conducted for the purpose of soliciting community comments on the proposed CIP.
- **Investment Policy**. This policy establishes that, giving due regard to the safety and risk of investments, all available funds shall be invested in conformance with legal and administrative guidelines and, to the maximum extent possible, at the highest rates obtainable at the time of investment. Annually, the City is granted expanded investment powers by the state's Pooled Money Investment Board (PMIB) and is one of only eight municipal entities in Kansas holding this designation.
- **Long-term Obligation Financing Policy**. This policy establishes a management committee to oversee the issuance of City debt and restricts total annual debt issuances to a predetermined amount unless approved by the City Commission. This restriction was waived in 2010, as it was determined that the issuance of debt in 2010 for various projects related to Downtown Redevelopment was vital to the overall success of the City's efforts to revitalize the downtown corridor. This policy also establishes benchmarks for the rapid payback of general obligation debt and present value savings to be achieved when refunding existing debt.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manhattan for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This was the 18th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The Popular Annual Financial Reporting Award (PAFR) Program was created by the Government Finance Officers Association (GFOA) in 1991. This program is designed to recognize local governments for their achievement in reporting information from the Comprehensive Annual Financial Report into a high quality summary report. The PAFR should be a document that is easily readable by those without a background in public finance, and a tool for community members to learn about the financial condition of their local government agency. The City of Manhattan, Kansas has received the PAFR award twice, for fiscal years ending in 2013, and 2014.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its budget document for fiscal year 2015. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communication device.

Preparation of this report would not have been possible without the professional, efficient, and dedicated services of the staff of Berberich Trahan & Co., P.A. and the Finance Department. Credit should also be given to the City Commission and the City Manager's Office for providing the direction and support necessary to maintain the highest standards of professionalism in conducting the financial operations of the City. Thanks should also be extended to Varney & Associates, CPAs, LLC, for the cooperation and professional assistance provided during the audit of the City's 2014 financial records.

Respectfully submitted,



Ron R. Fehr
City Manager



Bernie Hayen
Director of Finance



Government Finance Officers Association

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

Presented to

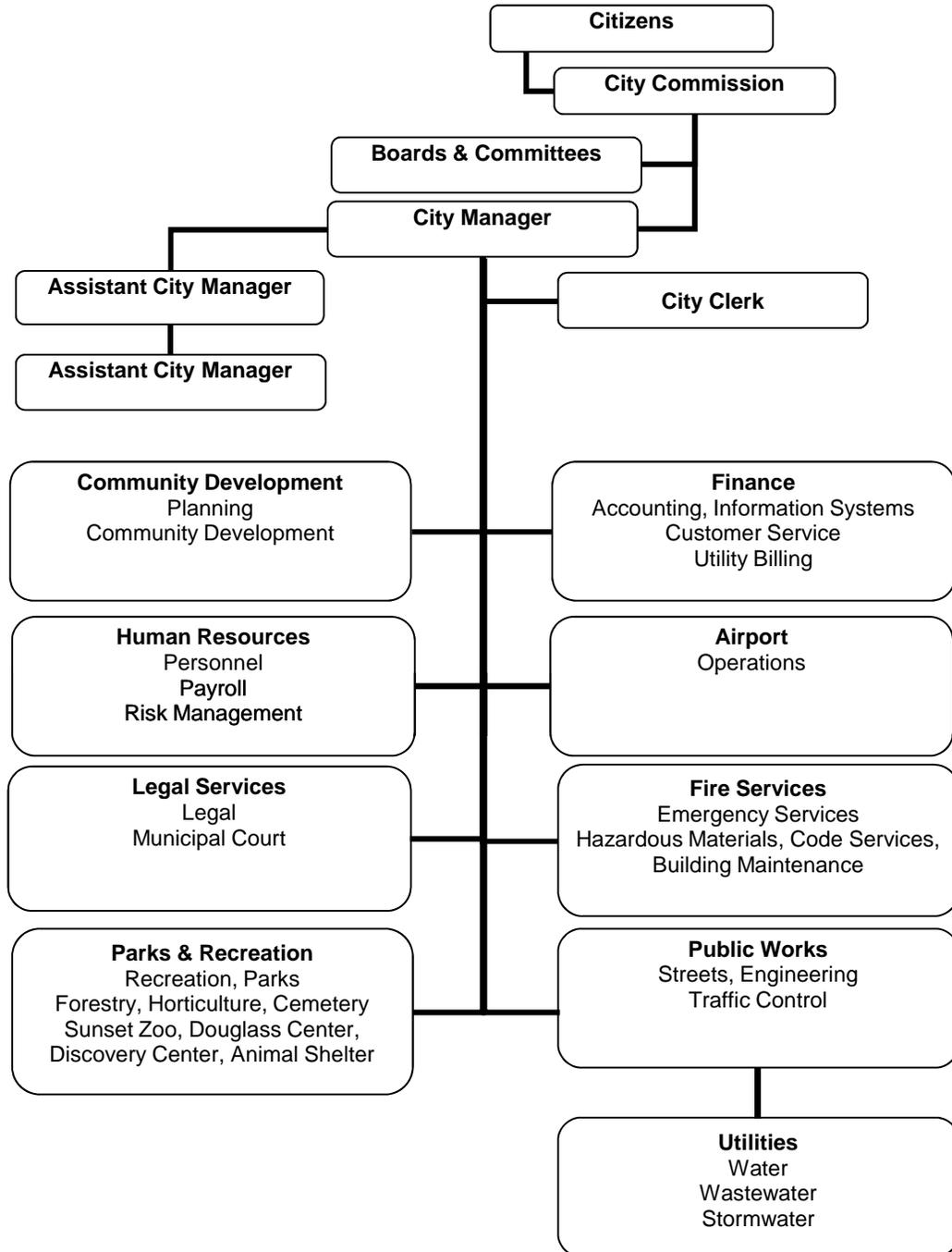
**City of Manhattan
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of Manhattan, Kansas Organizational Structure



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

CITY OF MANHATTAN, KANSAS

List of Principal Officials

ELECTED OFFICIALS

Mayor	Usha Reddi
City Commissioner, Mayor Pro-tem	Linda Morse
City Commissioner	Michael Dodson
City Commissioner	Wynn Butler
City Commissioner	Karen McCulloh

APPOINTED OFFICIALS

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

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August 19, 2016

The Honorable Mayor and City Commission
City of Manhattan, Kansas

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manhattan, Kansas (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manhattan, Kansas, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Riley County Police Department Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. As listed in the table of contents, the following are presented for purposes of additional analysis and are not a required part of the basic financial statements:

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

As listed in the table of contents, the following are not a required part of the basic financial statements but are required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and are presented for purposes of additional analysis:

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

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

August 19, 2016
City of Manhattan, Kansas
Page three

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vainey & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

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Management's Discussion and Analysis

This section of the City of Manhattan's annual financial report presents our discussion and analysis of the City's financial performance during the year that ended on December 31, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section, for a well-rounded picture of the City's financial condition.

Financial Highlights

- The assets of the City of Manhattan exceeded its liabilities at the close of 2015 by \$212,600,768. Of this amount, \$29,525,433 may be used to meet the City's ongoing obligations that would be due within one year.
- The City's total net position decreased by \$9,114,101 over the course of this year's operations. The net position of our governmental activities decreased by \$8,729,719 (7 percent) and the net position of our business-type activities decreased by \$384,382 (less than one percent). This is due to the reporting requirements of GASB 68. Additional information on GASB 68 can be found in note 3.F on pages 97-102 of this report.

NOTE: Beginning with the 2015 City of Manhattan audit, the Governmental Accounting Standards Board's (GASB) Statement No. 68 requires that local employee pension obligations be recognized on the Statement of Net Position and Balance Sheet of the City's annual audited financial statements. This pension obligation represents both the City of Manhattan and the State of Kansas' unfunded pension liability as reported by the Kansas Public Employees Retirement System (KPERs).

It is important to remember that the City of Manhattan annually makes a statutorily required contribution to KPERs to ensure proper funding of its employee pension obligations and, under state law, cannot contribute additional monies to its own pension plan. The Kansas Legislature has not met its KPERs pension contributions to municipalities across the state and, as a result of their inaction, the City of Manhattan's overall pension liability as reported in the annual audited financial statements remains underfunded. [See the Statement of Net Position on page 34 and the Balance Sheet on page 40 for additional information.]

- As of the end of 2015, the City of Manhattan's governmental funds reported combined ending fund balances of \$66,764,395, an increase of \$18,171,968 in comparison with the prior year. Approximately 16 percent of this total amount, \$10,587,432 is assigned for purchases on order and subsequent year budget unassigned appropriations is negative \$168,604.
- At the end of 2015, the assigned fund balance for the general fund was \$2,073,337, or 8 percent of total general fund expenditures. The unassigned fund balance for the general fund is negative \$144,413.
- The City's total debt increased by \$12,956,284 during 2015. General obligation bonds outstanding decreased by \$4,360,000 in 2015. General obligation bonds in the amount of \$10,280,000 were issued in 2015, while \$14,640,000 was retired. Several special assessment projects were in progress during 2015, and temporary notes were issued for these development. However, the temporary notes for the Benefit Districts did not bond in 2015 but will in future fiscal years.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The City of Manhattan maintains 54 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Riley County Police Department fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other 50 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Other Information. In addition to the financial statements and the notes described above, the combining statements for non-major governmental funds and internal service funds are presented as other supplementary information immediately following the notes.

Government-wide Financial Analysis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Manhattan, assets exceeded liabilities by \$212,600,768 at the close of 2015.

A large portion of the City of Manhattan's net position (55 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Manhattan uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Manhattan's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	CITY OF MANHATTAN'S NET POSITION					
	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 175,988,326	\$ 159,904,013	\$ 4,002,119	\$ 8,578,030	\$ 179,990,445	\$ 168,482,043
Capital assets	214,109,173	205,509,121	161,057,936	158,726,753	375,167,109	364,235,874
Total assets	390,097,499	365,413,134	165,060,055	167,304,783	555,157,554	532,717,917
Long-term liabilities outstanding	246,820,308	214,906,312	62,697,864	64,027,934	309,518,172	278,934,246
Other liabilities	8,138,377	8,198,400	1,365,006	1,858,678	9,503,383	10,057,078
Total liabilities	254,958,685	223,104,712	64,062,870	65,886,612	319,021,555	288,991,324
Net investment in capital assets	15,153,617	22,478,602	101,071,661	95,208,986	116,225,278	117,687,588
Restricted	104,518,014	87,708,105	-	-	104,518,014	87,708,105
Unrestricted	(8,104,652)	10,109,991	(37,872)	6,209,185	(8,142,524)	16,319,176
Total net position	\$ 111,566,979	\$ 120,296,698	\$ 101,033,789	\$ 101,418,171	\$ 212,600,768	\$ 221,714,869

An additional portion of the City's net position (49 percent) represents resources that are subject to external restrictions on how they may be used. The negative balance of net position for governmental activities represents the city's pension liability for the new pronouncement of GASB 68. The city has met all statutory funding levels set by the State of Kansas. However the pension liability reflected in the negative balance of net position for governmental activities is that of the State of Kansas and their unfunded retirement portion for the City of Manhattan employees through the Kansas Public Employees Retirement System (KPERs).

At the end of 2015, the City is able to report a positive balance for restricted net position. Investments in capital assets net position for all categories decreased by one percent since the end of 2014. In 2015, the City's net position, for governmental and business activities, decreased by \$9,114,101.

Governmental activities. Governmental activities decreased the City's net position by \$8,729,719. Key elements of this decrease are as follows:

	CITY OF MANHATTAN'S CHANGES IN NET POSITION					
	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 5,861,533	\$ 6,121,241	\$ 20,711,903	\$ 21,490,369	\$ 26,573,436	\$ 27,611,610
Operating grants and	4,226,572	3,926,624	-	-	4,226,572	3,926,624

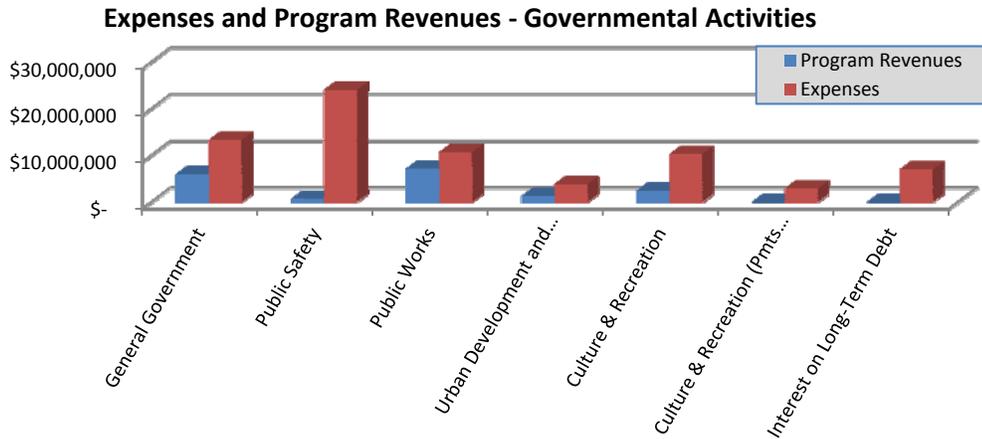
contributions						
Capital grants and contributions	7,435,992	18,102,297	-	-	7,435,992	18,102,297
General revenues:						
Property taxes	25,269,663	23,884,803	-	-	25,269,663	23,884,803
Other taxes	31,975,754	32,078,322	-	-	31,975,754	32,078,322
Other	1,699,002	1,591,709	385,464	407,966	2,084,466	1,999,675
Total revenues	76,468,516	85,704,996	21,097,367	21,898,335	97,565,883	107,603,331
Expenses:						
General government	13,303,797	-	-	-	13,303,797	11,866,408
Public safety	24,016,656	11,866,408	-	-	24,016,656	21,922,853
Public works	10,673,143	21,922,853	-	-	10,673,143	10,827,570
Urban development and housing	3,830,335	10,827,570	-	-	3,830,335	4,862,288
Culture and recreation	10,273,507	4,862,288	-	-	10,273,507	9,296,881
Culture and recreation (payments to Library)	2,903,361	9,296,881	-	-	2,903,361	2,748,299
Interest on long-term debt	7,012,106	2,748,299	-	-	7,012,106	7,112,471
Water	-	7,112,471	7,861,973	9,025,858	7,861,973	9,025,858
Wastewater	-	-	7,649,478	9,191,695	7,649,478	9,191,695
Storm water management	-	-	1,122,262	1,610,773	1,122,262	1,610,773
Total expenses	72,012,905	68,636,770	16,633,713	19,828,326	88,465,096	88,465,096
Increase in net position before transfers	4,455,611	17,068,226	4,463,654	2,070,009	8,919,265	19,138,235
Transfers	2,554,154	(7,113,323)	(2,554,154)	7,113,323	-	-
Increase in net position	7,009,765	9,954,903	1,909,500	9,183,332	8,919,265	19,138,235
Net position - 01/01	\$ 120,296,698	\$ 110,341,795	\$ 101,418,171	\$ 92,234,839	\$ 221,714,869	\$ 202,576,634
Net position - 12/31, as previously stated	\$ 127,306,463	\$ 120,296,698	\$ 103,327,671	\$ 101,418,171	\$ 230,634,134	\$ 221,714,869
Prior period adjustment	(15,739,484)	-	(2,293,882)	-	(18,033,366)	-
Net position - 12/31, as restated	\$ 111,566,979	\$ 120,296,698	\$ 101,033,789	\$ 101,418,171	\$ 212,600,768	\$ 221,714,869

Capital grants for governmental activities decreased by \$10,666,305 from 2014 to 2015. These decreases were from general government and public works program revenues. General government revenues decreased by \$5,440,442; while public works revenues decreased by \$5,225,863 from 2014 to 2015.

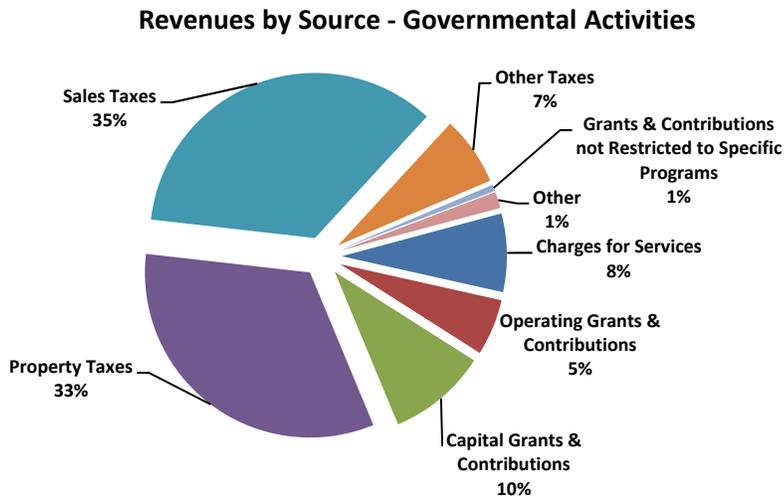
- Operating grants and contributions increased by \$299,948 from 2014 to 2015. This increase can be attributed to operating grants and contributions for urban housing and development. The remaining increase reflects the normal fluctuation in several of the City's grant funds.
- Charges for services for governmental activities decreased by \$259,708 from 2014 to 2015. The majority of this decrease was from culture and recreation activities, which decreased by \$194,231 from 2014 to 2015.
- Property taxes increased by \$1,384,860 from 2014 to 2015. The increase in taxes levied in 2015 is higher than the increase of \$1,056,385 between 2013 and 2014. Other taxes decreased by \$102,568 during 2015.
- Other general revenues increased by \$107,293 from 2014 to 2015.

Total expenses increased by \$3,376,135 from 2014 to 2015. In 2015, expenses for public works, urban development and housing, and interest on long-term debt decreased by \$1,286,745. The general government function increased expenses by \$1,437,389 (12 percent) from 2014 to 2015. Other significant increases include escalating health insurance premiums and payroll tax expenses. Expenditures related to public safety, as well as the culture and recreation function increased by \$3,225,491 (25.7 percent) from 2014 to 2015.

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



The following graph shows the composition of 2015 revenues for the governmental activities.

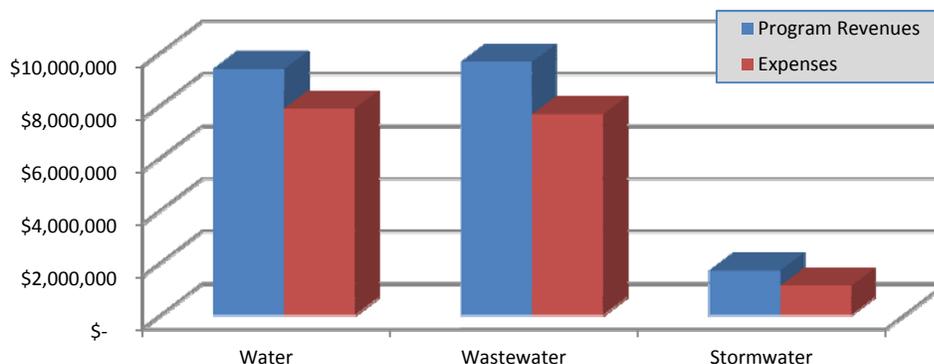


Business-type activities. Business-type activities decreased the City's net position by \$384,382 in 2015. This decrease is due to the unrestricted funds in Water, Wastewater and Stormwater Funds. Revenue received from service charges in 2015 totaled \$20,711,903 compared to \$21,490,369 in 2014. This is a decrease of \$800,968 (3.67 percent) from 2014 to 2015.

A rate increase of 3 percent went into effect January 1, 2015 for wastewater. Rate increases of five and four percent also went into effect January 1, 2015, for the water fund and stormwater fund respectively. Capital contributions received in 2015 totaled \$423,540, while these contributions totaled \$9,895,425 in 2014. Total expenses decreased \$3,194,613 (16 percent) from 2014 to 2015.

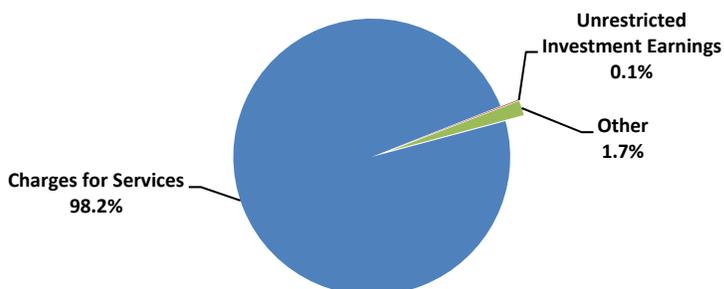
The following chart compares expenses with program revenues for the various business-type activities of the City.

Expenses and Program Revenues - Business-type Activities



The following graph shows the composition of 2015 revenues for the business-type activities.

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

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

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

At the end of 2015, the City of Manhattan's governmental funds reported combined ending fund balances of \$66,764,395 an increase of \$18,171,968 in comparison with the prior year. The available unassigned balance for governmental funds was negative \$168,604 at the completion of the 2015 fiscal year. The remainder of fund balance is classified as assigned, committed, restricted, or non-spendable to indicate that it is not available for new spending. The assigned fund balance is 16 percent (\$10,587,432) of the total and is dedicated to 1) liquidate contracts and purchase orders for the year (\$514,949) and 2) to appropriate funds for the subsequent year's budget allocation (\$10,072,483). The committed fund balance is less than one percent (\$26,425) of the total and is legally constrained by the governing body for City-University projects. The restricted fund balance is 84 percent (\$55,839,285) of the total and represents resources that are externally restricted by parties outside the government such as creditors, grantors, and contributors, or by laws or regulations of other governments. Several of the City's special revenue funds and grant funds are included in this balance. The non-spendable fund balance is less than one percent (\$479,857) of the total balance and is used to pay for the perpetual care of one of the municipal cemeteries.

The general fund is the chief operating fund of the City of Manhattan. At the end of 2015, unassigned fund balance of the general fund was negative \$144,413 while total fund balance was \$3,829,053. As a measure of the general fund's liquidity, it may be useful to compare the unassigned and assigned fund balance as well as the total fund balance to total fund expenditures. In total, the assigned and unassigned fund balance represents 7 percent of total general fund expenditures, while total fund balance represents 14 percent of the same expenditure amount.

In 2015, City's general fund balance decrease by \$464,110. An increase of \$280,539 was shown in 2014. Key elements of this are as follows:

- Taxes increased \$113,878 in 2015. Sales tax revenues increased by \$86,759 from 2014 to 2015. Franchise taxes decreased by \$190,572 from 2014 to 2015. This decrease can be attributed to the economic factors gas and oil rates in 2015. Property taxes increased by \$217,691 from 2014 to 2015.
- Licenses and permits increased by \$19,237 in 2014. There was minimal growth in building permit fees, and all other licenses and permits received by the General Fund.
- Intergovernmental revenues decreased by \$1,610 from 2014 to 2015. The majority of this decrease was due to taxes received from liquor sales, which is distributed by the State of Kansas.
- Charges for services decreased by \$115,562 from 2014 to 2015. This decrease was primarily due to the change in rent paid by the Manhattan Town Center and administrative fees collected through the issuance of debt.
- Fine and forfeitures decreased by \$125,408 in 2015. Reduction of municipal court revenues were the primary reason for the decrease.
- Investment income increased by \$10,552 from 2014 to 2015. This minimal increase was due to investment interest rates improving compared to prior years.
- Miscellaneous revenues decreased by \$114,270 from 2014 to 2015. The decrease is attributed to a decrease of several miscellaneous revenue line items.
- Expenditures increased by \$830,411 in 2015. Some functions showed increases in expenditures, while others showed decreases. General government expenditures increased by \$107,401. Approximately 20 percent of this increase can be attributed to the cost of gas and electricity for the new terminal at the Manhattan Regional Airport. Public safety expenditures increased by \$447,773. Urban development and housing expenditures increased by \$30,009. Public works expenditures decreased by \$14,265. Culture and recreation expenditures increased nearly \$515,261.
- Transfers in increased \$750,108 from 2014 to 2015. This increase is primarily attributed to payment in lieu of taxes, administration fees, and franchise fees paid by the utility funds, to inter-fund transfers.

The Riley County Police Department fund provides for expenditures made to the Riley County Police Department (RCPD). Police protection is provided to the City by the RCPD under a statutory arrangement whereby the City is responsible for 80 percent of the RCPD's budget. This fund has a zero fund balance for the end of 2015.

The debt service fund has a total fund balance of \$19,974,970, of which all is restricted for future debt service payments. The net increase in fund balance during the current year was \$5,821,359. Debt service expenditures outpaced revenues by \$4,979,881. However, this deficit was offset by issuance of general obligation bonds, premiums on general obligation bonds, and transfers in from other funds. The deficit of revenues over debt service expenditures in 2015 was \$2,427,974 higher than in 2014.

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 \$19,886,679 all of which all is restricted. This fund balance increased by \$9,951,270 during the current year.

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

Unrestricted net position of the water fund at the end of 2015 amounted to \$1,466,216; the wastewater fund amounted to (\$3,305,918) and the storm water management fund amounted to (\$1,801,830). The total loss in net position for each fund was \$1,101,214, \$1,086,713, and \$109,955, respectively. A key element of these changes is as follows:

- Capital contributions are typically a significant revenue source for all of the enterprise funds. Capital contributions result primarily from the fact that a large portion of the infrastructure assets for these funds are financed from the proceeds of general obligation bonds which are repaid from governmental funds rather than these enterprise funds. Some capital assets are also donated by outside parties. During the current year, total capital contributions by the Water, Wastewater, and Stormwater Funds were \$38,231, \$248,070 and \$137,239,

respectively, as compared to \$2,394,754, \$3,587,365 and \$3,913,306 in 2014. The overall decrease from 2014 to 2015 was \$9,471,885.

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

General Fund Budgetary Highlights

Revenues exceeded budgetary estimates in all categories with the exceptions of fines and forfeitures, and investment income. Fines and forfeitures decreased by \$125,408 due to Municipal Court collections. Investment income has declined dramatically since 2007, and while the 2015 budget figure was lowered in comparison to previous years, the continuous decline was not projected. The most significant variance from budget was in taxes, which exceeded the budgeted amount by approximately \$563,783. The majority of this increase stemmed from increased property taxes over 2014. Charges for services also exceeded the budgeted amount by \$237,849. Total expenditures were less than budgetary estimates by \$1,997,449 (8 percent) of total budgeted expenditures.

Capital Asset and Debt Administration

Capital assets. The City of Manhattan's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$375,167,109 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, park and pool facilities, streets, storm sewers, bridges, and water and sewer lines. The total increase in the City's investment in capital assets was 3 percent.

Major capital asset events during 2015 included the following:

- The Wastewater Treatment Plant Expansion, Phase I had an increase of approximately \$612,000 from 2014 to 2015.
- Construction of the Wellfield for the Water Treatment Plant increased the capital asset for the building by \$378,051.
- The Flint Hills Discovery Center built during the redevelopment downtown in 2009 to 2010 had an increased value for the building, and exhibits of \$709,146.
- The runway located at the Manhattan Regional Airport increased by the infrastructure value of \$341,491.
- Infrastructure from the street improvements of 2007 added value of \$311,750 to the city's capital assets in 2015.

CITY OF MANHATTAN'S CAPITAL ASSETS

(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 20,724,684	\$ 20,703,354	\$ 499,272	\$ 499,272	\$ 21,223,956	\$ 21,202,626
Buildings and improvements	77,720,357	75,328,448	77,720,357	49,506,295	50,868,616	124,834,743
Contents and equipment	2,336,540	2,233,617	2,336,540	2,076,897	1,979,290	4,310,514
Vehicles	1,814,027	1,552,510	771,773	789,849	2,585,800	2,342,359
Infrastructure	79,227,823	77,414,906	79,227,823	93,269,300	94,824,218	170,684,206
Construction in progress	23,968,537	36,593,491	23,968,537	14,934,399	9,765,508	51,527,890
Total	\$ 214,109,173	\$ 205,509,121	\$ 161,057,936	\$ 158,726,753	\$ 375,167,109	\$ 364,235,874

Additional information on the City's capital assets can be found in note 3.F on pages 78-80 of this report.

Long-term debt. At the end of 2015, the City had total bonded debt outstanding of \$175,440,000. Of this amount, \$59,453,515 comprises debt backed by the full faith and credit of the City and \$57,701,485 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt represents bonds secured solely by specific revenue sources (i.e., special obligation bonds).

CITY OF MANHATTAN'S OUTSTANDING DEBT

General Obligation and Special Obligation Bonds

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 52,298,515	\$ 56,220,206	\$ 7,155,000	\$ 8,295,000	\$ 59,453,515	\$ 64,515,206
General obligation bonds (special assessment debt with governmental commitment)	57,701,485	56,999,794	-	-	57,701,485	56,999,794
Sales tax revenue bonds	5,335,000	5,490,000	-	-	5,335,000	5,490,000
Special obligation bonds	52,950,000	57,185,000	-	-	52,950,000	57,185,000
Total	\$168,285,000	\$175,895,000	\$7,155,000	\$8,295,000	\$175,440,000	\$184,190,000

The City's total outstanding debt decreased by \$8,750,000 during 2015. General obligation bonds outstanding decreased by \$4,360,000 in 2015. Bonds in the amount of \$10,280,000 were issued in 2015, while \$14,640,000 was retired. Several special assessment projects that were in progress during 2015. There was an increase of \$23,580,000 in temporary notes outstanding at the end of 2015 as compared to 2014. This increase was due to several construction projects beginning in 2015, and the increase of residential development through special assessments.

The City maintains a "AA+" rating from Fitch, a "AA" rating from Standard & Poor's, and a "Aa2" rating from Moody's for its general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 30 percent of its total assessed valuation. The current debt limitation for the City is \$161,774,759, which is significantly in excess of the City's outstanding general obligation bonds.

Additional information on the City's long-term debt can be found in note 3.J on pages 82-95 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the City of Manhattan at the end of 2015 was 2.8 percent. This rate has decreased by 0.9 percent over 2014 and still is very favorable compared to the state's average unemployment rate of 3.60 percent and the national average rate of 5.00 percent.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the City's 2016 budget are as follows:

- The mill levy rate increased by 2.988, with a total mill levy rate of 46.951 for 2016. This rate compares favorably to mill levy rates over the last 20 years.
- Capital improvements anticipated for 2016 and beyond are incorporated into the proposed 2016-2021 Capital Improvements Program. The plan totals \$206,704,978 and includes the following for 2016:
 - ✓Replacement of a Fire Pumper Truck for the Manhattan Fire Department
 - ✓Improvements to West Anderson Avenue
 - ✓Renovations to the Tiger/Sloth Bear Exhibit at the Sunset Zoological Park
 - ✓Improvements to the Utility Maintenance Facility
 - ✓Purchasing a Backup Generator for the Water Treatment Plant
 - ✓Improvements to Northview Sewer System
 - ✓Eureka Valley Transmission Main from Miller Ranch Tower - Flint Hills Technology Park
 - ✓Construction improvements to Airport Road and the FBO Stormwater utilities

Requests for Information

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

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CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION
December 31, 2015

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 46,520,095	\$ 12,457,362	\$ 58,977,457
Cash with refunding escrow agent	9,126,593	-	9,126,593
Cash with special obligation bonds trustee	2,842,125	-	2,842,125
Investment in joint venture	170,085	-	170,085
Receivables:			
Accounts (net of allowance for uncollectibles)	1,383,190	2,520,932	3,904,122
Intergovernmental	1,769,420	-	1,769,420
Franchise tax	434,626	-	434,626
Sales tax	3,919,196	-	3,919,196
Transient guest tax	467,711	-	467,711
Property tax	24,154,696	-	24,154,696
Economic development loans	72,930	-	72,930
Other loans	30,857	-	30,857
Notes:			
Current	100,000	-	100,000
Noncurrent	4,500,000	-	4,500,000
Inventories	22,392	65,858	88,250
Prepaid expenses	-	-	-
Interfund Receivable (Payable)	11,282,169	(11,282,169)	-
Restricted assets:			
Cash and investments			
Construction accounts	-	240,136	240,136
Special assessments:			
Current	6,398,712	-	6,398,712
Noncurrent	62,793,529	-	62,793,529
Capital assets:			
Land	20,724,684	499,272	21,223,956
Infrastructure, net of accumulated depreciation	77,414,906	93,269,300	170,684,206
Other capital assets, net of accumulated depreciation	79,376,092	52,354,965	131,731,057
Construction in progress	36,593,491	14,934,399	51,527,890
Total capital assets	\$ 214,109,173	\$ 161,057,936	\$ 375,167,109
 TOTAL ASSETS	 \$ 390,097,499	 \$ 165,060,055	 \$ 555,157,554
 DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	1,693,810	216,950	1,910,760

(Continued)

Component Unit
Manhattan Public Library
\$ 938,419
-
-
-
-
-
-
-
2,899,300
-
-
-
-
47,702
-
-
-
-
-
806,269
-
<u>\$ 806,269</u>
 <u>\$ 4,691,690</u>
 <u>153,866</u>

CITY OF MANHATTAN, KANSAS
STATEMENT OF NET POSITION (CONTINUED)
December 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 5,846,123	\$ 639,888	\$ 6,486,011
Estimated insurance claims payable	739,940	-	739,940
Sales tax payable	-	-	-
Accrued interest payable	1,005,808	622,597	1,628,405
Accrued payroll	546,506	102,521	649,027
Security deposits	-	-	-
Unearned revenue	-	-	-
Temporary notes payable	-	-	-
Long-term liabilities:			
Due within one year	25,110,931	4,414,502	29,525,433
Due in more than one year	221,709,377	58,283,362	279,992,739
TOTAL LIABILITIES	\$ 254,958,685	\$ 64,062,870	\$ 319,021,555
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	24,154,696	-	24,154,696
Resources related to pensions	1,110,949	180,346	1,291,295
	<u>25,265,645</u>	<u>180,346</u>	<u>25,445,991</u>
NET POSITION			
Net investment in capital assets	\$ 15,153,617	\$ 101,071,661	\$ 116,225,278
Restricted for:			
Culture and recreation	1,474,117	-	1,474,117
Public safety	316,816	-	316,816
Public works	21,394,453	-	21,394,453
Urban development and housing	8,414,032	-	8,414,032
Debt service	67,543,302	-	67,543,302
Perpetual care:			
Nonexpendable	479,857	-	479,857
Other purposes	4,895,437	-	4,895,437
Unrestricted	(8,104,652)	(37,872)	(8,142,524)
TOTAL NET POSITION	\$ 111,566,979	\$ 101,033,789	\$ 212,600,768

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

Component Units

Manhattan	
Public	
Library	
<u>\$</u>	<u>-</u>
	-
	-
	-
	37,645
	-
	-
	-
	25,471
	<u>1,677,463</u>
<u>\$</u>	<u>1,740,579</u>

	2,899,300
	<u>118,787</u>
	<u>3,018,087</u>

\$	806,269
	-
	-
	-
	-
	-
	-
	-
	<u>(719,379)</u>
<u>\$</u>	<u>86,890</u>

CITY OF MANHATTAN, KANSAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government			
Governmental activities			
General government	\$ 13,303,797	\$ 2,968,749	\$ 994,654
Public safety	24,016,656	651,670	16,155
Public works	10,673,143	129,254	1,602,263
Urban development and housing	3,830,335	144,190	1,135,398
Culture and recreation	10,273,507	1,967,670	478,102
Culture and recreation (payments to Library)	2,903,361	-	-
Interest on long-term debt	7,012,106	-	-
Total governmental activities	<u>\$ 72,012,905</u>	<u>\$ 5,861,533</u>	<u>\$ 4,226,572</u>
Business-type activities			
Water	\$ 7,861,973	\$ 9,374,774	\$ -
Wastewater	7,649,478	9,645,758	-
Storm water management	1,122,262	1,691,371	-
Total business-type activities	<u>\$ 16,633,713</u>	<u>\$ 20,711,903</u>	<u>\$ -</u>
Total primary government	<u>\$ 88,646,618</u>	<u>\$ 26,573,436</u>	<u>\$ 4,226,572</u>
Component unit			
Manhattan Public Library	<u>\$ 3,225,679</u>	<u>\$ 112,551</u>	<u>\$ 168,487</u>

General revenues:

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

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

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Component Unit</u>
	<u>Primary Government</u>			<u>Manhattan Public Library</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
\$ 1,995,285	\$ (7,345,109)	\$ -	\$ (7,345,109)	
-	(23,348,831)	-	(23,348,831)	
5,440,707	(3,500,919)	-	(3,500,919)	
-	(2,550,747)	-	(2,550,747)	
-	(7,827,735)	-	(7,827,735)	
-	(2,903,361)	-	(2,903,361)	
-	(7,012,106)	-	(7,012,106)	
<u>\$ 7,435,992</u>	<u>\$ (54,488,808)</u>	<u>\$ -</u>	<u>\$ (54,488,808)</u>	
\$ -	\$ -	\$ 1,512,801	\$ 1,512,801	
-	-	1,996,280	1,996,280	
-	-	569,109	569,109	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,078,190</u>	<u>\$ 4,078,190</u>	
<u>\$ 7,435,992</u>	<u>\$ (54,488,808)</u>	<u>\$ 4,078,190</u>	<u>\$ (50,410,618)</u>	
<u>\$ -</u>				\$ (2,944,641)
	\$ 22,821,549	\$ -	\$ 22,821,549	\$ -
	2,448,114	-	2,448,114	-
	3,662,022	-	3,662,022	-
	26,797,630	-	26,797,630	-
	1,516,102	-	1,516,102	-
	-	-	-	2,751,933
	478,102	-	478,102	-
	23,023	21,960	44,983	5,172
	1,197,877	363,504	1,561,381	-
	2,554,154	(2,554,154)	-	-
	<u>\$ 61,498,573</u>	<u>\$ (2,168,690)</u>	<u>\$ 59,329,883</u>	<u>\$ 2,757,105</u>
	<u>\$ 7,009,765</u>	<u>\$ 1,909,500</u>	<u>\$ 8,919,265</u>	<u>\$ (187,536)</u>
	<u>\$ 120,296,698</u>	<u>\$ 101,418,171</u>	<u>\$ 221,714,869</u>	<u>\$ 1,453,742</u>
	(15,739,484)	(2,293,882)	(18,033,366)	(1,179,316)
	<u>\$ 104,557,214</u>	<u>\$ 99,124,289</u>	<u>\$ 203,681,503</u>	<u>\$ 274,426</u>
	<u>\$ 111,566,979</u>	<u>\$ 101,033,789</u>	<u>\$ 212,600,768</u>	<u>\$ 86,890</u>

CITY OF MANHATTAN, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2015

ASSETS	General	Riley County	Debt
		Police Department	
Cash and cash equivalents	\$ 3,127,195	\$ -	\$ 10,256,852
Cash with refunding escrow agent	-	-	9,126,593
Cash with special obligation bonds trustee	-	-	-
Investment in joint venture	-	-	-
Receivables			
Accounts	433,409	62	-
Intergovernmental	-	-	-
Franchise tax	434,626	-	-
Sales tax	1,555,704	-	708,010
Transient guest tax	-	-	-
Property tax	2,158,552	14,583,278	2,457,341
Interfund	254,335	-	-
Economic development loans	-	-	-
Other loans	30,857	-	-
Special assessments			
Current	-	-	6,398,712
Noncurrent	-	-	62,793,529
TOTAL ASSETS	\$ 7,994,678	\$ 14,583,340	\$ 91,741,037
LIABILITIES			
Accounts payable	\$ 850,435	\$ -	\$ 116,485
Accrued payroll	533,687	-	-
Interfund payable	-	-	-
Temporary notes payable	-	-	-
Deferred revenue	622,951	62	-
TOTAL LIABILITIES	\$ 2,007,073	\$ 62	\$ 116,485
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 2,158,552	\$ 14,583,278	\$ 2,457,341
Unavailable revenue - special assessments	-	-	69,192,241
TOTAL DEFERRED INFLOWS	\$ 2,158,552	\$ 14,583,278	\$ 71,649,582
FUND BALANCES (DEFICITS)			
Nonspendable:			
Perpetual care	\$ -	\$ -	\$ -
Restricted:			
Urban Development & Housing	-	-	-
General Government	-	-	-
Capital Projects	-	-	-
Public Safety	-	-	-
Culture & Recreation	-	-	-
Public Works	-	-	-
Debt Service	1,900,129	-	19,974,970
Committed:			
General Government	-	-	-
Culture & Recreation	-	-	-
Assigned:			
Purchases on Order	73,337	-	-
Subsequent Year's Budget Appropriations	2,000,000	-	-
Unassigned	(144,413)	-	-
TOTAL FUND BALANCES	\$ 3,829,053	\$ -	\$ 19,974,970
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,994,678	\$ 14,583,340	\$ 91,741,037

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 12,321,159	\$ 17,535,451	\$ 43,240,657
-	-	9,126,593
21,360	2,820,765	2,842,125
-	170,085	170,085
18,768	282,707	734,946
-	1,724,187	1,724,187
-	-	434,626
-	1,655,482	3,919,196
-	467,711	467,711
-	4,955,525	24,154,696
11,282,169	-	11,536,504
-	-	-
-	-	30,857
-	-	6,398,712
-	-	62,793,529
<u>\$ 23,643,456</u>	<u>\$ 29,611,913</u>	<u>\$ 167,574,424</u>
\$ 3,738,009	\$ 1,032,834	\$ 5,737,763
-	12,819	546,506
-	254,335	254,335
-	-	-
18,768	282,707	924,488
<u>\$ 3,756,777</u>	<u>\$ 1,582,695</u>	<u>\$ 7,463,092</u>
\$ -	\$ 4,955,525	\$ 24,154,696
-	-	69,192,241
<u>\$ -</u>	<u>\$ 4,955,525</u>	<u>\$ 93,346,937</u>
\$ -	\$ 479,857	\$ 479,857
-	3,129,784	3,129,784
-	1,240,979	1,240,979
19,886,679	4,610,164	24,496,843
-	95,509	95,509
-	243,307	243,307
-	536,227	536,227
-	4,221,537	26,096,636
-	26,425	26,425
-	-	-
-	441,612	514,949
-	8,072,483	10,072,483
-	(24,191)	(168,604)
<u>\$ 19,886,679</u>	<u>\$ 23,073,693</u>	<u>\$ 66,764,395</u>
<u>\$ 23,643,456</u>	<u>\$ 29,611,913</u>	<u>\$ 167,574,424</u>

CITY OF MANHATTAN, KANSAS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2015

Fund balances of governmental funds	\$	66,764,395
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.		5,980,477
Capital assets net of depreciation are not financial resources and therefore have not been included in the funds.		214,109,173
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	\$ (110,000,000)	
Special Obligation Bonds Payable	(58,285,000)	
Temporary Notes Payable	(53,140,000)	
Notes Payable	-	
Transportation Revolving Fund Loan Payable	(2,636,913)	
Capital Leases Payable	(1,900,129)	
Compensated absences	<u>(2,426,831)</u>	(228,388,873)
Accrued interest payable on long-term debt has not been reported in the governmental funds.		(1,005,808)
Other long-term assets related to special assessments are not available to pay current period expenditures and therefore are deferred in the funds.		69,192,241
In the statement of net position, a long-term liability is recorded for the unfunded portion of postemployment benefits other than pensions, while in the governmental funds, liabilities that do not require satisfaction with current resources are not recorded.		(2,764,302)
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	(15,667,133)	
Deferred outflows of resources - pension	1,693,810	
Deferred inflows of resources - pension	<u>(1,110,949)</u>	(15,084,272)
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.		<u>2,763,948</u>
Net position of governmental activities	\$	<u><u>111,566,979</u></u>

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

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CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	General	Riley County Police Department
REVENUES		
Taxes	\$ 14,192,603	\$ 14,541,817
Special assessments	-	-
Licenses and permits	688,324	-
Intergovernmental revenues	573,417	-
Charges for services	2,485,033	-
Fines and forfeitures	1,390,459	4,600
Investment income	22,946	-
Miscellaneous revenues	291,217	-
Total Revenues	\$ 19,643,999	\$ 14,546,417
EXPENDITURES		
Current		
General government	\$ 9,239,769	\$ -
Public safety	6,090,223	15,134,688
Public works	3,460,786	-
Urban development and housing	565,069	-
Culture/recreation	6,819,621	-
Culture/recreation-payments to Library	-	-
Capital outlay	48,023	-
Debt service		
Principal	197,472	-
Bond issuance costs	-	-
Interest and fiscal charges	23,447	-
Total Expenditures	\$ 26,444,410	\$ 15,134,688
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,800,411)	\$ (588,271)
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	\$ -	\$ -
Premium on general obligation bonds	-	-
Proceeds from sales of capital assets	-	-
Premium on refunding bonds	-	-
Temporary notes issued	-	-
Temporary notes retired	-	-
Capital leases	48,023	-
Transfers in	7,027,032	325,687
Transfers out	(738,754)	-
Total Other Financing Sources (Uses)	\$ 6,336,301	\$ 325,687
NET CHANGE IN FUND BALANCES	\$ (464,110)	\$ (262,584)
FUND BALANCE - BEGINNING OF YEAR	4,293,163	262,584
FUND BALANCE - END OF YEAR	\$ 3,829,053	\$ -

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

Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 6,542,745	\$ -	\$ 21,968,252	\$ 57,245,417
6,369,720	53,315	-	6,423,035
-	-	-	688,324
-	1,128,481	6,208,283	7,910,181
205,587	42,763	664,451	3,397,834
-	-	-	1,395,059
17,615	3	(25,117)	15,447
205,379	1,526,591	414,040	2,437,227
<u>\$ 13,341,046</u>	<u>\$ 2,751,153</u>	<u>\$ 29,229,909</u>	<u>\$ 79,512,524</u>
\$ 379,103	\$ -	\$ 1,224,265	\$ 10,843,137
-	-	1,756,071	22,980,982
-	189,426	560,409	4,210,621
-	-	2,874,594	3,439,663
-	-	1,275,358	8,094,979
-	-	2,756,181	2,756,181
-	16,851,683	4,000,999	20,900,705
13,748,431	-	4,566,885	18,512,788
224,711	189,340	35,748	449,799
3,968,682	211,644	3,417,546	7,621,319
<u>\$ 18,320,927</u>	<u>\$ 17,442,093</u>	<u>\$ 22,468,056</u>	<u>\$ 99,810,174</u>
<u>\$ (4,979,881)</u>	<u>\$ (14,690,940)</u>	<u>\$ 6,761,853</u>	<u>\$ (20,297,650)</u>
\$ 8,140,040	\$ 2,139,960	\$ -	\$ 10,280,000
1,042,461	-	-	1,042,461
-	-	-	-
-	-	-	-
-	23,090,000	4,125,000	27,215,000
(175,000)	(3,460,000)	-	(3,635,000)
-	-	529,802	577,825
1,880,951	3,767,975	5,151,939	18,153,584
(87,212)	(895,725)	(13,442,561)	(15,164,252)
<u>\$ 10,801,240</u>	<u>\$ 24,642,210</u>	<u>\$ (3,635,820)</u>	<u>\$ 38,469,618</u>
\$ 5,821,359	\$ 9,951,270	\$ 3,126,033	\$ 18,171,968
14,153,611	9,935,409	19,947,660	48,592,427
<u>\$ 19,974,970</u>	<u>\$ 19,886,679</u>	<u>\$ 23,073,693</u>	<u>\$ 66,764,395</u>

CITY OF MANHATTAN, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 18,171,968

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

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

Expenditures for capital assets	\$ 18,580,354	
Less current year depreciation	<u>(10,177,803)</u>	8,402,551

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to increase net position. 197,501

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. This is the amount by which repayments exceeded proceeds.

Long-term debt proceeds	\$ (38,072,825)	
Principal payments	<u>22,147,788</u>	(15,925,037)

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	\$ (75,936)	
Other postemployment benefits other than pensions	(245,890)	
Net pension liability	655,212	
Accrued interest on bonds	<u>16,551</u>	349,937

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

Receivables	\$ 279,796	
Special assessments	<u>(3,598,215)</u>	(3,318,419)

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. (868,736)

Change in net position of governmental activities \$ 7,009,765

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

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

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 13,628,820	\$ 13,628,820	\$ 14,192,603	\$ 563,783
Licenses and permits	623,867	623,867	688,324	64,457
Intergovernmental revenues	487,050	487,050	573,417	86,367
Charges for services	2,247,184	2,247,184	2,485,033	237,849
Fines and forfeitures	1,594,155	1,594,155	1,390,459	(203,696)
Investment income	406,304	406,304	22,946	(383,358)
Miscellaneous revenues	254,171	254,171	291,217	37,046
Total Revenues	<u>\$ 19,241,551</u>	<u>\$ 19,241,551</u>	<u>\$ 19,643,999</u>	<u>\$ 402,448</u>
EXPENDITURES				
Current				
General government				
Administration	759,290	759,290	\$ 752,262	\$ 7,028
Finance	1,187,359	1,187,359	1,054,929	132,430
Airport	935,340	935,340	887,105	48,235
Animal Shelter	510,795	510,795	648,271	(137,476)
Human Resources	373,200	373,200	365,503	7,697
Legal Services	1,028,372	1,028,372	980,235	48,137
General Services	4,813,841	4,813,841	4,239,439	574,402
Outside Services	551,115	551,115	523,443	27,672
Municipal parking lots	36,000	36,000	22,224	13,776
Public safety				
Fire Department				
Administration	356,075	356,075	354,755	1,320
Operations	4,861,500	4,861,500	4,328,027	533,473
Technical Services	778,760	778,760	774,240	4,520
Municipal Building Maintenance	625,370	625,370	569,538	55,832
Public works				
Administration	243,100	243,100	173,919	69,181
Street	2,199,089	2,199,089	2,000,636	198,453
Engineering	868,318	868,318	856,996	11,322
Traffic Control	605,435	605,435	532,663	72,772
Urban development and housing	609,230	609,230	565,069	44,161
Culture/recreation				
Administration	220,855	220,855	223,712	(2,857)
Douglass Center	191,170	191,170	196,654	(5,484)
City Parks	2,273,770	2,273,770	2,199,209	74,561
Swimming Pools	624,130	624,130	802,620	(178,490)
Sunset Zoo	1,008,640	1,008,640	1,012,574	(3,934)
Blue Earth Park	17,650	17,650	16,012	1,638
Recreation	1,498,000	1,498,000	1,487,197	10,803
Discovery Center	867,470	867,470	881,641	(14,171)
Total Expenditures	<u>\$ 28,043,874</u>	<u>\$ 28,043,874</u>	<u>\$ 26,448,873</u>	<u>\$ 1,595,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>\$ (8,802,323)</u>	<u>\$ (8,802,323)</u>	<u>\$ (6,804,874)</u>	<u>\$ 1,997,449</u>

(Continued)

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND (CONTINUED)
For The Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 7,016,765	\$ 7,016,765	\$ 7,027,032	\$ 10,267
Transfers out	(214,442)	(214,442)	(738,754)	(524,312)
Total Other Financing Sources (Uses)	<u>\$ 6,802,323</u>	<u>\$ 6,802,323</u>	<u>\$ 6,288,278</u>	<u>\$ (514,045)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	(516,596)	<u>\$ 1,483,404</u>
FUND BALANCE - BEGINNING OF YEAR			<u>4,272,310</u>	
FUND BALANCE - END OF YEAR			\$ 3,755,714	
ADJUSTMENTS TO GAAP				
Encumbrances			73,337	
Cancellation of prior year encumbrances			-	
FUND BALANCE - GAAP BASIS			<u>\$ 3,829,051</u>	

CITY OF MANHATTAN, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
RILEY COUNTY POLICE DEPARTMENT FUND
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,648,168	\$ 14,648,168	\$ 14,541,817	\$ (106,351)
Fines and forfeitures	5,000	5,000	\$ 4,600	
Total Revenues	<u>\$ 14,653,168</u>	<u>\$ 14,653,168</u>	<u>\$ 14,546,417</u>	<u>\$ (106,351)</u>
EXPENDITURES				
Current				
Public safety	\$ 15,134,688	\$ 15,134,688	\$ 15,134,688	\$ -
Total Expenditures	<u>\$ 15,134,688</u>	<u>\$ 15,134,688</u>	<u>\$ 15,134,688</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (481,520)</u>	<u>\$ (481,520)</u>	<u>\$ (588,271)</u>	<u>\$ (106,351)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 325,687	\$ 325,687
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,687</u>	<u>\$ 325,687</u>
NET CHANGE IN FUND BALANCES	<u>\$ (481,520)</u>	<u>\$ (481,520)</u>	<u>\$ (262,584)</u>	<u>\$ 219,336</u>
FUND BALANCE - BEGINNING OF YEAR			262,584	
FUND BALANCE - END OF YEAR			\$ -	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE - GAAP BASIS			<u>\$ -</u>	

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CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF NET POSITION

December 31, 2015

	Business-type Activities-Enterprise		
	Major		Non-Major
	Water	Wastewater	Storm Water Management
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 6,499,442	\$ 2,791,383	\$ 3,166,537
Accounts receivable (net of allowance for uncollectibles)	1,343,633	994,885	182,414
Inventories	61,240	4,618	-
Total Current Assets	\$ 7,904,315	\$ 3,790,886	\$ 3,348,951
Noncurrent Assets			
Restricted cash and cash equivalents	\$ -	\$ 240,136	\$ -
Capital assets:			
Land	281,430	217,842	-
Buildings and improvements	26,019,368	36,422,546	29,827
Equipment, contents and vehicles	2,509,004	2,983,286	608,697
Infrastructure	48,807,014	87,841,936	21,139,962
Construction in progress	7,485,390	5,831,812	1,617,197
Less accumulated depreciation	(26,908,927)	(49,598,839)	(4,229,609)
Total capital assets (net of accumulated depreciation)	\$ 58,193,279	\$ 83,698,583	\$ 19,166,074
Total Noncurrent Assets	\$ 58,193,279	\$ 83,938,719	\$ 19,166,074
TOTAL ASSETS	\$ 66,097,594	\$ 87,729,605	\$ 22,515,025
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	\$ 104,150	\$ 102,779	\$ 10,021

(Continued)

<u>Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
<u>Total</u>	
\$ 12,457,362	\$ 3,279,438
2,520,932	310,418
65,858	22,392
<u>\$ 15,044,152</u>	<u>\$ 3,612,248</u>
\$ 240,136	\$ -
499,272	-
62,471,741	-
6,100,987	19,673
157,788,912	-
14,934,399	-
<u>(80,737,375)</u>	<u>(19,673)</u>
<u>\$ 161,057,936</u>	<u>\$ -</u>
<u>\$ 161,298,072</u>	<u>\$ -</u>
<u>\$ 176,342,224</u>	<u>\$ 3,612,248</u>
<u>\$ 216,950</u>	<u>\$ -</u>

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

December 31, 2015

	Business-type Activities-Enterprise		
	Major		Non-Major
	Water	Wastewater	Storm Water Management
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 440,067	\$ 172,938	\$ 26,883
Accrued payroll	51,490	46,280	4,751
Estimated insurance claims payable	-	-	-
Interfund payable	4,438,744	5,537,847	1,305,578
Accrued interest	275,318	326,390	20,889
Current portion of compensated absences	115,903	137,834	2,181
Current portion of capital leases payable	-	-	27,700
Current portion of state revolving loan	890,834	2,045,050	-
Current portion of general obligation bonds payable	290,000	420,000	485,000
Total Current Liabilities	\$ 6,502,356	\$ 8,686,339	\$ 1,872,982
Noncurrent Liabilities			
Compensated absences	\$ 68,069	\$ 80,950	\$ 1,281
Net pension liability	1,066,081	1,052,043	102,575
Capital leases payable	-	-	56,972
State revolving loan	17,357,722	32,537,669	-
General obligation bonds payable	1,750,000	1,340,000	2,870,000
Total Noncurrent Liabilities	\$ 20,241,872	\$ 35,010,662	\$ 3,030,828
Total Liabilities	\$ 26,744,228	\$ 43,697,001	\$ 4,903,810
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	\$ 86,577	\$ 85,437	\$ 8,332
NET POSITION			
Net investment in capital assets	\$ 37,904,723	\$ 47,355,864	\$ 15,811,074
Unrestricted	1,466,216	(3,305,918)	1,801,830
TOTAL NET POSITION	\$ 39,370,939	\$ 44,049,946	\$ 17,612,904

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

<u>Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
<u>Total</u>	
\$ 639,888	\$ 108,360
102,521	-
-	739,940
11,282,169	-
622,597	-
255,918	-
27,700	-
2,935,884	-
1,195,000	-
<u>\$ 17,061,677</u>	<u>\$ 848,300</u>
\$ 150,300	\$ -
2,220,699	-
56,972	-
49,895,391	-
5,960,000	-
<u>\$ 58,283,362</u>	<u>\$ -</u>
<u>\$ 75,345,039</u>	<u>\$ 848,300</u>
<u>\$ 180,346</u>	<u>\$ -</u>
\$ 101,071,661	\$ -
(37,872)	2,763,948
<u>\$ 101,033,789</u>	<u>\$ 2,763,948</u>

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2015

	Business-type Activities-Enterprise		
	Major		Non-Major
	Water	Wastewater	Storm Water Management
OPERATING REVENUES			
Service charges	\$ 9,374,774	\$ 9,645,758	\$ 1,691,371
Rent income	227,587	-	-
Miscellaneous revenue	72,691	63,077	149
Total Operating Revenues	\$ 9,675,052	\$ 9,708,835	\$ 1,691,520
OPERATING EXPENSES			
Personnel services	\$ 1,974,643	\$ 1,911,877	\$ 184,033
Commodities	1,467,402	406,190	30,959
Contractual services	1,827,056	1,420,125	153,984
Depreciation	1,873,744	2,874,486	621,168
Total Operating Expenses	\$ 7,142,845	\$ 6,612,678	\$ 990,144
OPERATING INCOME (LOSS)	\$ 2,532,207	\$ 3,096,157	\$ 701,376
NON-OPERATING REVENUE (EXPENSE)			
Investment income	\$ 10,280	\$ 5,509	\$ 6,171
Interest and fiscal charges	(719,128)	(1,036,800)	(132,118)
Total Non-Operating Revenue (Expense)	\$ (708,848)	\$ (1,031,291)	\$ (125,947)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 1,823,359	\$ 2,064,866	\$ 575,429
Capital contributions	\$ 38,231	\$ 248,070	\$ 137,239
Transfers in	-	-	57,000
Transfers (out)	(1,409,006)	(1,361,565)	(264,123)
CHANGE IN NET POSITION	\$ 452,584	\$ 951,371	\$ 505,545
TOTAL NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY STATED	40,019,569	44,185,288	17,213,314
PRIOR PERIOD ADJUSTMENTS	(1,101,214)	(1,086,713)	(105,955)
TOTAL NET POSITION - BEGINNING OF YEAR AS RESTATED	38,918,355	43,098,575	17,107,359
TOTAL NET POSITION - ENDING	\$ 39,370,939	\$ 44,049,946	\$ 17,612,904

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

<u>Funds</u>	Governmental Activities- Internal Service Funds
<u>Total</u>	
\$ 20,711,903	\$ 5,321,349
227,587	-
135,917	-
<u>\$ 21,075,407</u>	<u>\$ 5,321,349</u>
\$ 4,070,553	\$ -
1,904,551	86,638
3,401,165	6,099,389
5,369,398	-
<u>\$ 14,745,667</u>	<u>\$ 6,186,027</u>
\$ 6,329,740	\$ (864,678)
\$ 21,960	\$ 7,580
(1,888,046)	-
<u>\$ (1,866,086)</u>	<u>\$ 7,580</u>
\$ 4,463,654	\$ (857,098)
423,540	-
57,000	-
(3,034,694)	(11,638)
<u>\$ 1,909,500</u>	<u>\$ (868,736)</u>
101,418,171	3,632,684
(2,293,882)	-
<u>99,124,289</u>	<u>3,632,684</u>
<u>\$ 101,033,789</u>	<u>\$ 2,763,948</u>

CITY OF MANHATTAN, KANSAS
PROPRIETARY FUNDS - STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

	Business-type Activities-	
	Major	
	Water	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 9,536,244	\$ 9,570,407
Cash paid to vendors and suppliers	(3,490,545)	(2,060,246)
Cash paid to employees	(1,995,028)	(1,929,713)
Cash received from miscellaneous sources	72,691	63,077
Net Cash Provided (Used) by Operating Activities	\$ 4,123,362	\$ 5,643,525
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash received from other funds	\$ -	\$ -
Cash paid to other funds	311,141	1,435,175
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 311,141	\$ 1,435,175
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from issuance of debt	\$ 381,785	\$ -
Cash paid for purchase of capital assets	(2,639,999)	(3,550,035)
Cash paid for interest on long-term debt	(726,352)	(1,051,320)
Cash paid for principal on long-term debt	(1,053,628)	(2,399,649)
Net Cash (Used) by Capital and Related Financing Activities	\$ (4,038,194)	\$ (7,001,004)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from investment of idle funds	\$ 10,280	\$ 5,051
Net Cash Provided by Investing Activities	\$ 10,280	\$ 5,051
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 406,589	\$ 82,747
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,092,853	2,708,636
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,499,442	\$ 2,791,383
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 2,532,207	\$ 3,096,157
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	\$ 1,873,744	\$ 2,874,486
(Increase) decrease in accounts receivable	(66,117)	(75,351)
(Increase) decrease in inventory	(11,018)	(4,618)
(Increase) decrease in deferred outflows pension	(23,010)	(22,708)
Increase (decrease) in accounts payable and accrued expenses	(152,748)	(195,137)
Increase (decrease) in net pension liability	87,662	86,508
Increase (decrease) in deferred inflows pension	(117,358)	(115,812)
Total Adjustments	\$ 1,591,155	\$ 2,547,368
Net Cash Provided (Used) by Operating Activities	\$ 4,123,362	\$ 5,643,525
Noncash investing, capital, and financing activities:		
Capital assets acquired through contributions from governmental funds	\$ 38,231	\$ 248,070

<u>Enterprise Funds</u>		Governmental
<u>Non-Major</u>		Activities-
<u>Storm Water</u>		Internal
<u>Management</u>	<u>Total</u>	Service
		Funds
\$ 1,692,712	\$ 20,799,363	\$ 5,010,931
(256,611)	(5,807,402)	(5,907,799)
(201,872)	(4,126,613)	-
149	135,917	-
<u>\$ 1,234,378</u>	<u>\$ 11,001,265</u>	<u>\$ (896,868)</u>
\$ 57,000	\$ 57,000	\$ -
673,676	2,419,992	(11,638)
<u>\$ 730,676</u>	<u>\$ 2,476,992</u>	<u>\$ (11,638)</u>
\$ -	\$ 381,785	\$ -
(1,087,007)	(7,277,041)	-
(134,243)	(1,911,915)	-
(516,757)	(3,970,034)	-
<u>\$ (1,738,007)</u>	<u>\$ (12,777,205)</u>	<u>\$ -</u>
\$ 6,171	\$ 21,502	\$ 7,580
<u>\$ 6,171</u>	<u>\$ 21,502</u>	<u>\$ 7,580</u>
\$ 233,218	\$ 722,554	\$ (900,926)
2,933,319	11,734,808	4,180,364
<u>\$ 3,166,537</u>	<u>\$ 12,457,362</u>	<u>\$ 3,279,438</u>
\$ 701,376	\$ 6,329,740	\$ (864,678)
\$ 621,168	\$ 5,369,398	\$ -
1,341	(140,127)	(310,418)
-	(15,636)	(1,110)
(2,214)	(47,932)	-
(84,438)	(432,323)	279,338
8,435	182,605	-
(11,290)	(244,460)	-
<u>\$ 533,002</u>	<u>\$ 4,671,525</u>	<u>\$ (32,190)</u>
<u>\$ 1,234,378</u>	<u>\$ 11,001,265</u>	<u>\$ (896,868)</u>
\$ 137,239	\$ 423,540	\$ -

CITY OF MANHATTAN, KANSAS
STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS
December 31, 2015

	ASSETS	Private- purpose Trust
Cash and cash equivalents		\$ 203,486
TOTAL ASSETS		\$ 203,486
LIABILITIES		
Current Liabilities		
Accounts payable		\$ -
TOTAL LIABILITIES		\$ -
NET POSITION		
Held in trust for various purposes		\$ 203,486

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

CITY OF MANHATTAN, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION-
FIDUCIARY FUNDS
For the Year Ended December 31, 2015

	<u>Private- purpose Trust</u>
ADDITIONS	
Interest	\$ 167
Donations	125,447
Total additions	<u>\$ 125,614</u>
 DEDUCTIONS	
Contractual services	\$ 225
Commodities	8,550
Total deductions	<u>\$ 8,775</u>
Change in net assets	\$ 116,839
 NET POSITION - BEGINNING	 <u>86,647</u>
 NET POSITION - ENDING	 <u><u>\$ 203,486</u></u>

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CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies:

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

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

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

Financial Reporting Entity

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

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

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

Manhattan Public Library

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

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

Manhattan Housing Authority

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Joint Venture

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

Manhattan Holdings, LLC

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

The City of Manhattan appoints three members to the ten member Board of Members. Interest in the Joint Venture is proportionate to the amount of Class A units of Stock purchased by each entity. Each participant receives a pro-rata share of the Joint Venture's annual net income, if any, or remit a pro-rata share of any operating loss. The initial and December 31, 2015 percent interest and investments in the venture of each participant is as follows:

<u>Entity</u>	<u>Initial Percent Interest</u>	<u>Initial Investment</u>	<u>12/31/15 Percent Interest</u>	<u>12/31/15 Share of Contributed Capital</u>
KTEC Holdings	57.90%	\$550,000	33.334%	\$ 600,000
City of Manhattan	21.05%	\$200,000	33.333%	\$ 600,000
KSU Foundation	<u>21.05%</u>	<u>\$200,000</u>	<u>33.333%</u>	<u>\$ 600,000</u>
Total	<u>100%</u>	<u>\$950,000</u>	<u>100%</u>	<u>\$1,800,000</u>

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

The City's net investment is recorded in the Economic Development Special Revenue Fund, which provided the funds for the initial and subsequent investments. The City's equity interest as of December 31, 2015 was \$170,085, which includes \$170,085 for the City's share of the joint venture's net income from 1997 to 2015 less distributions of \$137,657, \$50,000, \$119,751, \$292,592, and \$165,032 in 2001, 2011, 2013, 2014, and 2015, respectively. The City's share of the joint venture's income is reported in investment income in these financial statements.

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

Private-purpose trust funds are used to account for bequests received from individual citizens, the interest income from which is used for the upkeep of lots designated by the donor and also for flowers for these lots each Memorial Day at Sunset Cemetery. Private-purpose trust funds are also used to account for revenue received from the sale of bricks for the Mall Plaza. Maintenance costs are paid from the interest earned.

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

D. Assets, Liabilities, and Net Position

Cash, Cash Equivalents and Investments

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

In accordance with the City's formal investment policy adopted by the governing body, the City may pool idle cash from all funds for the purpose of increasing income through temporary investment activities. Cash and investments of the individual funds are combined to form a pool which is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and cash equivalents" in the financial statements. These pooled investments consist primarily of operating accounts, nonnegotiable certificates of deposit and money market investments, such as U.S. Treasury and Agency obligations. As provided for in GASB Statement No. 31, the nonnegotiable certificates of deposit are recorded at cost, as they are not affected by market rate changes. GASB Statement No. 31 also provides that governmental entities may report all other investments at fair value or they may elect to report certain money market investments at amortized cost. The City has elected to report all other investments at fair value. Fair value was determined using the bid price of each security as reported in the *Wall Street Journal*. There were no material changes in fair value and therefore no investment gain or loss was recorded. Investment earnings are allocated to the funds required to accumulate earnings based upon their average daily equity balances.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

Cash, Cash Equivalents and Investments (Continued)

If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2015, investment earnings allocated to the various funds were \$75,802.

Receivables and Payables

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

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

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

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

Inventories

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

Capital Assets

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

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

Capital Assets (Continued)

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

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

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

Pensions

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

Vacation and Sick Pay

The City's policy regarding vacation pay permits employees to accumulate vacation leave not to exceed two (2) times their annual rate (maximum hours depending on the rate are 192, 264, 312, 384 or 432) unless approved by the City Manager, as of December 31 of each year. The accumulated vacation is governed by agreements with the International Association of Fire Fighters (IAFF) for union employees, and the City's Personnel Rules and Regulations for non-union employees. Policy prohibits payment for vacation time in lieu of time off. At December 31, 2015, the City estimates the accumulated unpaid vacation amount to be \$1,271,611 for governmental funds and \$229,121 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, 2015, the City estimates the accumulated unpaid sick pay amount to be \$1,155,220 for governmental funds and \$177,097 for proprietary funds. These amounts include only accumulated sick leave that would be paid on the date of employment termination.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

Vacation and Sick Pay (Continued)

The total liability for compensated absences for vacation and sick leave for governmental funds is \$2,426,831. This liability is recorded in the governmental activities column of the government-wide financial statements but not the governmental fund financial statements. The total liability for compensated absences for vacation and sick leave for proprietary funds is \$406,218. This liability is recorded in both the business-type activities column of the government-wide financial statements and the proprietary fund financial statements.

Long-term Liabilities

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

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

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

Special Assessments

Kansas Statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments received prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments may be levied over various periods, but are generally levied over 20 years. The annual installments are due and payable with the annual ad valorem property taxes. Special assessments receivable are offset with a corresponding amount of deferred revenue in the governmental fund financial statements, but not in the government-wide financial statements. Special assessments in the amount of \$878,154 were delinquent at December 31, 2015.

Fund Balance

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

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

- Non-Spendable: amounts legally or contractually required to be maintained or not in spendable form, such as inventory or prepaid times. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted: amounts with externally imposed constraints, such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, law or regulations.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance (Continued)

- Committed: amounts with a purpose formally imposed by resolution by the City Commission of the City, binding unless modified or rescinded by the City Commission.
- Assigned: amounts constrained by the express intent of the City Commission, City Manager or Finance Director. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted.
- Unassigned: all amounts not included in other fund balance classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balances.

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

Net Position

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

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

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

Interfund Receivable/Liability

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

Interfund Transfers

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

Estimates

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

Pending Governmental Accounting Standards Board Statements

At December 31, 2015, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. The objective of this statement is to address financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this statement are effective for periods beginning after June 15, 2015.

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

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

Pending Governmental Accounting Standards Board Statements (Continued)

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

Note 2: Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

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

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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

A. Budgets and Budgetary Accounting (continued)

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

Debt Service Bonds	Downtown Redevelopment Senior Lien TIF
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The following enterprise funds also have legally adopted annual budgets:

Water
Wastewater
Storm Water Management

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

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

	Major Governmental Funds		
	General Fund	Riley County Police Department	Debt Service
	Revenues - Budgetary basis	\$ 19,643,999	\$ 14,546,417
Cancelled encumbrances	73,337	-	-
Revenues - GAAP basis	\$ 19,717,336	\$ 14,546,417	\$ 13,341,046
Expenditures - budgetary basis	\$ 26,448,373	\$ 15,134,688	\$ 18,320,927
Encumbrances, beginning of year	23,100	-	-
Encumbrances, end of year	(73,337)	-	-
Cancelled encumbrances	-	-	-
Expenditures - GAAP basis	\$ 26,398,136	\$ 15,134,688	\$ 18,320,927
Fund balances - budgetary basis	\$ 3,755,714	\$ -	\$ 19,974,970
Encumbrances, end of year	73,337	-	-
Fund balance - GAAP basis	\$ 3,829,051	\$ -	\$ 19,974,970

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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

B. Property Taxes

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

C. Deficit Fund Equity

The Airport Federal Grant No. 42 had a deficit balance of \$15,041 as of December 31, 2015. The Federal Entitlement 2013 Special Revenue Fund had a deficit balance of \$2,686 as of December 31, 2015. The CDBG 2015 Program Special Revenue Fund had a deficit balance of \$11,876 as of December 31, 2015. The YES Grant-2012 Special Revenue Fund had a deficit balance of \$269 as of December 31, 2015. Any deficits remaining in these funds after all grant revenues have been received will be covered with transfers from the General Fund.

Note 3: Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2015, the City's investment balances were:

	Reported Amount/ Fair Value
Investment Type:	
Cash with refunding escrow agent	\$ 9,126,593
Cash with special obligation bonds trustee	2,842,125
Total Investments	11,968,718
Deposits	59,414,279
Cash on Hand	6,800
Total Deposits	59,421,079
 TOTAL DEPOSITS AND INVESTMENTS	 \$ 71,389,797
 Reconciliation of Government-wide Statement of Net Position to Total Deposits and Investments:	
Cash and Cash Equivalents	\$ 58,977,457
Cash with refunding escrow agent	9,126,593
Cash with special obligation bonds trustee	2,842,125
Restricted Construction Accounts	240,136
Add Fiduciary Funds cash and cash equivalents: Private Purpose Trusts	203,486
 TOTAL DEPOSITS AND INVESTMENTS	 \$ 71,389,797

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

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

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

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

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

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

Manhattan Public Library component unit cash and cash equivalents of \$938,419 are stated at cost which approximates fair value. As the Manhattan Public Library is governed by the same Kansas statutes as the City, their exposure to the various investment-related risks is similar to that of the City.

B. Receivables

Accounts receivable for the governmental activities are reported net of an allowance for uncollectible accounts in the amount of \$189,807.

Accounts receivable for the Enterprise Funds are reported net of allowances for uncollectible accounts. The allowances at December 31, 2015, are as follows:

Water Fund	\$77,259
Wastewater Fund	<u>124,377</u>
Total	<u>\$201,636</u>

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

C. Economic Development Loans

Economic Development Loans receivable, aggregating \$1,300,853 at December 31, 2015, consist of loans to seven companies in Manhattan as part of an economic development incentive program which included grants and tax abatements. The loans were funded from the Economic Development Fund. New loans made during 2015 totaled \$200,000. Loans are secured by either property and/or life insurance policies on key personnel of the company. An allowance for uncollectible amounts of \$18,111 has been recorded as of December 31, 2015. The loan balance is also presented net of \$1,209,811 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 2015, \$100,000 was paid on the loan and \$148,201 was forgiven. The balance as of December 31, 2014 is \$8,453,215 and is reported net of the expected of the forgivable note balance of \$3,853,215 on the government-wide financial statements.

E. FCIP Reimbursement from the Manhattan Public Library

The City entered into a Memorandum of Understanding (MOU) with the Library for the Facility Conservation Improvement Program (FCIP) during 2011. This project provided for various improvements to the Library which is intended to result in savings in annual energy costs. The MOU states that the City will pay all of the costs associated with the project and the Library will reimburse the City a total of \$254,710 over a ten year period. The payments will be made annually in the amount of \$25,471 beginning in 2012. The total balance is reflected on the Government Wide statements as a receivable and as a reduction of expense, with the receivable reduced each year by the payment received. Only the payment each year will be reflected on the governmental fund financial statements. In 2015, \$25,471 was paid by the Manhattan Public Library for the FCIP Improvements. The balance as of December 31, 2015 is \$152,826.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

F. Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

Primary Government

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,703,354	\$ 21,330	\$ -	\$ 20,724,684
Construction in progress	23,968,537	12,635,017	10,063	36,593,491
TOTAL	44,671,891	12,656,347	10,063	57,318,175
Capital assets being depreciated:				
Buildings and improvements	112,349,424	630,395	52,468	112,927,351
Contents and equipment	8,740,993	354,649	128,230	8,967,412
Vehicles	7,788,366	689,931	333,004	8,145,293
Infrastructure	143,557,264	4,574,748	-	148,132,012
TOTAL	272,436,047	6,249,723	513,702	278,172,068
Less accumulated depreciation:				
Buildings and improvements	34,629,067	2,954,095	(15,741)	37,598,903
Contents and equipment	6,404,453	407,589	78,247	6,733,795
Vehicles	6,235,856	428,454	333,044	6,331,266
Infrastructure	64,329,441	6,387,665	-	70,717,106
TOTAL	111,598,817	10,177,803	395,550	121,381,070
Total capital assets being depreciated, net	160,837,230	(3,928,080)	118,152	156,790,998
Governmental activities capital assets, net	\$ 205,509,121	\$ 8,728,267	\$ 128,215	\$ 214,109,173
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 499,272	\$ -	\$ -	\$ 499,272
Construction in progress	9,765,508	6,221,626	1,052,735	14,934,399
TOTAL	10,264,780	6,221,626	1,052,735	15,433,671
Capital assets being depreciated:				
Buildings and improvements	62,471,741	-	-	62,471,741
Contents and equipment	3,822,462	371,664	-	4,194,126
Vehicles	1,839,371	120,113	52,623	1,906,861
Infrastructure	155,749,003	2,039,909	-	157,788,912
TOTAL	223,882,577	2,531,686	52,623	226,361,640
Less accumulated depreciation:				
Buildings and improvements	11,603,125	1,362,321	-	12,965,446
Contents and equipment	1,843,172	274,057	-	2,117,229
Vehicles	1,049,522	138,189	52,623	1,135,088
Infrastructure	60,924,785	3,594,827	-	64,519,612
TOTAL	75,420,604	5,369,394	52,623	80,737,375
Total capital assets being depreciated, net	148,461,973	(2,837,708)	-	145,624,265
Business-type activities capital assets, net	\$ 158,726,753	\$ 3,383,918	\$ 1,052,735	\$ 161,057,936

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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

Discretely Presented Component Units

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Manhattan Public Library				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Works of Art	32,400	-	-	32,400
	<u>\$ 32,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,400</u>
Capital assets being depreciated:				
Contents and equipment	1,208,554	281,659	-	1,490,213
TOTAL	<u>1,208,554</u>	<u>281,659</u>	<u>-</u>	<u>1,490,213</u>
Less accumulated depreciation	579,992	136,352	-	716,344
Total capital assets being depreciated, net	<u>628,562</u>	<u>145,307</u>	<u>-</u>	<u>773,869</u>
Library capital assets, net	<u>\$ 660,962</u>	<u>\$ 145,307</u>	<u>\$ -</u>	<u>\$ 806,269</u>

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

Governmental activities:	
General government	\$ 1,445,436
Public safety	535,573
Public works	6,050,734
Urban development and housing	74,606
Culture/Recreation	1,862,122
Downtown Redevelopment	209,332
Total depreciation expense for governmental activities	<u>\$ 10,177,803</u>
Business-type activities:	
Water	\$ 1,873,742
Wastewater	2,874,485
Storm Water Management	621,167
Total depreciation expense for business-type activities	<u>\$ 5,369,394</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

F. Capital Projects

At December 31, 2015 the City had contractual commitments for the construction of various projects:

	<u>Expenditures to Date</u>	<u>Amount Authorized</u>
Miscellaneous governmental activities	\$ 4,810,338	\$ 7,322,490
Airport Improvements	\$ 13,475,133	\$ 19,411,685
Storm Water Improvements	\$ 1,617,198	\$ 4,618,231
Sanitary Sewer Improvements	\$ 5,831,811	\$ 10,288,655
Street Improvements	\$ 18,308,020	\$ 34,752,263
Water Improvements	\$ 7,485,391	\$ 10,331,234
Total	<u>\$ 51,527,891</u>	<u>\$ 86,724,558</u>

G. Interfund Receivable/Payable

Individual fund receivable/payable balances at December 31, 2015, are as follows.

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 254,335	\$ -
Capital Projects Fund	11,282,169	-
Proprietary Funds:		
Water Fund	-	4,438,744
Wastewater Fund	-	5,537,847
Stormwater Fund	-	1,305,578
Non-major Governmental Funds	-	254,335
TOTAL	<u>\$ 11,536,504</u>	<u>\$ 11,536,504</u>

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

H. Interfund Transfers

A summary of 2015 interfund transfers is as follows:

	Transfer In	Transfer Out
Major Funds:		
Governmental Funds:		
General	\$ 7,027,032	\$ 738,754
Riley County Police Department	325,687	-
Debt Service	1,880,951	87,212
Capital Projects	3,767,975	895,725
Proprietary Funds:		
Water	-	1,409,006
Wastewater Fund	-	1,361,565
Non-major Governmental Funds	5,151,939	13,442,561
Non-major Proprietary Funds	57,000	264,123
Internal Service Funds		11,638
TOTAL TRANSFERS	\$ 18,210,584	\$ 18,210,584

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 \$197,501 were made from the governmental activities to the business-type activities.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt

The following is a summary of the debt transactions of the City for the year ended December 31, 2015:

	Balance		Retired/	Balance	Due Within
	January 1, 2015	Issued	Refunded	December 31, 2015	One Year
Governmental Activities:					
General obligation bonds	\$ 113,220,000	\$ 10,280,000	\$ (13,500,000)	\$ 110,000,000	\$ 9,855,000
Senior lien special obligation bonds-Series 2009A	19,125,000	-	(935,000)	18,190,000	1,010,000
Subordinate lien special obligation bonds-Series 2009B	4,130,000	-	-	4,130,000	-
STAR bonds-Series 2009-1	6,480,000	-	(1,080,000)	5,400,000	-
Taxable STAR bonds-Series 2009-2	27,450,000	-	(2,220,000)	25,230,000	2,370,000
Temporary notes	29,560,000	27,215,000	(3,635,000)	53,140,000	9,570,000
Transportation Development District Sales Tax Revenue Bonds-Series 2009	240,000	-	(20,000)	220,000	220,000
Transportation Development District Sales Tax Revenue Bonds-Series 2010	5,250,000	-	(135,000)	5,115,000	145,000
Transportation Revolving Fund Loan	2,885,345	-	(248,432)	2,636,913	257,673
Capital leases	1,696,660	577,825	(374,356)	1,900,129	374,455
Other postemployment benefits	2,518,412	245,890	-	2,764,302	-
Compensated absences	2,350,895	1,693,410	(1,617,473)	2,426,832	1,528,903
Net Pension Liability	14,142,668	1,524,464	-	15,667,132	-
Total for governmental activities	\$ 229,048,980	\$ 41,536,589	\$ (23,765,261)	\$ 246,820,308	\$ 25,330,931
Business-type Activities:					
General obligation bonds	8,295,000	-	(1,140,000)	7,155,000	1,195,000
State revolving loans	55,222,769	381,785	(2,773,279)	52,831,275	2,935,884
Capital leases	141,429	-	(56,757)	84,672	27,700
Compensated absences	368,738	291,181	(253,701)	406,218	255,918
Net Pension Liability	2,038,094	182,605	-	2,220,699	-
Total for business-type activities	\$ 66,066,030	\$ 855,571	\$ (4,223,737)	\$ 62,697,864	\$ 4,414,502

Of the \$110,000,000 in general obligation bond debt shown above, \$57,701,485 is special assessment debt with government commitment.

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

General Obligation Bonds and Temporary Notes

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

General Obligation Bonds	Type of Bond	Original Issue Amount	Date of Issue	Remaining Principal Annual Installments		Interest Rate	Maturity Date	Balance December 31, 2015
				Lowest	Highest			
1999 Series 209	Serial	560,000	6/1/99	30,000	40,000	5.0% to 5.5%	11/1/19	155,000
1999 Series 210	Serial/Term	314,000	12/1/99	15,000	55,000	5.4% to 5.6%	11/1/19	90,000
2000 Series 213	Serial	340,000	12/1/00	15,000	25,000	5.0% to 5.45%	11/1/20	120,000
2003 Refunding, Series 2003C	Serial	3,415,000	9/1/03	140,000	300,000	3.9% to 4.3%	11/1/16	140,000
2006 Series 2006A	Serial/Term	1,540,000	6/1/06	60,000	185,000	4.0% to 4.65%	11/1/26	75,000
2006 Series 2006B	Serial	7,460,000	12/1/06	310,000	445,000	4.0% to 4.25%	11/1/26	440,000
2007 Series 2007A	Serial	6,790,000	6/1/07	270,000	495,000	4.0% to 4.25%	11/1/27	640,000
2007 Series 2007B	Serial	5,645,000	6/1/07	545,000	705,000	5.125% to 5.25%	11/1/17	1,370,000
2007 Series 2007C	Serial/Term	3,275,000	12/1/07	130,000	460,000	4.0% to 4.5%	11/1/27	2,250,000
2008 Series 2008A	Serial	15,385,000	6/1/08	670,000	995,000	3.5% to 4.5%	11/1/28	10,580,000
2008 Refunding, Series 2008B	Serial	2,495,000	6/1/08	205,000	270,000	3.5% to 3.75%	11/1/20	1,250,000
2008 Series 2008C	Serial/Term	1,865,000	12/1/08	135,000	255,000	3.25% to 5.0%	11/1/28	935,000
2009 Series 2009A	Serial	3,830,000	6/1/09	170,000	245,000	2.5% to 4.3%	11/1/29	2,800,000
2009 Refunding Series 2009B	Serial	4,325,000	6/1/09	155,000	665,000	2.0% to 3.5%	11/1/19	725,000
2009 Series 2009C	Serial	11,110,000	12/1/09	260,000	880,000	3.0% to 4.0%	11/1/29	6,395,000
2009 Refunding Series 2009D	Serial	8,820,000	12/1/09	705,000	1,075,000	2.375% to 3.375%	11/1/21	5,065,000
2010 Series 2010A	Serial	6,700,000	6/1/10	160,000	535,000	2.0% to 4.0%	11/1/30	4,400,000
2010 Series 2010B	Serial	10,860,000	12/1/10	1,040,000	1,140,000	2.0% to 4.0%	11/1/20	5,555,000
2011 Series 2011A	Serial	10,535,000	12/1/11	110,000	990,000	2.0% to 3.75%	11/1/31	6,950,000
2011 Refunding Series 2011B	Serial	2,790,000	12/1/11	160,000	405,000	2.0% to 3.0%	11/1/23	1,960,000
2012 Series 2012A	Serial	1,465,000	6/1/12	60,000	85,000	1.5% to 3.75%	1/1/32	1,255,000
2012 Series 2012B	Serial	12,885,000	12/1/12	45,000	1,095,000	1.5% to 3.0%	1/1/32	9,875,000
2012 Refunding Series 2012C	Serial	4,895,000	12/20/12	20,000	555,000	2.0% to 4.0%	11/1/26	4,875,000
2013 Series 2013A	Serial	6,400,000	12/1/13	45,000	695,000	3.0% to 4.0%	11/1/33	5,365,000
2014 Series 2014A	Serial	12,310,000	6/2/14	485,000	805,000	2.0% to 5.0%	11/1/34	11,760,000
2014 Series 2014B	Serial/Term	9,685,000	6/2/14	350,000	670,000	3.0% to 4.25%	11/1/34	9,335,000
2014 Series 2014C	Serial/Term	3,940,000	12/8/14	175,000	235,000	2.0% to 3.375%	11/1/34	3,745,000
2015 Series 2015A	Serial/Term	5,475,000	12/7/15	105,000	745,000	2.0% to 5.0%	11/1/35	5,475,000
2015 Refunding Series 2015B	Serial	4,805,000	12/7/15	5,000	595,000	2.0% to 5.0%	11/1/27	4,805,000
								\$ 108,385,000
Crossover Refunded Bonds								
Series 2006A		1,540,000	6/1/06			4.0% to 4.65%	11/1/26*	930,000
Series 2006B		7,460,000	12/1/06			4.0% to 4.25%	11/1/26*	3,715,000
Series 2007A		6,790,000	6/1/07			4.0% to 4.25%	11/1/27*	4,125,000
								\$ 117,155,000
Less amount to be paid by Enterprise Funds								(7,155,000)
Total General Obligation Bonds Payable- Governmental Activities								\$ 110,000,000

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

The annual requirements to amortize governmental activities general obligation bonds outstanding as of December 31, 2015, are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 14,615,000	\$ 3,615,563	\$ 18,230,563
2017	14,220,000	3,308,736	17,528,736
2018	9,585,000	2,789,883	12,374,883
2019	9,825,000	2,492,385	12,317,385
2020	8,830,000	2,179,063	11,009,063
2021-2025	28,475,000	7,193,139	35,668,139
2026-2030	17,420,000	2,874,859	20,294,859
2031-2035	7,030,000	651,505	7,681,505
TOTALS	<u>\$ 110,000,000</u>	<u>\$ 25,105,133</u>	<u>\$ 135,105,133</u>

General obligation bonds in the amount of \$7,155,000 are included as liabilities of the Water, Wastewater, and Storm Water Management Funds because the City intends to retire them through the operations of these funds. The annual requirements to amortize business-type activities general obligation bonds outstanding as of December 31, 2015, are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,195,000	\$ 242,238	\$ 1,437,238
2017	1,070,000	202,575	1,272,575
2018	1,095,000	166,375	1,261,375
2019	1,050,000	129,075	1,179,075
2020	850,000	100,425	950,425
2021-2024	1,895,000	164,300	2,059,300
TOTALS	<u>\$ 7,155,000</u>	<u>\$ 1,004,988</u>	<u>\$ 8,159,988</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Temporary notes currently outstanding consist of the following:

Series	Maturity Date	Rate	12/31/15 Balance
2013-01	12/15/2016	0.70%	\$ 1,760,000
2013-02	12/15/2016	0.70%	2,750,000
2013-04	12/15/2016	1.00%	1,185,000
2013-05	12/15/2016	1.00%	125,000
2013-06	12/15/2016	1.00%	3,750,000
2013-06	12/15/2017	1.00%	210,000
2013-07	6/15/2017	1.75%	3,160,000
2014-01	12/15/2017	0.85%	4,900,000
2014-02	12/15/2017	0.85%	460,000
2014-03	12/15/2017	0.88%	2,435,000
2014-04	12/15/2017	1.13%	740,000
2014-05	6/15/2018	1.10%	5,075,000
2015-01	6/15/2018	1.25%	9,795,000
2015-02	6/15/2018	1.35%	2,315,000
2015-03	12/15/2018	1.50%	6,875,000
2015-04	6/15/2019	1.75%	3,735,000
2015-05	12/15/2019	1.50%	2,335,000
2015-06	6/15/2019	1.65%	390,000
2015-06	12/15/2019	1.75%	1,145,000
Total			\$ 53,140,000

\$19,974,970 is available in the Debt Service Fund to service the general obligation and special assessment bonds. Future tax revenues will pay off the remaining general long-term debt.

Bond proceeds and temporary notes issued have been reported in the Capital Projects Fund. Temporary notes paid have also been reported in the Capital Projects Fund, except for \$175,000, which have been reported in the Debt Service Fund.

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. All temporary notes issued by the City have initial maturities of at least two years. Therefore, they are considered long-term debt and have been included in long-term liabilities on the statement of net position. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds or other available funds or refinanced with temporary notes. Temporary notes in the amount of \$5,270,000 outstanding December 31, 2015, were retired June 15, 2016, with funds on hand. Temporary notes in the amount of \$47,870,000 will mature in 2016, 2017, 2018 and 2019.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

At December 31, 2015 there were temporary notes in the amount of \$0 maturing in 2016 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, 2015.

Changes in this short-term debt during 2015 are summarized in the following table:

Balance at January 1, 2015	\$935,000
Issued	0
Retired	<u>(935,000)</u>
Balance at December 31, 2015	<u><u>\$ 0</u></u>

Debt Service Limit

The December 31, 2015 debt limit is \$161,970,200. There was \$106,666,447 in outstanding long and short-term G.O. debt applicable to the debt limit as of December 31, 2015. Sewer, water, storm water and refunding G.O. bonds are exempt from the state-imposed debt limit.

Transportation Development District Sales Tax Revenue Bonds-Series 2009

In 2009, the City issued Transportation Development District Sales Tax Revenue bonds in the amount of \$505,000. The proceeds were used to finance infrastructure improvements needed for the development of the Limey Pointe area in the City. An excise/sales tax has been imposed on purchases made within the transportation development district. The excise/sales tax collected will be used to retire the bonds. The bonds are considered a special obligation to the City secured by a pledge of the excise/sales tax revenues. The bonds are not a general obligation of the City, nor do they go against the City's debt limit. Interest on the bonds is payable semiannually at 4.0%.

The annual requirements to amortize these bonds are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$220,000</u>	<u>\$ 8,800</u>	<u>\$ 228,800</u>
TOTALS	<u><u>\$220,000</u></u>	<u><u>\$ 8,800</u></u>	<u><u>\$ 228,800</u></u>

The bonds are subject to special mandatory redemption provisions starting June 1, 2010, and on any interest payment date thereafter. Since June 1, 2010, bonds in the amount of \$285,000 have been redeemed.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Transportation Development District Sales Tax Revenue Bonds-Series 2010

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

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

Years Ending December 31,	Principal	Interest	Total
2016	\$ 145,000	\$ 234,750	\$ 379,750
2017	160,000	231,125	391,125
2018	170,000	225,925	395,925
2019	185,000	220,400	405,400
2020	200,000	213,925	413,925
2021-2025	1,265,000	927,050	2,192,050
2026-2030	1,840,000	577,250	2,417,250
2031-2032	1,150,000	92,250	1,242,250
TOTALS	\$ 5,115,000	\$ 2,722,675	\$ 7,837,675

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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

The Senior Lien TIF Special Obligation Bonds-Series 2009A and the Subordinate Lien TIF Special Obligation Bonds-Series 2009B were issued December 1, 2009, at a principal amount of \$21,220,000 and \$4,160,000, respectively. These bonds were issued to retire the Taxable Special Obligation Revenue Bonds-Series 2006 issued to finance land acquisition and site preparation of the North Redevelopment District. Because the retired bonds were never intended to be a permanent financing mechanism and because of the variable structure of the retired bonds, a meaningful comparison of debt service between the new debt and the retired debt and a meaningful analysis of the economic gain or loss on the transaction cannot be made. Funds from these issuances will also be used to construct a public plaza in the North District. The Series 2009B Bonds shall constitute subordinate lien bonds and shall be junior and subordinate with respect to the payment of debt service from the incremental tax revenues to the Series 2009A Bonds. Both series of bonds shall not constitute a debt or liability of the City nor any pledge of the full faith and credit of the City. Revenue available for debt service from the North District consists of incremental property taxes, City sales tax, compensating use tax, and the City's portion of the County's sales tax. Revenue available from the South District consists of incremental property taxes.

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

Series 2009A Bonds

Serial Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2016	\$1,010,000	3.750%
Term Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2026	\$17,180,000	5.000%

Series 2009B Bonds

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

At the option of the City, the Series 2009A bonds maturing on or after December 1, 2018 are subject to redemption and payment prior to their stated maturity on December 1, 2017 at the redemption prices set forth below plus accrued interest to the redemption date:

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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

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

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

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

The Sales Tax and Revenue (STAR) Bonds-Series 2009-1 were issued December 1, 2009, at a principal amount of \$16,855,000. This series of STAR Bonds was issued to retire the Special Obligation Revenue Bonds-Series 2008A (see above) issued to finance the South District land acquisition. Because the retired bonds were never intended to be a permanent financing mechanism and because of the structure of the retired bonds (a maturity of less than three years with all principal due at maturity), a meaningful comparison of debt service between the new debt and the retired debt and a meaningful analysis of the economic gain or loss on the transaction cannot be made. These bonds shall not constitute a debt or liability of the City nor any pledge of the full faith and credit of the City. Revenue available for debt service from the North District consists of State sales tax. Revenue available from the South District consists of State sales tax, City sales tax, compensating use tax, and the City's portion of the County's sales tax. These bonds have a stated maturity date of December 1, 2026. Interest is payable semiannually at an annual rate of 5.25%. In 2015, \$1,080,000 in principal has been redeemed on the 2009-1 STAR Bonds, resulting in a current balance of \$5,400,000.

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

Principal Amount	Year
\$2,105,000	2021
\$2,275,000	2022
\$1,020,000	2023

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Taxable STAR Bonds-Series 2009-2

The Taxable STAR Bonds-Series 2009-2 were issued December 1, 2009, at a principal amount of \$33,145,000. This series of STAR Bonds was issued to finance eligible facilities and infrastructure costs within the South Redevelopment District. The 2009-2 STAR Bonds will be treated as "Build America Bonds" under the Recovery Act and will receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on the bonds. These bonds shall not constitute a debt or liability of the City nor any pledge of the full faith and credit of the City. Revenue available for debt service from the North District consists of State sales tax. Revenue available from the South District consists of State sales tax, City sales tax, compensating use tax, and the City's portion of the County's sales tax. The 2009-2 STAR bonds shall become due on the stated maturity date and in the amount listed below. In 2015, \$2,220,000 in principal has been redeemed on the 2009-1 STAR Bonds, resulting in a current balance of \$25,230,000. Interest is payable semiannually at the following annual rates:

Serial Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2016	\$2,370,000	4.613%
2017	\$2,520,000	4.863%
2018	\$2,690,000	5.232%
2019	\$2,865,000	5.332%
2020	\$3,055,000	5.482%
Term Bonds		
Stated Maturity December 1	Principal Amount	Annual Rate of Interest
2026	\$11,730,000	6.515%

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

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

Principal Amount	Year
\$1,150,000	2021
\$1,230,000	2022
\$1,325,000	2023
\$1,690,000	2024
\$1,965,000	2025
\$4,370,000	2026

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

Capital Leases

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

Equipment Leased	Amount Financed	Gross Cost of Assets Under Capital Leases	Accumulated Amortization 12/31/2015	Lease Balance 12/31/2015
Governmental Activities:				
Fire Truck	\$ 622,452	\$ 722,025	\$ 505,418	\$ 155,460
Patch Machine	32,823	55,923	18,641	-
Single-axle Dump Truck	44,396	67,496	67,496	-
Single-axle Dump Truck	46,583	69,683	69,684	-
Facilities Conservation Improv. Prog.	930,000	285,815	71,454	598,787
Rubber Tire Loader	64,354	99,000	26,400	16,555
Aerial Lift Truck	75,439	94,439	37,776	19,154
Narrow Band Equipment	303,804	-	-	205,531
International 7400 Truck	56,384	77,152	46,290	28,452
Backhoe Loader	47,147	66,780	26,712	35,431
2015 Freightliner Dump Truck	59,228	104,828	41,932	44,333
SCBA Equipment	292,230	-	-	218,601
Pumper Truck	529,802	638,256	63,826	529,802
EZ Liner Striping Unit	48,023	69,691	13,938	48,023
Total	\$ 3,152,665	\$ 2,351,088	\$ 989,566	\$ 1,900,129
Business-type Activities:				
Street Sweeper	\$ 109,333	\$ 203,990	\$ 203,990	\$ -
Street Sweeper	112,978	180,553	72,221	84,672
Total	\$ 222,311	\$ 384,543	\$ 276,211	\$ 84,672

Future minimum lease obligations as of December 31, 2015, are:

Year Ending December 31,	Governmental Activities	Business-type Activities
2016	\$ 479,563	\$ 29,292
2017	443,034	29,292
2018	346,059	29,292
2019	242,990	-
2020	230,463	-
2021-2022	312,733	-
Total Minimum Lease Payments	2,054,842	87,876
Less: Amount representing interest	(154,713)	(3,204)
Present Value of Minimum Lease Payments	\$ 1,900,129	\$ 84,672

Amortization on these assets acquired through capital leases totaled \$261,217 for governmental activities and \$76,909 for business-type activities in 2015 and has been included in depreciation expense.

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

State Revolving Loans

During 2001, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement enabled the City to borrow up to \$6,411,155 on a low-interest loan with a 20-year repayment period to finance improvements to the wastewater system. The interest rate on the loan is 3.14%. The City completed the draw-down process in 2004 and drew down a total of \$6,175,678. This loan was amended in 2007 and 2009 to allow the City to borrow an additional \$2,510,637 to finance the cost of designing the wastewater treatment plant upgrade and expansion project. Principal in the amount of \$465,383 was paid in 2015. The balance on the loan as of December 31, 2015, is \$3,697,214 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
2016	\$ 480,110	\$ 112,353	\$ 592,463
2017	495,304	97,159	592,463
2018	510,979	81,485	592,464
2019	527,150	65,314	592,464
2020	543,832	48,631	592,463
2020-2022	1,139,839	45,087	1,184,926
Totals	<u>\$ 3,697,214</u>	<u>\$ 450,029</u>	<u>\$ 4,147,243</u>

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 \$1,470,466 was paid in 2015. The balance on the loan as of December 31, 2015, is \$29,710,559 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
2016	\$ 1,504,628	\$ 797,965	\$ 2,302,593
2017	1,545,832	756,761	2,302,593
2018	1,588,164	714,428	2,302,592
2019	1,631,656	670,936	2,302,592
2020	1,676,339	626,253	2,302,592
2021-2025	9,095,957	2,417,005	11,512,962
2026-2030	10,411,526	1,101,436	11,512,962
2031	2,256,457	46,135	2,302,592
Totals	<u>\$ 29,710,559</u>	<u>\$ 7,130,919</u>	<u>\$ 36,841,478</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

During 2010, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement enabled the City to borrow up to \$1,537,000 on a low-interest loan with a 20-year repayment period to finance the City's share of the cost of connecting the Pottawatomie County Blue Township Sewer District service area and adjacent tributary areas to the City's wastewater treatment facilities. The interest rate on the loan is 2.55%. The City started the draw-down process in 2010. The loan was amended to allow a total borrowing of \$1,642,258, with principal forgiveness of \$246,339. The balance on the loan as of December 31, 2015, is \$1,174,945 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
2016	\$ 60,312	\$ 29,579	\$ 89,891
2017	61,860	28,031	89,891
2018	63,447	26,444	89,891
2019	65,076	24,816	89,892
2020	66,746	23,146	89,892
2021-2025	360,317	89,139	449,456
2026-2030	408,986	40,471	449,457
2031	88,201	1,690	89,891
Totals	<u>\$ 1,174,945</u>	<u>\$ 263,316</u>	<u>\$ 1,438,261</u>

During 2007, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds on a low-interest loan with a 20-year repayment period to finance the design and construction of the water treatment plant and wellfield improvements. During 2010 the loan was amended to increase the maximum loan amount to \$17,975,861. The interest rate on the loan is 3.63%. The City started the draw-down process in 2010. The balance on the loan as of December 31, 2015, is \$15,647,892 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 \$682,232 was paid in 2015. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2016	\$ 707,222	\$ 561,658	\$ 1,268,880
2017	733,127	535,753	1,268,880
2018	759,981	508,899	1,268,880
2019	787,819	481,061	1,268,880
2020	816,676	452,204	1,268,880
2021-2025	4,554,623	1,789,778	6,344,401
2026-2030	5,452,180	892,221	6,344,401
2031-2032	1,836,264	67,056	1,903,320
Totals	<u>\$ 15,647,892</u>	<u>\$ 5,288,630</u>	<u>\$20,936,522</u>

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

During 2011, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds up to \$1,395,461 on a low-interest loan with a 20-year repayment period to finance the extension of the Konza water main. The interest rate on the loan is 2.62%. This project is eligible for 20% principal forgiveness on the construction costs and an additional 20% principal forgiveness for any qualifying green infrastructure component, or energy or water efficiency component. The City completed the draw-down process in 2013. Draws in the amount of \$506,899 were made during 2013, with principal forgiveness of \$126,725. The balance on the loan as of December 31, 2015, is \$346,855 and is shown as a liability to the Water Fund in the accompanying financial statements. The annual amounts to amortize the loan will be as follows:

Years Ending December 31,	Principal	Interest	Total
2016	\$ 15,305	\$ 8,988	\$ 24,293
2017	15,709	8,584	24,293
2018	16,123	8,170	24,293
2019	16,548	7,745	24,293
2020	16,984	7,309	24,293
2021-2025	91,881	29,584	121,465
2026-2030	104,654	16,813	121,467
2031-2033	69,651	3,228	72,879
Totals	\$ 346,855	\$ 90,421	\$ 437,276

During 2011, the City entered into a loan agreement with the Kansas Department of Health and Environment. This agreement will enable the City to borrow funds up to \$3,091,960 on a low-interest loan with a 10-year repayment period to finance the replacement and upgrade of water meters. The interest rate on the loan is 2.08%. This project is eligible for up to 40% principal forgiveness for any qualifying green infrastructure component, or energy or water efficiency component. The estimated principal forgiven amount is \$1,233,700. The City started the draw-down process in 2013. Draws in the amount of \$381,785 were made during 2015. The balance on the loan as of December 31, 2015, is \$2,253,808 and is shown as a liability to the Water Fund in the accompanying financial statements. The annual amounts to amortize the loan will be as follows if the entire \$3,091,960 is borrowed and 40% of the principal is forgiven:

Years Ending December 31,	Principal	Interest	Total
2016	\$ 168,307	\$ 42,131	\$ 210,438
2017	172,422	38,017	210,439
2018	176,637	33,801	210,438
2019	180,956	29,483	210,439
2020	185,380	25,059	210,439
2021-2025	891,918	55,057	946,975
Totals	\$ 1,775,620	\$ 223,548	\$ 1,999,168

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

J. Long-Term Debt (Continued)

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

The balance as of December 31, 2015, is \$2,636,913. The annual amounts to amortize the loan are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 257,673	\$ 98,093	\$ 355,766
2017	267,258	88,508	355,766
2018	277,200	78,566	355,766
2019	287,512	68,254	355,766
2020	298,208	57,558	355,766
2021-2024	1,249,062	115,097	1,364,159
Totals	<u>\$ 2,636,913</u>	<u>\$ 506,076</u>	<u>\$ 3,142,989</u>

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2015, Industrial Revenue Bonds relating to ten entities were outstanding with a total balance of approximately \$101,879,088.

Crossover Refunding

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information

A. Risk Management

General

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

Self-Insured Health Care Fund

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

The internal service fund accrues the required amounts for the payment of these claims by rate charges to various City departments. These rate charges are reported as expenditures in the applicable funds. The Health Care Fund net position was \$1,301,061 at December 31, 2015. The claims liability of \$434,397 reported in the Fund at December 31, 2015 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 2015 and 2014 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Balance at Fiscal Year End</u>
2014-2015	\$ 229,732	\$ 5,033,136	\$ 4,828,471	\$ 434,397
2013-2014	\$ 666,846	\$ 3,261,469	\$ 3,698,583	\$ 229,732

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 2015 and 2014 were:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Balance at Fiscal Year End</u>
2014-2015	\$ 246,284	\$ 226,915	\$ 167,656	\$ 305,543
2013-2014	\$ 289,868	\$ 33,048	\$ 76,632	\$ 246,284

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

B. Contingent Liabilities

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

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

C. Defined Benefit Pension Plan

Plan Description

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

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

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

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

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Plan Description (continued)

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

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

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

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

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

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

The actuarially determined employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate were 9.48% for the Local Group and 21.36% for the Police and Firemen Group for the year ended December 31, 2015. Contributions to the Pension Plan from the City of Manhattan were \$ 1,341,498 for the Local Group and \$ 950,604 for the Police and Firemen Group for the year ended December 31, 2015.

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

At December 31, 2015, the City of Manhattan reported a liability of \$10,782,915 for the Local Group and \$7,104,916 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, 2015, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. 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, 2015. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City of Manhattan's proportion and change from its proportion measured as of June 30, 2014 were as follows:

	Net Pension Liability as of December 31, 2015	Proportion as of June 30, 2015	Increase in Proportion From June 30, 2014
Local Group	\$ 10,782,915	0.821215%	0.017173%
Police and Firemen Group	<u>7,104,916</u>	0.978480%	0.020245%
	\$ 17,887,831		

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

For the year ended December 31, 2015, the City of Manhattan recognized pension expense of \$803,545 for the Local Group and \$755,273 for the Police and Firemen Group. At December 31, 2015, 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	\$ 64,836	\$ 424,170
Net difference between projected and actual earnings on pension plan investments	-	645,375
Changes of assumptions	-	221,750
Changes in proportionate share	709,731	-
City of Manhattan's contributions subsequent to measurement date	1,136,193	-
	\$ 1,910,760	\$ 1,291,295
Total	\$ 1,910,760	\$ 1,291,295

The \$1,136,193 reported as deferred outflows of resources related to pensions resulting from the City of Manhattan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2016	\$	(324,246)
2017		(324,246)
2018		(324,246)
2019		467,855
2020		(11,845)
	\$	(516,728)
	\$	(516,728)

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for the three year period ending December 31, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	13%	0.80%
Yield driven	8%	4.20%
Real return	11%	1.70%
Real estate	11%	5.40%
Alternatives	8%	9.40%
Short-term investments	2%	(0.50%)
Total	100%	

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Discount rate. The discount rate used by KPERS to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for the Police and Firemen Group. Future employer contribution rates were also modeled for the Police and Firemen Group, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Manhattan's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City of Manhattan's proportionate share of the collective net pension liability calculated using the discount rate of 8.00%, as well as what the City of Manhattan's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City of Manhattan's Local Group proportionate share of the collective net pension liability	\$ 15,306,920	\$ 10,782,915	\$ 6,947,448
City of Manhattan's Police and Firemen Group proportionate share of the collective net pension liability	10,317,580	7,104,916	4,391,313
	\$ 25,624,500	\$ 17,887,831	\$ 11,338,761

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

Prior period adjustment. The implementation of GASB 68 resulted in a \$16,180,762 increase to the net pension liability, a \$1,576,510 increase to deferred outflows and a \$3,429,114 increase to deferred inflows and a \$18,033,366 decrease to net position as of December 31, 2014.

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

D. Postemployment Benefits Other Than Pensions

Plan Description

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

Funding Policy

The City provides health insurance to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). This statute, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 102 percent of the premium cost of active employees.

The City provides funding for the expenditures on a pay-as-you-go basis through the Health Care Fund. In 2015, active and retired plan members contributed \$614,095 to the plan and the City contributed \$3,087,092 to the plan.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 329,285
Interest on net OPEB obligation	75,552
Adjustment to ARC	<u>(83,947)</u>
Annual OPEB cost (expense)	\$ 320,890
Contributions made	<u>(75,000)</u>
Increase in net OPEB obligation	\$ 245,890
Net OPEB obligation January 1, 2015	<u>2,518,412</u>
Net OPEB obligation December 31, 2015	<u>\$2,764,302</u>

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

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

CITY OF MANHATTAN, KANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 4: Other Information (continued)

D. Postemployment Benefits Other Than Pensions (continued)

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$2,554,263. The City's policy is to fund the benefits on a pay-as-you-go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,554,263. The covered payroll (annual payroll of active employees covered by the plan) in 2015 was \$17,426,042 and the ratio of the UAAL to covered payroll was 14.7 percent.

Actuarial Methods and Assumptions

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

Amortization Method:	Level percent of pay, open
Amortization Period:	30 years
Discount rate:	3.00%
Mortality rate:	RP-2000 Mortality Tables for Healthy Annuitants and Employees for Males and Females with generational projection, ages set forward on year
Withdrawal rates:	Past history of City used to establish rates
Retirement rates:	Past history of City used to establish rates
Marriage and family assumptions:	Wives are assumed to be three years younger than husbands and 60% of members are assumed to have spouses who will elect coverage
Price inflation:	3.0% per year
Payroll growth:	3.0% per year
Health care cost trend rate:	6.8% grading down to 4.5%
Participation rate:	50% of members are assumed to elect coverage upon retirement

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

	<u>2015</u>	<u>2014</u>
City of Manhattan's proportion of the collective net pension liability	0.821215%	0.804042%
KPERs	0.978480%	0.958235%
KP&F		
City of Manhattan's proportionate share of the collective net pension liability	\$ 17,887,831	\$ 16,180,762
City of Manhattan's covered-employee payroll	\$ 18,132,433	\$ 17,601,899
City of Manhattan's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	99%	92%
Plan fiduciary net position as a percentage of the total pension liability	64.95%	66.60%

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
KPERS/Ret Contractually required contributions	1,454,056	1,304,973	1,145,040	1,026,736	893,886	815,626	704,786	538,332	441,562	350,309
KP&F Contractually required contributions	952,624	874,519	730,347	623,028	512,620	467,903	598,214	558,258	513,210	448,135
Contributions in relation to the contractually required contributions	(2,406,680)	(2,179,492)	(1,875,387)	(1,648,729)	(1,406,571)	(1,284,499)	(1,303,000)	(1,096,590)	(954,772)	(798,444)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 1,035	\$ (65)	\$ (970)	\$ -	\$ -	\$ -	\$ -
City of Manhattan's covered-employee payroll	\$ 18,422,768	\$ 18,016,283	\$ 17,139,649	\$ 16,232,981	\$ 15,167,579	\$ 15,098,217	\$ 15,179,204	\$ 13,040,404	\$ 11,852,936	\$ 10,812,587
Contributions as a percentage of covered-employee payroll	13.1%	12.1%	10.9%	10.2%	9.3%	8.5%	8.6%	8.4%	8.1%	7.4%

The data is presented on a calendar year end basis.

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

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

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

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

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

BUDGETED SPECIAL REVENUE FUNDS:

Aggieville Business Improvement District Fund

Funds the beautification of the Aggieville Business District.

City/University Projects Fund

An agreement with Kansas State University for special joint projects.

Downtown Business Improvement District Fund

Funds the beautification of the Downtown Business District.

Economic Development Fund

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

Employee Benefit Contribution Fund

Provides for the funding of employees' retirement.

Fire Equipment Reserve Fund

Funds the purchase of fire equipment.

Fire Pension KP&F Fund

Special levy for Firemen's Retirement.

General Improvement Fund

Provides for the cost of general improvements.

Industrial Promotion Fund

Special tax for the promotion of industrial development.

Library Fund

Funds the operation of the municipal library.

Library Employee Benefit Contribution Fund

Provides for the funding of library employees' retirement.

Park Development Fund

Provides for park capital improvements.

Sales Tax Fund

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

SPECIAL REVENUE FUNDS

Special Alcohol Programs Fund

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

Special Parks and Recreation Fund

Special alcohol liquor tax for recreation.

Special Street and Highway Fund

State gasoline tax monies for streets and highways.

Special Sunset Zoo Fund

Special fees for zoo improvements.

Tourism and Convention Promotion Fund

Special hotel guest tax for tourism.

Capital Improvement Reserve Fund

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

NON-BUDGETED SPECIAL REVENUE FUNDS:

Airport Federal Grant No. 42 Fund

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

Airport Federal Grant No. 43 Fund

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

Airport TVOR Land Acquisition Grant Fund

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

Airport Federal Grant No. 44 Fund

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

Airport Federal Grant No. 46 Fund

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

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

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

CDBG Program Income

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

NON-BUDGETED SPECIAL REVENUE FUNDS:

Emergency Shelter Grant Funds

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

CDBG/Federal Entitlement Funds

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

FHDC Archeology Grant Fund

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

FHDC Sponsored Events

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

Firefighter Memorial Fund

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

HOME Investment Partnerships Program Funds

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

Juneteenth Grant-2009

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

Norvell Band Shell Fund

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

Old Engine One Fund

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

Park Improvement Fund

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

Share the Story Grant

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

Special Taxi Fund

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

NON-BUDGETED SPECIAL REVENUE FUNDS:

Sunset Zoo Animals Fund

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

Westar Energy Solar Photovoltaic Grant

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

Wetland Development Grant

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

Yes! Grant Funds

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

DEBT SERVICE FUNDS

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

Downtown Redevelopment Senior Lien TIF Bonds Fund

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

Downtown Redevelopment Sub Lien TIF Bonds Fund

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

Downtown Redevelopment STAR Bonds Fund

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

Downtown Redevelopment Taxable STAR Bonds Fund

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

Downtown Redevelopment TDD Fund

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

DEBT SERVICE FUNDS

Limey Pointe TDD Fund

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

Downtown South End TDD Fund

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

McDonald's TDD

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

PERMANENT FUND

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

Sunrise Perpetual Care Fund

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

CITY OF MANHATTAN, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	Aggieville Business Improvement District	Downtown Business Improvement District	Economic Development
Assets			
Cash	\$ 168	\$ 949	\$ 6,910,042
Cash with special obligation bonds trustee	-	-	-
Investment in joint venture	-	-	170,085
Receivables	1,685	148	272,653
Intergovernmental receivables	-	-	-
Sales tax receivable	-	-	351,628
Transient guest tax receivable	-	-	-
Property tax receivable	-	-	-
Economic development loans	-	-	-
Total Assets	\$ 1,853	\$ 1,097	\$ 7,704,408
Liabilities			
Accounts payable	\$ 51	\$ -	\$ 5,233
Accrued payroll	-	-	-
Interfund payable	-	-	-
Deferred revenue	1,685	148	272,653
Total Liabilities	\$ 1,736	\$ 148	\$ 277,886
Deferred Inflow of Resources			
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -
Fund Balance			
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -
Restricted:			
Urban Development & Housing	117	949	2,523,522
General Government	-	-	-
Capital Projects	-	-	-
Public Safety	-	-	-
Culture & Recreation	-	-	-
Public Works	-	-	-
Debt Service	-	-	-
Committed - Urban Development	-	-	-
Committed - Culture & Recreation	-	-	-
Assigned - Purchases on Order	-	-	-
Assigned - Subsequent Year Budget	-	-	4,903,000
Unassigned	-	-	-
Total Fund Balance	\$ 117	\$ 949	\$ 7,426,522
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 1,853	\$ 1,097	\$ 7,704,408

(Continued)

Special Revenue

<u>Employee Benefit Contribution</u>	<u>Fire Equipment Reserve</u>	<u>Fire Pension KP&F</u>	<u>General Improvement</u>	<u>Industrial Promotion</u>	<u>Library</u>
\$ 15,205	\$ 261,043	\$ 58,329	\$ 145,072	\$ 207,391	\$ 891
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,341	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,437,695	130,195	681,405	-	-	2,145,133
-	-	-	-	-	-
<u>\$ 1,452,900</u>	<u>\$ 391,238</u>	<u>\$ 739,734</u>	<u>\$ 145,072</u>	<u>\$ 208,732</u>	<u>\$ 2,146,024</u>
\$ -	\$ 2,556	\$ -	\$ -	\$ 1,505	\$ 245
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,341	-
<u>\$ -</u>	<u>\$ 2,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,846</u>	<u>\$ 245</u>
<u>\$ 1,437,695</u>	<u>\$ 130,195</u>	<u>\$ 681,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,145,133</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	5,886	-
15,205	-	-	-	-	-
-	-	-	-	-	-
-	34,487	58,329	-	-	-
-	-	-	-	-	646
-	-	-	55,072	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	224,000	-	90,000	200,000	-
-	-	-	-	-	-
<u>\$ 15,205</u>	<u>\$ 258,487</u>	<u>\$ 58,329</u>	<u>\$ 145,072</u>	<u>\$ 205,886</u>	<u>\$ 646</u>
<u>\$ 1,452,900</u>	<u>\$ 391,238</u>	<u>\$ 739,734</u>	<u>\$ 145,072</u>	<u>\$ 208,732</u>	<u>\$ 2,146,024</u>

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

December 31, 2015

	Library Employee Benefit Contribution	Sales Tax	Special Alcohol Programs
Assets			
Cash	\$ 2,622	\$ 411,998	\$ 257,790
Cash with special obligation bonds trustee	-	-	-
Investment in joint venture	-	-	-
Receivables	-	-	-
Intergovernmental receivables	-	-	-
Sales tax receivable	-	965,833	-
Transient guest tax receivable	-	-	-
Property tax receivable	561,097	-	-
Economic development loans	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 563,719	\$ 1,377,831	\$ 257,790
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Interfund payable	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ -	\$ -	\$ -
Deferred Inflow of Resources			
Unavailable revenue - Property Taxes	\$ 561,097	\$ -	\$ -
Fund Balance			
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -
Restricted:			
Urban Development & Housing	-	-	-
General Government	-	1,077,831	(2,210)
Capital Projects	-	-	-
Public Safety	-	-	-
Culture & Recreation	2,622	-	-
Public Works	-	-	-
Debt Service	-	-	-
Committed - General Government	-	-	-
Committed - Culture & Recreation	-	-	-
Assigned - Purchases on Order	-	-	-
Assigned - Subsequent Year Budget	-	300,000	260,000
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balance	\$ 2,622	\$ 1,377,831	\$ 257,790
Total Liabilities, Deferred Inflow of Resources and Fund Balance			
	\$ 563,719	\$ 1,377,831	\$ 257,790

(Continued)

Special Revenue

Special Parks and Recreation	Special Street and Highway	Special Sunset Zoo	Tourism and Convention Promotion	Capital Improvement Reserve	Airport Federal Grant No. 42
\$ 1,335,056	\$ 1,557,252	\$ 232,919	\$ 282,875	\$ 72,340	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	39,486
-	-	-	-	-	-
-	-	-	467,711	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,335,056</u>	<u>\$ 1,557,252</u>	<u>\$ 232,919</u>	<u>\$ 750,586</u>	<u>\$ 72,340</u>	<u>\$ 39,486</u>
\$ 11,301	\$ 156,899	\$ 21,237	\$ -	\$ -	\$ -
-	1,165	8,699	-	-	-
-	-	-	-	-	54,527
-	-	-	-	-	-
<u>\$ 11,301</u>	<u>\$ 158,064</u>	<u>\$ 29,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,527</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	565,586	-	-
-	-	-	-	72,340	-
-	-	-	-	-	-
-	-	-	-	-	-
110,176	-	-	-	-	-
-	481,155	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
23,579	418,033	-	-	-	-
1,190,000	500,000	202,983	185,000	-	-
-	-	-	-	-	(15,041)
<u>\$ 1,323,755</u>	<u>\$ 1,399,188</u>	<u>\$ 202,983</u>	<u>\$ 750,586</u>	<u>\$ 72,340</u>	<u>\$ (15,041)</u>
<u>\$ 1,335,056</u>	<u>\$ 1,557,252</u>	<u>\$ 232,919</u>	<u>\$ 750,586</u>	<u>\$ 72,340</u>	<u>\$ 39,486</u>

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

December 31, 2015

	<u>Airport TVOR Land Acquisition Grant</u>	<u>Alcohol and Drug Safety</u>	<u>Emergency Shelter Grant</u>
Assets			
Cash	\$ 343,818	\$ 34,703	\$ -
Cash with special obligation bonds trustee	-	-	-
Investment in joint venture	-	-	-
Receivables	-	6,880	-
Intergovernmental receivables	-	-	55,382
Sales tax receivable	-	-	-
Transient guest tax receivable	-	-	-
Property tax receivable	-	-	-
Economic development loans	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 343,818</u>	<u>\$ 41,583</u>	<u>\$ 55,382</u>
Liabilities			
Accounts payable	\$ -	\$ 15,758	\$ 55,382
Accrued payroll	-	-	-
Interfund payable	-	-	-
Deferred revenue	-	6,880	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ -</u>	<u>\$ 22,638</u>	<u>\$ 55,382</u>
Deferred Inflow of Resources			
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Fund Balance			
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -
Restricted:			
Public Safety	-	-	-
Culture & Recreation	-	-	-
Public Works	-	-	-
Debt Service	-	-	-
Committed - General Government	-	-	-
Committed - Culture & Recreation	-	-	-
Assigned - Purchases on Order	-	-	-
Assigned - Subsequent Year Budget	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>\$ 343,818</u>	<u>\$ 18,945</u>	<u>\$ -</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflow of Resources and Fund Balance	<u>\$ 343,818</u>	<u>\$ 41,583</u>	<u>\$ 55,382</u>

(Continued)

Special Revenue

CDBG/Federal Entitlement	FHDC Sponsored Events	Firefighter Memorial	Home Investment Partnerships Program-2011	Juneteenth Grant-2009	Norvell Band Shell
\$ -	\$ 25,124	\$ 2,693	\$ 33,724	\$ 2,241	\$ 1,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 25,124</u>	<u>\$ 2,693</u>	<u>\$ 33,724</u>	<u>\$ 2,241</u>	<u>\$ 1,864</u>
\$ -	\$ 6,554	\$ -	\$ -	\$ -	\$ -
2,686	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,686</u>	<u>\$ 6,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,693	-	-	-
-	18,570	-	-	2,241	1,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,686)	-	-	-	-	-
<u>\$ (2,686)</u>	<u>\$ 18,570</u>	<u>\$ 2,693</u>	<u>\$ 33,724</u>	<u>\$ 2,241</u>	<u>\$ 1,864</u>
\$ -	\$ 25,124	\$ 2,693	\$ 33,724	\$ 2,241	\$ 1,864

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

December 31, 2015

	<u>Park Improvement</u>	<u>CDBG/Federal Entitlement Year 1</u>	<u>Wetland Development Grant</u>
Assets			
Cash	\$ 1,240	\$ -	\$ 2,183
Cash with special obligation bonds trustee	-	-	-
Investment in joint venture	-	-	-
Receivables	-	-	-
Intergovernmental receivables	-	28,429	-
Sales tax receivable	-	-	-
Transient guest tax receivable	-	-	-
Property tax receivable	-	-	-
Economic development loans	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,240</u>	<u>\$ 28,429</u>	<u>\$ 2,183</u>
Liabilities			
Accounts payable	\$ -	\$ 31,065	\$ -
Accrued payroll	-	-	-
Interfund payable	-	9,240	-
Deferred revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ -</u>	<u>\$ 40,305</u>	<u>\$ -</u>
Deferred Inflow of Resources			
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Fund Balance			
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -
Restricted:			
Urban Development & Housing	-	-	-
General Government	-	-	-
Capital Projects	-	-	-
Public Safety	-	-	-
Culture & Recreation	1,240	-	2,183
Public Works	-	-	-
Debt Service	-	-	-
Committed - General Government	-	-	-
Committed - Culture & Recreation	-	-	-
Assigned - Purchases on Order	-	-	-
Assigned - Subsequent Year Budget	-	-	-
Unassigned	-	(11,876)	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>\$ 1,240</u>	<u>\$ (11,876)</u>	<u>\$ 2,183</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balance			
	<u>\$ 1,240</u>	<u>\$ 28,429</u>	<u>\$ 2,183</u>

(Continued)

Special Revenue

Yes! Grant	CDBG/Federal Entitlement Year 5	Share the Story	CDBG Program Income	Airport Federal Grant No. 46
\$ -	\$ -	\$ 5,721	\$ 703	\$ 3,578,527
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	124,908	-	-	533,254
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 124,908</u>	<u>\$ 5,721</u>	<u>\$ 703</u>	<u>\$ 4,111,781</u>
\$ -	\$ 124,908	\$ 40	\$ 703	\$ 518,489
269	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 269</u>	<u>\$ 124,908</u>	<u>\$ 40</u>	<u>\$ 703</u>	<u>\$ 518,489</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,593,292
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(269)	-	5,681	-	-
<u>\$ (269)</u>	<u>\$ -</u>	<u>\$ 5,681</u>	<u>\$ -</u>	<u>\$ 3,593,292</u>
<u>\$ -</u>	<u>\$ 124,908</u>	<u>\$ 5,721</u>	<u>\$ 703</u>	<u>\$ 4,111,781</u>

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

December 31, 2015

	Special Revenue		
	Westar Energy Solar Grant	Downtown Redevelopment Senior Lien TIF Bonds	Downtown Redevelopment Sub Lien TIF Bonds
Assets			
Cash	\$ 2,500	\$ 80,706	\$ -
Cash with special obligation bonds trustee	-	2,778,062	2
Investment in joint venture	-	-	-
Receivables	-	-	-
Intergovernmental receivables	-	-	-
Sales tax receivable	-	180,957	-
Transient guest tax receivable	-	-	-
Property tax receivable	-	-	-
Economic development loans	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 2,500	\$ 3,039,725	\$ 2
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Interfund payable	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ -	\$ -	\$ -
Deferred Inflow of Resources			
Unavailable revenue - Property Taxes	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Fund Balance			
Nonspendable - Perpetual Care	\$ -	\$ -	\$ -
Restricted:			
Urban Development & Housing	-	-	-
General Government	-	-	-
Capital Projects	-	-	-
Public Safety	-	-	-
Culture & Recreation	2,500	-	-
Public Works	-	-	-
Debt Service	-	3,039,725	2
Committed - General Government	-	-	-
Committed - Culture & Recreation	-	-	-
Assigned - Purchases on Order	-	-	-
Assigned - Subsequent Year Budget	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balance	\$ 2,500	\$ 3,039,725	\$ 2
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 2,500	\$ 3,039,725	\$ 2

(Continued)

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

December 31, 2015

	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Total</u>	
Assets		
Cash	\$ 1,062,751	\$ 17,535,451
Cash with special obligation bonds trustee	2,820,765	2,820,765
Investment in joint venture	-	170,085
Receivables	-	282,707
Intergovernmental receivables	-	1,724,187
Sales tax receivable	338,021	1,655,482
Transient guest tax receivable	-	467,711
Property tax receivable	-	4,955,525
Economic development loans	-	-
	<u>4,221,537</u>	<u>29,611,913</u>
Total Assets	\$ 4,221,537	\$ 29,611,913
Liabilities		
Accounts payable	\$ -	\$ 1,032,834
Accrued payroll	-	12,819
Interfund payable	-	254,335
Deferred revenue	-	282,707
	<u>-</u>	<u>1,582,695</u>
Total Liabilities	\$ -	\$ 1,582,695
Deferred Inflow of Resources		
Unavailable revenue - Property Taxes	\$ -	\$ 4,955,525
	<u>-</u>	<u>4,955,525</u>
Fund Balance		
Nonspendable - Perpetual Care	\$ -	\$ 479,857
Restricted:		
Urban Development & Housing	-	3,129,784
General Government	-	1,240,979
Capital Projects	-	4,610,164
Public Safety	-	95,509
Culture & Recreation	-	243,307
Public Works	-	536,227
Debt Service	4,221,537	4,221,537
Committed - General Government	-	26,425
Committed - Culture & Recreation	-	-
Assigned - Purchases on Order	-	441,612
Assigned - Subsequent Year Budget	-	8,072,483
Unassigned	-	(24,191)
	<u>4,221,537</u>	<u>23,073,693</u>
Total Fund Balance	\$ 4,221,537	\$ 23,073,693
Total Liabilities, Deferred Inflow of Resources and Fund Balance	\$ 4,221,537	\$ 29,611,913

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CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Aggieville Business Improvement District	City/ University Projects	Downtown Business Improvement District	Economic Development
REVENUES				
Taxes	\$ -	\$ 454,208	\$ -	\$ 1,954,921
Intergovernmental	-	-	-	-
Charges for services	57,812	-	67,324	-
Investment income	-	-	-	(61,094)
Miscellaneous	-	-	-	184,430
Total Revenue	\$ 57,812	\$ 454,208	\$ 67,324	\$ 2,078,257
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	56,210	-	64,790	744,941
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	156,820
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 56,210	\$ -	\$ 64,790	\$ 901,761
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,602	\$ 454,208	\$ 2,534	\$ 1,176,496
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Speical obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	163,792	-	-
Transfers out	(1,500)	(691,801)	(2,000)	(1,035,158)
Total Other Financing Sources (Uses)	\$ (1,500)	\$ (528,009)	\$ (2,000)	\$ (1,035,158)
NET CHANGE IN FUND BALANCES	\$ 102	\$ (73,801)	\$ 534	\$ 141,338
FUND BALANCE-BEGINNING OF PERIOD	15	100,226	415	7,285,184
FUND BALANCE - END OF PERIOD	\$ 117	\$ 26,425	\$ 949	\$ 7,426,522

(Continued)

Special Revenue

Employee Benefit Contribution	Fire Equipment Reserve	Fire Pension KP&F	General Improvement	Industrial Promotion
\$ 1,339,662	\$ 149,003	\$ 664,291	\$ -	\$ 5
-	-	-	-	-
-	449	-	252	400
-	30,000	-	-	88,335
<u>\$ 1,339,662</u>	<u>\$ 179,452</u>	<u>\$ 664,291</u>	<u>\$ 252</u>	<u>\$ 88,740</u>
\$ 648,210	\$ -	\$ -	\$ -	\$ -
170,822	574,267	988,552	-	-
486,485	-	-	-	-
94,729	-	-	-	109,746
759,452	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	176,885	-	-	-
-	-	-	-	-
-	15,938	-	-	-
<u>\$ 2,159,698</u>	<u>\$ 767,090</u>	<u>\$ 988,552</u>	<u>\$ -</u>	<u>\$ 109,746</u>
\$ (820,036)	\$ (587,638)	\$ (324,261)	\$ 252	\$ (21,006)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	529,802	-	-	-
810,000	-	300,000	25,000	-
-	-	-	-	-
<u>\$ 810,000</u>	<u>\$ 529,802</u>	<u>\$ 300,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
\$ (10,036)	\$ (57,836)	\$ (24,261)	\$ 25,252	\$ (21,006)
25,241	316,323	82,590	119,820	226,892
<u>\$ 15,205</u>	<u>\$ 258,487</u>	<u>\$ 58,329</u>	<u>\$ 145,072</u>	<u>\$ 205,886</u>

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

For the Year Ended December 31, 2015

	Library	Library Employee Benefit Contribution	Park Development	Sales Tax
REVENUES				
Taxes	\$ 2,226,432	\$ 527,356	\$ -	\$ 5,571,486
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	69	18	238	-
Miscellaneous	-	-	(22,800)	-
Total Revenue	\$ 2,226,501	\$ 527,374	\$ (22,562)	\$ 5,571,486
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,226,181	530,000	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 2,226,181	\$ 530,000	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 320	\$ (2,626)	\$ (22,562)	\$ 5,571,486
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Speical obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	20,000	-
Transfers out	-	-	-	(5,350,415)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 20,000	\$ (5,350,415)
NET CHANGE IN FUND BALANCES	\$ 320	\$ (2,626)	\$ (2,562)	\$ 221,071
FUND BALANCE-BEGINNING OF PERIOD	326	5,248	121,327	1,156,760
FUND BALANCE - END OF PERIOD	\$ 646	\$ 2,622	\$ 118,765	\$ 1,377,831

(Continued)

Special Revenue

Special Alcohol Programs	Special Parks and Recreation	Special Street and Highway	Special Sunset Zoo	Tourism and Convention Promotion
\$ -	\$ -	\$ -	\$ -	\$ 1,516,102
478,102	478,102	1,635,466	-	-
-	-	-	519,966	-
288	2,168	2,470	392	-
545	131	36,990	6,308	-
<u>\$ 478,935</u>	<u>\$ 480,401</u>	<u>\$ 1,674,926</u>	<u>\$ 526,666</u>	<u>\$ 1,516,102</u>
\$ 470,946	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	73,924	-	-
-	-	-	-	940,661
-	5,998	-	454,784	-
-	-	-	-	-
-	123,427	600,065	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 470,946</u>	<u>\$ 129,425</u>	<u>\$ 673,989</u>	<u>\$ 454,784</u>	<u>\$ 940,661</u>
\$ 7,989	\$ 350,976	\$ 1,000,937	\$ 71,882	\$ 575,441
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	21,848	-	747	-
-	(25,781)	(264,948)	(25,735)	(372,081)
<u>\$ -</u>	<u>\$ (3,933)</u>	<u>\$ (264,948)</u>	<u>\$ (24,988)</u>	<u>\$ (372,081)</u>
\$ 7,989	\$ 347,043	\$ 735,989	\$ 46,894	\$ 203,360
249,801	976,712	663,199	156,089	547,226
<u>\$ 257,790</u>	<u>\$ 1,323,755</u>	<u>\$ 1,399,188</u>	<u>\$ 202,983</u>	<u>\$ 750,586</u>

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

For the Year Ended December 31, 2015

	Capital Improvement Reserve	Airport Federal Grant No. 42	Airport Federal Grant No. 43	Airport TVOR Land Acquisition Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,619	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	\$ 3,619	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	12,320
Total Expenditures	\$ -	\$ -	\$ -	\$ 12,320
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,619	\$ -	\$ -	\$ (12,320)
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	198,625	-
Transfers out	(1,800,000)	-	-	-
Total Other Financing Sources (Uses)	\$ (1,800,000)	\$ -	\$ 198,625	\$ -
NET CHANGE IN FUND BALANCES	\$ (1,796,381)	\$ -	\$ 198,625	\$ (12,320)
FUND BALANCE-BEGINNING OF PERIOD	1,868,721	(15,041)	(198,625)	356,138
FU REVENUES	\$ 72,340	\$ (15,041)	\$ -	\$ 343,818

(Continued)

Special Revenue

Airport Federal Grant No. 44	Alcohol and Drug Safety	Emergency Shelter 2014	Emergency Shelter 2015	CDBG/Federal Entitlement
\$ -	\$ -	\$ -	\$ -	\$ -
1,190,316	-	145,457	160,508	169,162
-	-	-	-	-
-	-	-	-	-
-	735	-	-	-
<u>\$ 1,190,316</u>	<u>\$ 735</u>	<u>\$ 145,457</u>	<u>\$ 160,508</u>	<u>\$ 169,162</u>
\$ 54	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	141,622	160,508	169,340
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
55,300	-	-	-	-
<u>\$ 1,668,695</u>	<u>\$ -</u>	<u>\$ 141,622</u>	<u>\$ 160,508</u>	<u>\$ 169,340</u>
\$ (478,379)	\$ 735	\$ 3,835	\$ -	\$ (178)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(5,930)	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,930)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (478,379)	\$ 735	\$ (2,095)	\$ -	\$ (178)
1,151,433	18,210	2,095	-	(2,508)
<u>\$ 673,054</u>	<u>\$ 18,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,686)</u>

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

For the Year Ended December 31, 2015

	FHDC Archeology Grant	FHDC Sponsored Events	Firefighter Memorial	Home Investment Partnerships Program-2011
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	63,054	48	-
Total Revenue	\$ -	\$ 63,054	\$ 48	\$ -
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	4,940
Culture/recreation	-	44,484	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ -	\$ 44,484	\$ -	\$ 4,940
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 18,570	\$ 48	\$ (4,940)
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(415)	-	-	-
Total Other Financing Sources (Uses)	\$ (415)	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCES	\$ (415)	\$ 18,570	\$ 48	\$ (4,940)
FUND BALANCE-BEGINNING OF PERIOD	415	-	2,645	38,664
FUND BALANCE - END OF PERIOD	\$ -	\$ 18,570	\$ 2,693	\$ 33,724

(Continued)

Special Revenue

Juneteenth Grant-2009	Norvell Band Shell	Old Engine One Fund	Park Improvement	Special Taxi
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	9,555
-	-	-	-	-
1,000	-	22,430	1,030	-
<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 22,430</u>	<u>\$ 1,030</u>	<u>\$ 9,555</u>
\$ 1,025	\$ -	\$ -	\$ -	\$ 17,698
-	-	22,430	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,025</u>	<u>\$ -</u>	<u>\$ 22,430</u>	<u>\$ -</u>	<u>\$ 17,698</u>
\$ (25)	\$ -	\$ -	\$ 1,030	\$ (8,143)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(20,029)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,029)</u>	<u>\$ -</u>
\$ (25)	\$ -	\$ -	\$ (18,999)	\$ (8,143)
2,266	1,864	-	20,239	67,011
<u>\$ 2,241</u>	<u>\$ 1,864</u>	<u>\$ -</u>	<u>\$ 1,240</u>	<u>\$ 58,868</u>

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

For the Year Ended December 31, 2015

	CDBG/Federal Entitlement Year 1	Sunset Zoo Animals	Wetland Development Grant	Yes! Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	117,200	-	-	-
Charges for services	-	-	-	-
Investment income	-	1	-	-
Miscellaneous	-	-	-	-
Total Revenue	\$ 117,200	\$ 1	\$ -	\$ -
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	129,076	-	-	-
Culture/recreation	-	-	-	7,356
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	\$ 129,076	\$ -	\$ -	\$ 7,356
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (11,876)	\$ 1	\$ -	\$ (7,356)
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	-	1,335
Transfers out	-	(747)	-	-
Total Other Financing Sources (Uses)	\$ -	\$ (747)	\$ -	\$ 1,335
NET CHANGE IN FUND BALANCES	\$ (11,876)	\$ (746)	\$ -	\$ (6,021)
FUND BALANCE-BEGINNING OF PERIOD	0	746	2,183	5,752
FUND BALANCE - END OF PERIOD	\$ (11,876)	\$ -	\$ 2,183	\$ (269)

(Continued)

Special Revenue

CDBG/Federal Entitlement Year 5	Share the Story	CDBG Program Income	Airport Federal Grant No. 46	Westar Energy Solar Grant	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,403,466
543,071	9,346	-	731,872	45,155	5,703,757
-	-	-	-	-	654,657
-	-	-	-	-	(50,730)
-	-	1,804	-	-	414,040
<u>\$ 543,071</u>	<u>\$ 9,346</u>	<u>\$ 1,804</u>	<u>\$ 731,872</u>	<u>\$ 45,155</u>	<u>\$ 21,125,190</u>
\$ -	\$ -	\$ -	\$ 61	\$ 86,271	\$ 1,224,265
-	-	-	-	-	1,756,071
-	-	-	-	-	560,409
254,446	-	3,585	-	-	2,874,594
-	3,194	-	-	-	1,275,268
-	-	-	-	-	2,756,181
272,675	-	-	1,234,671	-	4,000,999
-	-	-	-	-	176,885
-	-	-	28,848	-	28,848
-	-	-	-	-	83,558
<u>\$ 527,121</u>	<u>\$ 3,194</u>	<u>\$ 3,585</u>	<u>\$ 1,263,580</u>	<u>\$ 86,271</u>	<u>\$ 14,737,078</u>
\$ 15,950	\$ 6,152	\$ (1,781)	\$ (531,708)	\$ (41,116)	\$ 6,388,112
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	4,125,000	-	4,125,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	529,802
-	-	-	-	-	1,541,347
-	-	-	-	-	(9,596,540)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,125,000</u>	<u>\$ -</u>	<u>\$ (3,400,391)</u>
\$ 15,950	\$ 6,152	\$ (1,781)	\$ 3,593,292	\$ (41,116)	\$ 2,987,721
(15,950)	(471)	1,781	-	43,616	15,384,578
<u>\$ -</u>	<u>\$ 5,681</u>	<u>\$ -</u>	<u>\$ 3,593,292</u>	<u>\$ 2,500</u>	<u>\$ 18,372,299</u>

CITY OF MANHATTAN, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2015

	Downtown Redevelopment Senior Lien TIF Bonds	Downtown Redevelopment Sub Lien TIF Bonds	Downtown Redevelopment STAR Bonds	Downtown Redevelopment Taxable STAR Bonds
REVENUES				
Taxes	\$ 2,412,210	\$ -	\$ 4,628,634	\$ -
Intergovernmental	-	-	-	504,526
Charges for services	-	-	-	-
Investment income	22,577	1	84	6
Miscellaneous	-	-	-	-
Total Revenue	\$ 2,434,787	\$ 1	\$ 4,628,718	\$ 504,532
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	935,000	-	1,080,000	2,220,000
Bond issuance costs	6,900	-	-	-
Interest and fiscal charges	929,600	251,032	355,700	1,550,836
Total Expenditures	\$ 1,871,500	\$ 251,032	\$ 1,435,700	\$ 3,770,836
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 563,287	\$ (251,031)	\$ 3,193,018	\$ (3,266,304)
OTHER FINANCING SOURCES (USES)				
Temporary notes retired	\$ -	\$ -	\$ -	\$ -
Proceeds of temporary notes	-	-	-	-
General obligation bonds issued	-	-	-	-
Special obligation bonds issued	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	251,032	90,000	3,269,560
Transfers out	(440,252)	-	(3,269,560)	-
Total Other Financing Sources (Uses)	\$ (440,252)	\$ 251,032	\$ (3,179,560)	\$ 3,269,560
NET CHANGE IN FUND BALANCES	\$ 123,035	\$ 1	\$ 13,458	\$ 3,256
FUND BALANCE-BEGINNING OF PERIOD	2,916,690	1	24,215	1,772
FUND BALANCE - END OF PERIOD	\$ 3,039,725	\$ 2	\$ 37,673	\$ 5,028

(Continued)

Debt Service

Downtown Redevelopment TDD	Limey Pointe TDD	Downtown South End TDD	McDonald's TDD	Total
\$ 419,032	\$ 45,944	\$ 37,914	\$ 21,052	\$ 7,564,786
-	-	-	-	504,526
1,628	399	-	-	24,695
-	-	-	-	-
<u>\$ 420,660</u>	<u>\$ 46,343</u>	<u>\$ 37,914</u>	<u>\$ 21,052</u>	<u>\$ 8,094,007</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
135,000	20,000	-	-	4,390,000
-	-	-	-	6,900
237,619	9,201	-	-	3,333,988
<u>\$ 372,619</u>	<u>\$ 29,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,730,888</u>
\$ 48,041	\$ 17,142	\$ 37,914	\$ 21,052	\$ 363,119
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,610,592
(136,209)	-	-	-	(3,846,021)
<u>\$ (136,209)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (235,429)</u>
\$ (88,168)	\$ 17,142	\$ 37,914	\$ 21,052	\$ 127,690
862,524	160,113	112,164	16,368.00	4,093,847
<u>\$ 774,356</u>	<u>\$ 177,255</u>	<u>\$ 150,078</u>	<u>\$ 37,420</u>	<u>\$ 4,221,537</u>

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

For the Year Ended December 31, 2015

	Permanent	Total
	Sunrise Perpetual Care	Nonmajor Governmental Funds
REVENUES		
Taxes	\$ -	\$ 21,968,252
Intergovernmental	-	6,208,283
Charges for services	9,794	664,451
Investment income	918	(25,117)
Miscellaneous	-	414,040
Total Revenue	\$ 10,712	\$ 29,229,909
EXPENDITURES		
Current		
General government	\$ -	\$ 1,224,265
Public safety	-	1,756,071
Public works	-	560,409
Urban development and housing	-	2,874,594
Culture/recreation	90	1,275,358
Culture/recreation-payments to Library	-	2,756,181
Capital Outlay	-	4,000,999
Debt service		
Principal	-	4,566,885
Bond issuance costs	-	35,748
Interest and fiscal charges	-	3,417,546
Total Expenditures	\$ 90	\$ 22,468,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 10,622	\$ 6,761,853
OTHER FINANCING SOURCES (USES)		
Temporary notes retired	\$ -	\$ -
Proceeds of temporary notes	-	4,125,000
General obligation bonds issued	-	-
Special obligation bonds issued	-	-
Capital leases	-	529,802
Transfers in	-	5,151,939
Transfers out	-	(13,442,561)
Total Other Financing Sources (Uses)	\$ -	\$ (3,635,820)
NET CHANGE IN FUND BALANCES	\$ 10,622	\$ 3,126,033
FUND BALANCE-BEGINNING OF PERIOD	469,235	19,947,660
FUND BALANCE - END OF PERIOD	\$ 479,857	\$ 23,073,693

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

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,118,976	\$ 6,118,976	\$ 6,542,745	\$ 423,769
Special assessments	6,081,353	6,081,353	6,369,720	288,367
Investment income	-	-	17,615	17,615
Miscellaneous revenues	5,961,768	5,961,768	410,966	(5,550,802)
Total Revenues	<u>\$ 18,162,097</u>	<u>\$ 18,162,097</u>	<u>\$ 13,341,046</u>	<u>\$ (4,821,051)</u>
EXPENDITURES				
Current				
General government	\$ 100,414	100,414	\$ 379,103	\$ (278,689)
Debt service				
Bonds to be issued	7,892,270	7,892,270	-	7,892,270
Principal	11,478,433	11,478,433	13,748,431	(2,269,998)
Interest and fiscal charges	4,341,689	4,341,689	3,968,682	373,007
Bond issuance costs	-	-	224,711	(224,711)
Other	5,525,768	5,525,768	-	5,525,768
Total Expenditures	<u>\$ 29,338,574</u>	<u>\$ 29,338,574</u>	<u>\$ 18,320,927</u>	<u>\$ 11,017,647</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	<u>\$ (11,176,477)</u>	<u>\$ (11,176,477)</u>	<u>\$ (4,979,881)</u>	<u>\$ 6,196,596</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	\$ -	\$ -	\$ 8,140,040	\$ 8,140,040
Premium on general obligation bonds	-	-	1,042,461	1,042,461
Refunding bonds issued	-	-	-	-
Premium on refunding bonds	-	-	-	-
Temporary notes retired	-	-	(175,000)	(175,000)
Transfers in	2,995,737	2,995,737	1,880,951	(1,114,786)
Transfers out	-	-	(87,212)	(87,212)
Total Other Financing Sources (Uses)	<u>\$ 2,995,737</u>	<u>\$ 2,995,737</u>	<u>\$ 10,801,240</u>	<u>\$ 7,805,503</u>
NET CHANGE IN FUND BALANCES	<u>\$ (8,180,740)</u>	<u>\$ (8,180,740)</u>	<u>\$ 5,821,359</u>	<u>\$ 14,002,099</u>
FUND BALANCE-BEGINNING OF YEAR			14,153,611	
FUND BALANCE - END OF YEAR			\$ 19,974,970	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE - GAAP BASIS			<u>\$ 19,974,970</u>	

CITY OF MANHATTAN, KANSAS
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Aggieville Business Improvement District			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	61,500	61,500	57,812	(3,688)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 61,500</u>	<u>\$ 61,500</u>	<u>\$ 57,812</u>	<u>\$ (3,688)</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	60,000	60,000	56,210	3,790
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 56,210</u>	<u>\$ 3,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,602</u>	<u>\$ 102</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(1,500)	(1,500)	(1,500)	-
Total Other Financing Sources (Uses)	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 102</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>15</u>	
FUND BALANCE - END OF PERIOD			\$ 117	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 117</u>	

(Continued)

City/University Projects				Downtown Business Improvement District			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 454,208	\$ 454,208	\$ 454,208	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	70,500	70,500	67,324	(3,176)
-	-	-	-	-	-	-	-
\$ 454,208	\$ 454,208	\$ 454,208	\$ -	\$ 70,500	\$ 70,500	\$ 67,324	\$ (3,176)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	68,500	68,500	64,790	3,710
-	-	-	-	-	-	-	-
691,801	691,801	-	691,801	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 691,801	\$ 691,801	\$ -	\$ 691,801	\$ 68,500	\$ 68,500	\$ 64,790	\$ 3,710
\$ (237,593)	\$ (237,593)	\$ 454,208	\$ 691,801	\$ 2,000	\$ 2,000	\$ 2,534	\$ 534
\$ 163,792	\$ 163,792	\$ 163,792	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(691,801)	(691,801)	(2,000)	(2,000)	(2,000)	-
\$ 163,792	\$ 163,792	\$ (528,009)	\$ (691,801)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ -
\$ (73,801)	\$ (73,801)	\$ (73,801)	\$ -	\$ -	\$ -	534	\$ 534
		100,226				415	
		\$ 26,425				\$ 949	
		-				-	
		\$ 26,425				\$ 949	

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

For the Year Ended December 31, 2015

	Economic Development			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 1,811,248	\$ 1,811,248	\$ 1,954,921	\$ 143,673
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	38,440	38,440	(61,094)	(99,534)
Miscellaneous	155,700	155,700	184,430	28,730
Total Revenue	<u>\$ 2,005,388</u>	<u>\$ 2,005,388</u>	<u>\$ 2,078,257</u>	<u>\$ 72,869</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	4,467,686	4,467,686	744,941	3,722,745
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	134,000	134,000	156,820	(22,820)
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 4,601,686</u>	<u>\$ 4,601,686</u>	<u>\$ 901,761</u>	<u>\$ 3,699,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,596,298)</u>	<u>\$ (2,596,298)</u>	<u>\$ 1,176,496</u>	<u>\$ 3,772,794</u>
OTHER FINANCING SOURCES (USES)				
OFS - Capital leases	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	(1,623,705)	(1,623,705)	(1,035,158)	588,547
Total Other Financing Sources (Uses)	<u>\$ (1,623,705)</u>	<u>\$ (1,623,705)</u>	<u>\$ (1,035,158)</u>	<u>\$ 588,547</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,220,003)</u>	<u>\$ (4,220,003)</u>	141,338	<u>\$ 4,361,341</u>
FUND BALANCE - BEGINNING OF PERIOD			7,285,184	
FUND BALANCE - END OF PERIOD			\$ 7,426,522	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 7,426,522</u>	

(Continued)

Employee Benefit Contribution				Fire Equipment Reserve			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 1,353,600	\$ 1,353,600	\$ 1,339,662	\$ (13,938)	\$ 150,646	\$ 150,646	\$ 149,003	\$ (1,643)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	268	268	449	181
-	-	-	-	-	-	30,000	30,000
<u>\$ 1,353,600</u>	<u>\$ 1,353,600</u>	<u>\$ 1,339,662</u>	<u>\$ (13,938)</u>	<u>\$ 150,914</u>	<u>\$ 150,914</u>	<u>\$ 179,452</u>	<u>\$ 28,538</u>
\$ 2,178,600	\$ 2,178,600	\$ 648,210	\$ 1,530,390	\$ -	\$ -	\$ -	\$ -
-	-	170,822	(170,822)	385,914	385,914	574,267	(188,353)
-	-	486,485	(486,485)	-	-	-	-
-	-	94,729	(94,729)	-	-	-	-
-	-	759,452	(759,452)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	15,000	15,000	-	15,000
-	-	-	-	-	-	176,885	(176,885)
-	-	-	-	-	-	15,938	(15,938)
<u>\$ 2,178,600</u>	<u>\$ 2,178,600</u>	<u>\$ 2,159,698</u>	<u>\$ 18,902</u>	<u>\$ 400,914</u>	<u>\$ 400,914</u>	<u>\$ 767,090</u>	<u>\$ (366,176)</u>
<u>\$ (825,000)</u>	<u>\$ (825,000)</u>	<u>\$ (820,036)</u>	<u>\$ 4,964</u>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	<u>\$ (587,638)</u>	<u>\$ (337,638)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,802	\$ -
810,000	810,000	810,000	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 810,000</u>	<u>\$ 810,000</u>	<u>\$ 810,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 529,802</u>	<u>\$ -</u>
<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>(10,036)</u>	<u>\$ 4,964</u>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	<u>(57,836)</u>	<u>\$ (337,638)</u>
		25,241				316,323	
		\$ 15,205				\$ 258,487	
		-				-	
		<u>\$ 15,205</u>				<u>\$ 258,487</u>	

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

For the Year Ended December 31, 2015

	Fire Pension KP&F			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 675,000	\$ 675,000	\$ 664,291	\$ (10,709)
Intergovernmental	-	-	-	-
Total Revenue	<u>\$ 675,000</u>	<u>\$ 675,000</u>	<u>\$ 664,291</u>	<u>\$ (10,709)</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	1,005,000	1,005,000	988,552	16,448
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 1,005,000</u>	<u>\$ 1,005,000</u>	<u>\$ 988,552</u>	<u>\$ 16,448</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (330,000)</u>	<u>\$ (330,000)</u>	<u>\$ (324,261)</u>	<u>\$ 5,739</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>	<u>(24,261)</u>	<u>\$ 5,739</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>82,590</u>	
FUND BALANCE - END OF PERIOD			\$ 58,329	
ADJUSTMENTS TO GAAP				
Encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 58,329</u>	

(Continued)

General Improvement				Industrial Promotion			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 5
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>	<u>\$ 252</u>	<u>\$ 30,200</u>	<u>\$ 30,200</u>	<u>\$ 88,740</u>	<u>\$ 58,540</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	210,200	210,200	109,746	100,454
-	-	-	-	-	-	-	-
50,000	50,000	-	50,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 210,200</u>	<u>\$ 210,200</u>	<u>\$ 109,746</u>	<u>\$ 100,454</u>
\$ (50,000)	\$ (50,000)	\$ 252	\$ 50,252	\$ (180,000)	\$ (180,000)	\$ (21,006)	\$ 158,994
\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	25,252	\$ 50,252	<u>\$ (180,000)</u>	<u>\$ (180,000)</u>	(21,006)	\$ 158,994
		119,820				226,892	
		\$ 145,072				\$ 205,886	
		-				-	
		<u>\$ 145,072</u>				<u>\$ 205,886</u>	

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

For the Year Ended December 31, 2015

	Library			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 2,231,000	\$ 2,231,000	\$ 2,226,432	\$ (4,568)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	69	69
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 2,231,000</u>	<u>\$ 2,231,000</u>	<u>\$ 2,226,501</u>	<u>\$ (4,499)</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	2,231,000	2,231,000	2,226,181	4,819
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 2,231,000</u>	<u>\$ 2,231,000</u>	<u>\$ 2,226,181</u>	<u>\$ 4,819</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320</u>	<u>\$ 320</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>320</u>	<u>\$ 320</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>326</u>	
FUND BALANCE - END OF PERIOD			\$ 646	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 646</u>	

(Continued)

Library Employee Benefit Contribution				Park Development			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 530,000	\$ 530,000	\$ 527,356	\$ (2,644)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	18	18	-	-	238	238
-	-	-	-	-	-	(22,800)	(22,800)
<u>\$ 530,000</u>	<u>\$ 530,000</u>	<u>\$ 527,374</u>	<u>\$ (2,626)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,562)</u>	<u>\$ (22,562)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
530,000	530,000	530,000	-	-	-	-	-
-	-	-	-	100,000	100,000	-	100,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 530,000</u>	<u>\$ 530,000</u>	<u>\$ 530,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
\$ -	\$ -	\$ (2,626)	\$ (2,626)	\$ (100,000)	\$ (100,000)	\$ (22,562)	\$ 77,438
\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(2,626)</u>	<u>\$ (2,626)</u>	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	<u>(2,562)</u>	<u>\$ 77,438</u>
		5,248				121,327	
		\$ 2,622				\$ 118,765	
		-				-	
		<u>\$ 2,622</u>				<u>\$ 118,765</u>	

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

For the Year Ended December 31, 2015

	Sales Tax			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ 5,331,174	\$ 5,331,174	\$ 5,571,486	\$ 240,312
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 5,331,174</u>	<u>\$ 5,331,174</u>	<u>\$ 5,571,486</u>	<u>\$ 240,312</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 5,331,174</u>	<u>\$ 5,331,174</u>	<u>\$ 5,571,486</u>	<u>\$ 240,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(5,350,415)	(5,350,415)	(5,350,415)	-
Total Other Financing Sources (Uses)	<u>\$ (5,350,415)</u>	<u>\$ (5,350,415)</u>	<u>\$ (5,350,415)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ (19,241)</u>	<u>\$ (19,241)</u>	<u>\$ 221,071</u>	<u>\$ 240,312</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,156,760</u>	
FUND BALANCE - END OF PERIOD			\$ 1,377,831	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 1,377,831</u>	

(Continued)

Special Alcohol Programs				Special Parks and Recreation			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
410,410	410,410	478,102	67,692	409,050	409,050	478,102	69,052
-	-	-	-	-	-	-	-
250	250	288	38	600	600	2,168	1,568
500	500	545	45	-	-	131	131
<u>\$ 411,160</u>	<u>\$ 411,160</u>	<u>\$ 478,935</u>	<u>\$ 67,775</u>	<u>\$ 409,650</u>	<u>\$ 409,650</u>	<u>\$ 480,401</u>	<u>\$ 70,751</u>
\$ 571,160	\$ 571,160	\$ 470,946	\$ 100,214	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	744,612	744,612	5,998	738,614
-	-	-	-	-	-	-	-
-	-	-	-	181,100	181,100	139,509	41,591
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 571,160</u>	<u>\$ 571,160</u>	<u>\$ 470,946</u>	<u>\$ 100,214</u>	<u>\$ 925,712</u>	<u>\$ 925,712</u>	<u>\$ 145,507</u>	<u>\$ 780,205</u>
<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	<u>\$ 7,989</u>	<u>\$ 167,989</u>	<u>\$ (516,062)</u>	<u>\$ (516,062)</u>	<u>\$ 334,894</u>	<u>\$ 850,956</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,848	\$ 21,848
-	-	-	-	(83,938)	(83,938)	(25,781)	58,157
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (83,938)</u>	<u>\$ (83,938)</u>	<u>\$ (3,933)</u>	<u>\$ 80,005</u>
<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	<u>\$ 7,989</u>	<u>\$ 167,989</u>	<u>\$ (600,000)</u>	<u>\$ (600,000)</u>	<u>\$ 330,961</u>	<u>\$ 930,961</u>
		249,801				969,215	
		\$ 257,790				\$ 1,300,176	
		-				23,579	
		<u>\$ 257,790</u>				<u>\$ 1,323,755</u>	

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

For the Year Ended December 31, 2015

	Special Street and Highway			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,541,000	1,541,000	1,635,466	94,466
Charges for services	-	-	-	-
Investment income	-	-	2,470	2,470
Miscellaneous	-	-	36,990	36,990
Total Revenue	<u>\$ 1,541,000</u>	<u>\$ 1,541,000</u>	<u>\$ 1,674,926</u>	<u>\$ 133,926</u>
EXPENDITURES				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	344,400	344,400	73,924	270,476
Urban development and housing	-	-	-	-
Culture/recreation	-	-	-	-
Culture/recreation-payments to Library	-	-	-	-
Capital Outlay	1,304,100	1,304,100	951,515	352,585
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 1,648,500</u>	<u>\$ 1,648,500</u>	<u>\$ 1,025,439</u>	<u>\$ 623,061</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (107,500)</u>	<u>\$ (107,500)</u>	<u>\$ 649,487</u>	<u>\$ 756,987</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(202,500)	(202,500)	(264,948)	(62,448)
Total Other Financing Sources (Uses)	<u>\$ (202,500)</u>	<u>\$ (202,500)</u>	<u>\$ (264,948)</u>	<u>\$ (62,448)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (310,000)</u>	<u>\$ (310,000)</u>	<u>\$ 384,539</u>	<u>\$ 694,539</u>
FUND BALANCE - BEGINNING OF PERIOD			596,616	
FUND BALANCE - END OF PERIOD			\$ 981,155	
ADJUSTMENTS TO GAAP				
Encumbrances			418,033	
Cancellation of prior year encumbrances			-	
FUND BALANCE-GAAP BASIS			<u>\$ 1,399,188</u>	

(Continued)

Special Sunset Zoo				Tourism and Convention Promotion			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 1,234,861	\$ 1,234,861	\$ 1,516,102	\$ 281,241
-	-	-	-	-	-	-	-
485,000	485,000	519,966	34,966	-	-	-	-
-	-	392	392	-	-	-	-
26,000	26,000	6,308	(19,692)	-	-	-	-
<u>\$ 511,000</u>	<u>\$ 511,000</u>	<u>\$ 526,666</u>	<u>\$ 15,666</u>	<u>\$ 1,234,861</u>	<u>\$ 1,234,861</u>	<u>\$ 1,516,102</u>	<u>\$ 281,241</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,030,661	1,030,661	940,661	90,000
656,250	656,250	454,784	201,466	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 656,250</u>	<u>\$ 656,250</u>	<u>\$ 454,784</u>	<u>\$ 201,466</u>	<u>\$ 1,030,661</u>	<u>\$ 1,030,661</u>	<u>\$ 940,661</u>	<u>\$ 90,000</u>
\$ (145,250)	\$ (145,250)	\$ 71,882	\$ 217,132	\$ 204,200	\$ 204,200	\$ 575,441	\$ 371,241
\$ -	\$ -	\$ 747	\$ 747	\$ -	\$ -	\$ -	\$ -
(29,750)	(29,750)	(25,735)	4,015	(282,081)	(282,081)	(372,081)	(90,000)
<u>\$ (29,750)</u>	<u>\$ (29,750)</u>	<u>\$ (24,988)</u>	<u>\$ 4,762</u>	<u>\$ (282,081)</u>	<u>\$ (282,081)</u>	<u>\$ (372,081)</u>	<u>\$ (90,000)</u>
<u>\$ (175,000)</u>	<u>\$ (175,000)</u>	<u>\$ 46,894</u>	<u>\$ 221,894</u>	<u>\$ (77,881)</u>	<u>\$ (77,881)</u>	<u>\$ 203,360</u>	<u>\$ 281,241</u>
		156,089				547,226	
		\$ 202,983				\$ 750,586	
		-				-	
		-				-	
		<u>\$ 202,983</u>				<u>\$ 750,586</u>	

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

For the Year Ended December 31, 2015

	Capital Improvement Reserve			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,200	1,200	3,619	2,419
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 3,619</u>	<u>\$ 2,419</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	-	-	-	-
Bond issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 3,619</u>	<u>\$ 2,419</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(1,731,200)	(1,731,200)	(1,800,000)	(68,800)
Total Other Financing Sources (Uses)	<u>\$ (1,731,200)</u>	<u>\$ (1,731,200)</u>	<u>\$ (1,800,000)</u>	<u>\$ (68,800)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,730,000)</u>	<u>\$ (1,730,000)</u>	<u>\$ (1,796,381)</u>	<u>\$ (66,381)</u>
FUND BALANCE - BEGINNING OF PERIOD			<u>1,868,721</u>	
FUND BALANCE - END OF PERIOD			\$ 72,340	
ADJUSTMENTS TO GAAP				
Encumbrances			<u>-</u>	
FUND BALANCE-GAAP BASIS			<u>\$ 72,340</u>	

Downtown Redevelopment Senior Lien TIF Bonds

Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 2,135,792	\$ 2,135,792	\$ 2,412,210	\$ 276,418
-	-	-	-
-	-	-	-
-	-	22,577	22,577
-	-	-	-
<u>\$ 2,135,792</u>	<u>\$ 2,135,792</u>	<u>\$ 2,434,787</u>	<u>\$ 298,995</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,135,792	2,135,792	935,000	1,200,792
-	-	6,900	(6,900)
-	-	929,600	(929,600)
<u>\$ 2,135,792</u>	<u>\$ 2,135,792</u>	<u>\$ 1,871,500</u>	<u>\$ 264,292</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 563,287</u>	<u>\$ 563,287</u>
\$ -	\$ -	\$ -	\$ -
-	-	(440,252)	(440,252)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (440,252)</u>	<u>\$ (440,252)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,035</u>	<u>\$ 123,035</u>
		<u>2,916,690</u>	
		\$ 3,039,725	
		-	
		<u>\$ 3,039,725</u>	

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INTERNAL SERVICE FUNDS

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

Motor Pool Fund

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

Health Care Fund

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

Workers' Compensation Fund

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

Photocopy Services Fund

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

CITY OF MANHATTAN, KANSAS
INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF NET POSITION
December 31, 2015

	Motor Pool	Health Care	Workers' Compensation
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 92,906	\$ 1,452,239	\$ 1,721,901
Accounts receivable	-	310,418	-
Inventories	22,057	-	-
Total Current Assets	\$ 114,963	\$ 1,762,657	\$ 1,721,901
Capital Assets			
Equipment and improvements	\$ -	\$ 19,673	\$ -
Less accumulated depreciation	-	(19,673)	-
Net Capital Assets	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ 114,963	\$ 1,762,657	\$ 1,721,901
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 64,072	\$ 27,199	\$ 6,760
Estimated insurance claims payable	-	434,397	305,543
TOTAL LIABILITIES	\$ 64,072	\$ 461,596	\$ 312,303
NET POSITION			
Unrestricted	\$ 50,891	\$ 1,301,061	\$ 1,409,598
TOTAL NET POSITION	\$ 50,891	\$ 1,301,061	\$ 1,409,598

<u>Photocopy Services</u>	<u>Total</u>
\$ 12,392	\$ 3,279,438
-	310,418
335	22,392
\$ 12,727	\$ 3,612,248
\$ -	\$ 19,673
-	(19,673)
\$ -	\$ -
\$ 12,727	\$ 3,612,248
\$ 10,329	\$ 108,360
-	739,940
\$ 10,329	\$ 848,300
\$ 2,398	\$ 2,763,948
\$ 2,398	\$ 2,763,948

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

For the Year Ended December 31, 2015

	Motor Pool	Health Care	Workers' Compensation
OPERATING REVENUES			
Service charges	\$ 34,890	\$ 4,916,801	\$ 270,000
Miscellaneous	-	37,903	4,216
Total Operating Revenues	\$ 34,890	\$ 4,954,704	\$ 274,216
 OPERATING EXPENSES			
Commodities	\$ 79,782	\$ 653	\$ -
Contractual services	8,481	5,728,693	310,165
Total Operating Expenses	\$ 88,263	\$ 5,729,346	\$ 310,165
 OPERATING INCOME (LOSS)	\$ (53,373)	\$ (774,642)	\$ (35,949)
 NON-OPERATING REVENUE			
Investment income	\$ -	\$ 4,213	\$ 3,367
 INCOME (LOSS) BEFORE TRANSFERS	\$ (53,373)	\$ (770,429)	\$ (32,582)
Transfers in	-	-	-
Transfers (out)	-	-	(11,638)
 CHANGE IN NET ASSETS	\$ (53,373)	\$ (770,429)	\$ (44,220)
 TOTAL NET POSITION - BEGINNING	104,264	2,071,490	1,453,818
 TOTAL NET POSITION - ENDING	\$ 50,891	\$ 1,301,061	\$ 1,409,598

Photocopy Services	Total
\$ 57,539	\$ 5,279,230
-	42,119
<u>\$ 57,539</u>	<u>\$ 5,321,349</u>
\$ 6,203	\$ 86,638
52,050	6,099,389
<u>\$ 58,253</u>	<u>\$ 6,186,027</u>
<u>\$ (714)</u>	<u>\$ (864,678)</u>
<u>\$ -</u>	<u>\$ 7,580</u>
\$ (714)	\$ (857,098)
-	-
-	(11,638)
<u>\$ (714)</u>	<u>\$ (868,736)</u>
3,112	3,632,684
<u>\$ 2,398</u>	<u>\$ 2,763,948</u>

CITY OF MANHATTAN, KANSAS
INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

	Motor Pool	Health Care	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 34,890	\$ 4,644,286	\$ 274,216
Payments to suppliers	(85,372)	(5,520,550)	(246,175)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (50,482)	\$ (876,264)	\$ 28,041
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	\$ -	\$ -	\$ -
Transfers (out)	-	-	(11,638)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	\$ -	\$ -	\$ (11,638)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	\$ -	\$ -	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	\$ -	\$ 4,213	\$ 3,367
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (50,482)	\$ (872,051)	\$ 19,770
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	143,388	2,324,290	1,702,131
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 92,906	\$ 1,452,239	\$ 1,721,901
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (53,373)	\$ (774,642)	\$ (35,949)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	\$ -	\$ -	\$ -
(Increase) decrease in receivables	-	(310,418)	-
(Increase) decrease in inventory	(1,824)	-	-
Increase (decrease) in accounts payable and accrued expenses	4,715	208,796	63,990
Total Adjustments	\$ 2,891	\$ (101,622)	\$ 63,990
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (50,482)	\$ (876,264)	\$ 28,041

<u>Photocopy Services</u>	<u>Total</u>
\$ 57,539 (55,702)	\$ 5,010,931 (5,907,799)
<u>\$ 1,837</u>	<u>\$ (896,868)</u>
\$ - -	\$ - (11,638)
<u>\$ -</u>	<u>\$ (11,638)</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 7,580</u>
\$ 1,837	\$ (900,926)
<u>10,555</u>	<u>4,180,364</u>
<u><u>\$ 12,392</u></u>	<u><u>\$ 3,279,438</u></u>
<u>\$ (714)</u>	<u>\$ (864,678)</u>
\$ - - 714	\$ - (310,418) (1,110)
<u>1,837</u>	<u>279,338</u>
<u>\$ 2,551</u>	<u>\$ (32,190)</u>
<u><u>\$ 1,837</u></u>	<u><u>\$ (896,868)</u></u>

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	164
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales tax.	174
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	186
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	193
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	195

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

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 4,635,245	\$ (149,237)	\$ 503,672	\$ (8,650,155)
Restricted	69,905,265	79,516,619	100,974,706	123,438,073
Unrestricted	9,864,936	(1,888,077)	(1,972,316)	(15,854,643)
Total governmental activities Net Position	<u>\$ 84,405,446</u>	<u>\$ 77,479,305</u>	<u>\$ 99,506,062</u>	<u>\$ 98,933,275</u>
Business-type activities				
Net investment in capital assets	\$ 58,201,852	\$ 68,575,348	\$ 72,497,433	\$ 74,558,929
Restricted	-	-	-	-
Unrestricted	10,521,740	10,020,584	7,862,491	7,886,180
Total business-type activities Net Position	<u>\$ 68,723,592</u>	<u>\$ 78,595,932</u>	<u>\$ 80,359,924</u>	<u>\$ 82,445,109</u>
Primary government				
Net investment in capital assets	\$ 62,837,097	\$ 68,426,111	\$ 73,001,105	\$ 65,908,774
Restricted	69,905,265	79,516,619	100,974,706	123,438,073
Unrestricted	20,386,676	8,132,507	5,890,175	(7,968,463)
Total primary government Net Position	<u>\$ 153,129,038</u>	<u>\$ 156,075,237</u>	<u>\$ 179,865,986</u>	<u>\$ 181,378,384</u>

(continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 4,933,739	\$ 11,604,164	\$ (7,750,318)	\$ 17,482,048	\$ 22,478,602	\$ 15,153,617
115,871,934	110,959,126	117,628,046	81,794,527	87,708,105	104,518,014
(27,721,787)	(18,098,318)	3,904,246	11,065,220	10,109,991	(8,104,652)
<u>\$ 93,083,886</u>	<u>\$ 104,464,972</u>	<u>\$ 113,781,974</u>	<u>\$ 110,341,795</u>	<u>\$ 120,296,698</u>	<u>\$ 111,566,979</u>
\$ 79,402,336	\$ 79,345,330	\$ 87,379,688	\$ 88,798,571	\$ 95,208,986	\$ 101,071,661
-	-	-	-	-	-
10,716,663	10,986,068	2,633,077	3,436,268	6,209,185	(37,872)
<u>\$ 90,118,999</u>	<u>\$ 90,331,398</u>	<u>\$ 90,012,765</u>	<u>\$ 92,234,839</u>	<u>\$ 101,418,171</u>	<u>\$ 101,033,789</u>
\$ 84,336,075	\$ 90,949,494	\$ 79,629,370	\$ 106,280,619	\$ 117,687,588	\$ 116,225,278
115,871,934	110,959,126	117,628,046	81,794,527	87,708,105	104,518,014
(17,005,124)	(7,112,250)	6,537,323	14,501,488	16,319,176	(8,142,524)
<u>\$ 183,202,885</u>	<u>\$ 194,796,370</u>	<u>\$ 203,794,739</u>	<u>\$ 202,576,634</u>	<u>\$ 221,714,869</u>	<u>\$ 212,600,768</u>

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

	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 10,748,824	\$ 11,364,213	\$ 12,829,036	\$ 14,306,640
Public safety	13,418,804	14,676,580	15,917,237	17,410,323
Public works	5,461,465	7,079,426	7,689,400	7,853,696
Urban development and housing	2,258,671	12,242,830	3,966,578	13,113,182
Culture and recreation	4,380,443	4,666,046	5,118,870	5,242,521
Culture and recreation (payments to Library)	1,743,149	1,900,410	2,147,807	2,326,251
Interest on long-term debt	2,600,729	4,134,577	5,215,511	6,143,930
Total governmental activities expenses	<u>40,612,085</u>	<u>56,064,082</u>	<u>52,884,439</u>	<u>66,396,543</u>
Business-type activities:				
Water	5,689,352	5,850,953	6,573,170	7,045,534
Wastewater	4,745,418	4,773,432	5,138,975	5,506,505
Storm water management	416,347	436,351	828,879	617,627
Total business-type activities expenses	<u>10,851,117</u>	<u>11,060,736</u>	<u>12,541,024</u>	<u>13,169,666</u>
Total primary government expenses	<u>\$ 51,463,202</u>	<u>\$ 67,124,818</u>	<u>\$ 65,425,463</u>	<u>\$ 79,566,209</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,527,451	\$ 4,558,023	\$ 4,958,815	\$ 4,511,875
Public safety	823,472	639,711	565,892	576,964
Public works	250,362	414,376	754,083	446,133
Urban development and housing	109,518	98,658	108,026	101,495
Culture and recreation	910,804	913,578	983,589	950,140
Operating grants and contributions	2,759,823	3,482,457	3,554,445	3,253,286
Capital grants and contributions	15,543,263	17,655,503	25,874,349	19,810,546
Total governmental activities program revenues	<u>24,924,693</u>	<u>27,762,306</u>	<u>36,799,199</u>	<u>29,650,439</u>
Business-type activities:				
Charges for services:				
Water	5,891,191	5,486,560	5,789,434	5,989,318
Wastewater	4,133,820	4,133,603	4,049,883	4,819,899
Storm water management	566,361	826,176	1,033,734	1,178,772
Operating grants and contributions	-	-	-	-
Capital grants and contributions	256,606	-	6,699	-
Total business-type activities program revenues	<u>10,847,978</u>	<u>10,446,339</u>	<u>10,879,750</u>	<u>11,987,989</u>
Total primary government program revenues	<u>\$ 35,772,671</u>	<u>\$ 38,208,645</u>	<u>\$ 47,678,949</u>	<u>\$ 41,638,428</u>
Net (expense)/revenue				
Governmental activities	\$ (15,687,392)	\$ (28,301,776)	\$ (16,085,240)	\$ (36,746,104)
Business-type activities	(3,139)	(614,397)	(1,661,274)	(1,181,677)
Total primary government net expense	<u>\$ (15,690,531)</u>	<u>\$ (28,916,173)</u>	<u>\$ (17,746,514)</u>	<u>\$ (37,927,781)</u>

(Continued)

	2010	2011	2012	2013	2014	2015
\$	20,972,740	\$ 12,783,282	\$ 14,150,646	\$ 12,184,815	\$ 11,875,764	\$ 13,303,797
	17,638,865	18,221,529	20,038,497	21,870,430	21,882,904	24,016,656
	8,833,653	8,820,381	9,611,675	9,855,929	10,836,220	10,673,143
	3,805,938	3,668,229	3,831,509	4,246,269	4,866,173	3,830,335
	5,672,709	6,350,056	7,954,509	8,898,223	9,304,434	10,273,507
	2,419,344	2,439,394	2,481,954	2,710,583	2,758,804	2,903,361
	7,748,900	8,240,975	8,103,115	7,368,568	7,112,471	7,012,106
	<u>67,092,149</u>	<u>60,523,846</u>	<u>66,171,905</u>	<u>67,134,817</u>	<u>68,636,770</u>	<u>72,012,905</u>
	7,203,256	8,068,281	7,828,021	7,486,394	8,080,052	7,861,973
	5,710,774	6,258,103	6,502,206	7,783,979	8,994,204	7,649,478
	869,211	1,111,373	1,127,681	1,001,630	1,092,027	1,122,262
	<u>13,783,241</u>	<u>15,437,757</u>	<u>15,457,908</u>	<u>16,272,003</u>	<u>18,166,283</u>	<u>16,633,713</u>
\$	<u>80,875,390</u>	<u>75,961,603</u>	<u>81,629,813</u>	<u>83,406,820</u>	<u>86,803,053</u>	<u>88,646,618</u>
\$	5,131,309	\$ 5,073,680	\$ 2,881,010	\$ 2,801,355	\$ 2,927,581	\$ 2,968,749
	909,505	711,309	547,626	629,877	678,543	651,670
	178,967	108,039	86,761	226,856	219,547	129,254
	103,065	108,209	127,966	126,973	133,669	144,190
	1,165,866	1,281,595	1,897,490	1,828,343	2,161,901	1,967,670
	4,494,839	4,586,011	3,667,084	4,066,771	3,926,624	4,226,572
	11,975,164	4,248,884	5,597,801	2,186,597	18,102,297	7,435,992
	<u>23,958,715</u>	<u>16,117,727</u>	<u>14,805,738</u>	<u>11,866,772</u>	<u>28,150,162</u>	<u>17,524,097</u>
	6,898,082	8,057,214	9,639,695	8,331,963	9,025,858	9,374,774
	6,148,740	7,621,553	8,859,560	8,957,234	9,191,695	9,645,758
	1,284,632	1,354,542	1,471,039	1,549,749	1,610,773	1,691,371
	-	-	-	-	-	-
	780,026	80,000	-	-	-	-
	<u>15,111,480</u>	<u>17,113,309</u>	<u>19,970,294</u>	<u>18,838,946</u>	<u>19,828,326</u>	<u>20,711,903</u>
\$	<u>39,070,195</u>	<u>33,231,036</u>	<u>34,776,032</u>	<u>30,705,718</u>	<u>47,978,488</u>	<u>38,236,000</u>
\$	(43,133,434)	\$ (44,406,119)	\$ (51,366,167)	\$ (55,268,045)	\$ (40,486,608)	\$ (54,488,808)
	1,328,239	1,675,552	4,512,386	2,566,943	1,662,043	4,078,190
\$	<u>(41,805,195)</u>	<u>(42,730,567)</u>	<u>(46,853,781)</u>	<u>(52,701,102)</u>	<u>(38,824,565)</u>	<u>(50,410,618)</u>

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

	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 11,222,521	\$ 12,862,373	\$ 14,155,988	\$ 15,461,552
Property taxes, levied for debt service	1,897,069	593,988	514,484	622,156
Franchise taxes	2,166,221	2,478,108	2,964,974	3,023,374
Sales taxes	14,673,231	15,496,467	15,895,779	16,214,434
Transient guest taxes	658,142	684,047	902,088	844,129
Unrestricted grants and contributions	324,810	346,241	401,352	406,339
Investment earnings	1,333,615	1,714,084	1,042,391	545,131
Miscellaneous	2,433,531	1,292,569	5,204,348	2,009,066
Transfers	(7,141,881)	(9,601,446)	(2,969,407)	(2,952,864)
Total governmental activities	<u>27,567,259</u>	<u>25,866,431</u>	<u>38,111,997</u>	<u>36,173,317</u>
Business-type activities:				
Investment earnings	716,960	668,525	260,900	98,606
Miscellaneous	146,151	216,766	194,959	215,392
Transfers	7,141,881	9,601,446	2,969,407	2,952,864
Total business-type activities	<u>8,004,992</u>	<u>10,486,737</u>	<u>3,425,266</u>	<u>3,266,862</u>
Total primary government	<u>\$ 35,572,251</u>	<u>\$ 36,353,168</u>	<u>\$ 41,537,263</u>	<u>\$ 39,440,179</u>
Change in Net Position				
Governmental activities	\$ 11,879,867	\$ (2,435,345)	\$ 22,026,757	\$ (572,787)
Business-type activities	8,001,853	9,872,340	1,763,992	2,085,185
Total primary government	<u>\$ 19,881,720</u>	<u>\$ 7,436,995</u>	<u>\$ 23,790,749</u>	<u>\$ 1,512,398</u>

2010	2011	2012	2013	2014	2015
\$ 16,619,713	\$ 17,541,340	\$ 18,247,779	\$ 20,102,584	\$ 21,794,957	\$ 22,821,549
939,686	2,442,504	2,583,453	2,725,834	2,089,846	2,448,114
3,216,639	3,279,897	3,329,606	3,571,175	3,845,886	3,662,022
19,823,920	27,194,560	26,653,421	24,902,090	26,895,621	26,797,630
976,839	1,035,636	1,172,953	1,242,054	1,336,815	1,516,102
393,862	408,281	880,440	1,479,566	488,471	478,102
180,576	185,320	711,726	105,672	373,923	23,023
1,152,817	1,982,385	1,994,784	2,095,510	729,315	1,197,877
(6,020,007)	1,717,282	1,820,836	856,597	(7,113,323)	2,554,154
<u>37,284,045</u>	<u>55,787,205</u>	<u>57,394,998</u>	<u>57,081,082</u>	<u>50,441,511</u>	<u>61,498,573</u>
27,991	33,182	35,617	8,001	18,830	21,960
297,653	220,947	242,371	503,727	389,136	363,504
6,020,007	(1,717,282)	(1,820,836)	(856,597)	7,113,323	(2,554,154)
<u>6,345,651</u>	<u>(1,463,153)</u>	<u>(1,542,848)</u>	<u>(344,869)</u>	<u>7,521,289</u>	<u>(2,168,690)</u>
<u>\$ 43,629,696</u>	<u>\$ 54,324,052</u>	<u>\$ 55,852,150</u>	<u>\$ 56,736,213</u>	<u>\$ 57,962,800</u>	<u>\$ 59,329,883</u>
\$ (5,849,389)	\$ 11,381,086	\$ 6,028,831	\$ 1,813,037	\$ 9,954,903	\$ 7,009,765
7,673,890	212,399	2,969,538	2,222,074	9,183,332	1,909,500
<u>\$ 1,824,501</u>	<u>\$ 11,593,485</u>	<u>\$ 8,998,369</u>	<u>\$ 4,035,111</u>	<u>\$ 19,138,235</u>	<u>\$ 8,919,265</u>

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

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010
General fund					
Reserved	\$ 116,173	\$ 50,262	\$ 178,129	\$ 139,851	\$ 179,366
Unreserved	5,775,764	3,911,850	5,670,740	4,732,050	5,024,683
Total general fund	<u>\$ 5,891,937</u>	<u>\$ 3,962,112</u>	<u>\$ 5,848,869</u>	<u>\$ 4,871,901</u>	<u>\$ 5,204,049</u>
All other governmental funds					
Reserved	\$ 2,735,051	\$ 3,488,115	\$ 3,581,928	\$ 3,648,726	\$ 3,785,479
Unreserved, reported in:					
Special revenue funds	10,533,120	12,107,549	14,945,628	14,453,466	14,547,330
Debt service funds	4,531,301	4,840,072	6,892,172	18,969,751	15,306,276
Capital projects funds	1,087,930	(793,492)	(2,353,806)	32,937,186	18,073,855
Total all other governmental funds	<u>\$ 18,887,402</u>	<u>\$ 19,642,244</u>	<u>\$ 23,065,922</u>	<u>\$ 70,009,129</u>	<u>\$ 51,712,940</u>

(continued)

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

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

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 30,617,183	\$ 32,114,981	\$ 35,620,565	\$ 36,165,644
Special assessments	4,737,898	4,352,940	5,475,190	5,844,297
Licenses and permits	924,647	714,917	620,719	638,579
Intergovernmental revenues	3,963,034	4,629,131	5,590,098	9,459,687
Charges for services	3,391,900	3,630,468	4,131,180	3,822,507
Fines and forfeitures	1,540,085	1,608,250	1,775,516	1,503,776
Investment income	1,135,688	1,496,784	954,355	478,569
Miscellaneous revenues	2,892,416	1,621,878	6,583,038	2,495,786
Total revenues	<u>49,202,851</u>	<u>50,169,349</u>	<u>60,750,661</u>	<u>60,408,845</u>
Expenditures				
General government	8,345,149	8,513,849	9,519,200	10,255,979
Public safety	13,132,569	14,354,830	15,453,858	17,167,683
Public works	3,200,313	3,904,928	4,225,414	3,588,161
Urban development and housing	2,241,255	12,208,269	3,943,454	13,080,747
Culture/recreation	3,950,140	4,159,424	4,584,179	4,672,874
Culture/recreation-payments to Library	1,743,149	1,900,410	2,147,807	2,326,251
Capital outlay	34,087,262	31,971,763	24,935,200	28,034,313
Debt service				
Principal	15,225,000	21,612,181	26,972,384	48,920,416
Bond issuance costs	200,794	218,190	346,994	481,642
Interest and fiscal charges	2,517,571	3,979,874	4,945,877	6,100,062
Refunding costs	-	-	65,117	205,865
Total expenditures	<u>84,643,202</u>	<u>102,823,718</u>	<u>97,139,484</u>	<u>134,833,993</u>
Excess of revenues over (under) expenditures	(35,440,351)	(52,654,369)	(36,388,823)	(74,425,148)
Other financing sources (uses)				
General obligation bonds issued	7,800,000	15,710,000	16,555,000	12,875,000
Premium on general obligation bonds	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Discount on general obligation bonds	(229,159)	(337,053)	(280,170)	(267,630)
Special obligation bonds issued	4,610,321	11,722,828	10,799,228	86,393,577
Discount on special obligation bonds	-	-	-	(1,843,090)
Temporary notes issued	24,980,000	23,370,000	5,150,000	20,475,000
Temporary notes retired	-	-	-	(10,675,000)
Transportation revolving fund loan	3,474,605	541,090	-	-
Capital leases	86,000	447,827	622,452	85,000
Transfers in	9,187,196	8,120,145	7,569,335	9,198,522
Transfers out	(7,987,187)	(8,095,451)	(7,570,402)	(9,207,677)
Insurance recoveries	-	-	1,497,829	-
Refunding bonds issued	-	-	2,495,000	13,145,000
Premium on refunding bonds	-	-	-	212,685
Refunding special obligation bonds issued	-	-	4,860,986	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>41,921,776</u>	<u>51,479,386</u>	<u>41,699,258</u>	<u>120,391,387</u>
Net change in fund balances	<u>\$ 6,481,425</u>	<u>\$ (1,174,983)</u>	<u>\$ 5,310,435</u>	<u>\$ 45,966,239</u>
Debt service as a percentage of noncapital expenditures	36.3%	36.9%	44.1%	51.5%

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 41,576,796	\$ 51,493,936	\$ 51,992,408	\$ 52,543,737	\$ 55,963,123	\$ 57,245,417
6,045,853	6,634,031	6,908,756	6,601,450	6,423,571	6,423,035
1,013,462	824,265	662,517	736,026	669,088	688,324
8,946,214	6,203,331	7,542,013	6,342,587	14,142,519	7,910,181
4,048,310	4,188,845	2,715,993	2,595,552	3,447,684	3,397,834
1,473,418	1,507,722	1,694,334	1,461,807	1,520,408	1,395,059
169,013	174,483	684,688	309,980	369,467	15,447
1,373,777	2,399,167	2,660,000	2,592,512	2,310,729	2,437,227
64,646,843	73,425,780	74,860,709	73,183,651	84,846,589	79,512,524
11,519,118	10,268,174	10,743,369	9,814,354	\$ 10,376,834	\$ 10,843,137
17,468,437	17,939,802	19,446,303	20,956,458	21,414,073	22,980,982
4,157,760	3,981,450	4,218,770	4,049,467	4,767,198	4,210,621
3,778,991	3,647,493	3,506,316	3,943,368	4,578,877	3,439,663
4,916,228	5,364,066	6,243,829	6,913,056	7,418,491	8,094,979
2,419,344	2,439,394	2,481,954	2,620,658	2,708,169	2,756,181
33,561,639	56,571,545	20,298,332	14,907,497	28,418,348	20,900,705
11,356,963	16,879,662	14,647,648	14,845,930	15,574,605	18,512,788
397,910	191,318	419,151	167,325	657,434	449,799
7,696,664	8,270,760	7,600,910	7,521,046	7,486,127	7,621,319
-	-	-	-	-	-
97,273,054	125,553,664	89,606,582	85,739,159	103,400,156	99,810,174
(32,626,211)	(52,127,884)	(14,745,873)	(12,555,508)	(18,553,567)	(20,297,650)
15,640,000	8,290,000	14,350,000	5,305,000	\$ 23,085,000	\$ 10,280,000
343,748	183,103	738,219	500,825	447,854	1,042,461
-	-	-	-	14,189	-
-	-	-	-	-	-
5,610,000	-	-	-	-	-
(174,704)	-	-	-	-	-
15,460,000	28,475,000	7,265,000	14,735,000	14,970,000	27,215,000
(22,640,000)	(8,825,000)	(11,385,000)	(13,420,000)	(19,970,000)	(3,635,000)
-	-	-	-	-	-
33,335	1,053,802	443,597	56,384	398,605	577,825
11,344,279	19,110,266	13,919,505	15,851,315	14,009,272	18,153,584
(11,429,507)	(14,971,014)	(11,272,654)	(13,077,801)	(11,227,170)	(15,164,252)
175,019	-	-	-	-	-
-	2,790,000	4,895,000	-	-	-
-	66,119	521,080	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,362,170	36,172,276	19,474,747	9,950,723	21,727,750	38,469,618
\$ (18,264,041)	\$ (15,955,608)	\$ 4,728,874	\$ (2,604,785)	\$ 3,174,183	\$ 18,171,968
31.4%	32.7%	31.1%	31.0%	27.1%	32.2%

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Transient Guest Tax	Total
2006	\$ 13,119,590	\$ 14,673,231	\$ 2,166,221	\$ 658,142	\$ 30,617,184
2007	13,456,361	15,496,467	2,478,108	684,047	32,114,983
2008	14,670,472	15,895,779	2,964,974	902,088	34,433,313
2009	16,083,708	16,214,434	3,023,374	844,129	36,165,645
2010	17,559,399	19,823,920	3,216,639	976,839	41,576,797
2011	19,983,844	27,194,560	3,279,897	1,035,636	51,493,937
2012	20,831,232	26,653,421	3,329,606	1,172,953	51,987,212
2013	22,828,418	24,902,090	3,571,175	1,242,054	52,543,737
2014	23,884,803	26,895,621	3,845,886	1,336,815	55,963,125
2015	25,269,663	26,797,630	3,662,022	1,516,102	57,245,417

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

Fiscal Year	REAL		PERSONAL		UTILITIES	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	\$ 286,002,442	\$1,851,130,109	\$ 21,954,554	\$ 94,114,836	\$ 13,524,124	\$ 40,982,194
2007	334,683,928	2,416,513,837	22,815,711	98,139,501	12,168,827	36,875,233
2008	381,365,196	2,807,057,814	20,143,702	87,215,955	12,308,445	37,298,318
2009	401,976,282	2,832,096,061	16,602,368	73,753,880	11,398,227	34,540,082
2010	406,989,077	2,986,485,074	14,200,634	63,678,519	10,655,599	32,289,694
2011	413,087,980	3,029,945,127	12,624,975	56,687,231	10,789,293	32,694,827
2012	426,359,106	3,216,392,575	11,373,002	49,322,708	11,344,925	34,378,561
2013	440,075,747	3,349,740,850	10,562,955	48,883,363	12,343,351	37,404,094
2014	461,230,951	3,474,962,883	10,365,196	43,182,777	13,543,233	41,040,100
2015	478,344,105	4,854,407,500	7,980,226	35,560,133	14,359,041	43,512,245

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

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

Source: Riley and Pottawatomie County Clerks' Offices

<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 321,481,120	36.235	\$ 1,986,227,139	16.19%
369,668,466	33.088	2,551,528,571	14.49%
413,817,343	31.683	2,931,572,087	14.12%
429,976,877	34.268	2,940,390,023	14.62%
431,845,310	37.289	3,082,453,287	14.01%
436,502,248	41.917	3,119,327,185	13.99%
449,077,033	42.156	3,300,093,844	13.61%
462,982,053	43.439	3,436,028,307	13.47%
485,139,380	43.424	3,559,185,760	13.63%
500,683,372	43.963	4,933,479,878	10.15%

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Fund Levies In Mills</i>										
General Operating	3.077	2.730	2.976	2.787	2.721	2.692	2.445	2.372	3.669	3.936
Bond & Interest ¹	5.006	1.078	1.037	1.361	2.096	5.497	5.409	5.412	3.881	4.108
Employment Benefit Contributor	0.664	0.757	0.627	0.344	0.737	1.439	1.533	1.487	2.039	2.529
Fire Equipment Reserve	0.314	0.276	0.122	0.119	0.116	0.115	0.111	0.108	0.451	0.266
Fire Pension KP&F	0.318	0.259	0.211	0.193	0.347	0.172	0.167	0.162	1.069	1.263
General Improvement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Industrial Promotion	0.994	0.249	0.121	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Library ²	0.645	3.644	3.378	3.499	4.247	4.175	4.238	4.309	4.215	4.098
Library-Employee Benefit Contributor	0.641	0.645	0.723	0.878	0.932	0.916	0.891	0.932	0.941	0.977
Park Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Riley County Health Department	0.575	0.521	0.487	0.519	0.531	0.612	0.000	0.000	0.000	0.000
Riley County Police Department	24.001	22.929	22.001	24.568	25.562	26.299	27.362	28.657	27.159	26.786
TOTAL: City Mill Rate	36.235	33.088	31.683	34.268	37.289	41.917	42.156	43.439	43.424	43.963

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

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

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

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

<u>Fiscal Year</u>	<u>Manhattan City</u>	<u>Riley County</u>	<u>Pottawatomie County</u>	<u>School Dist. 383</u>
2006	36.235	34.278	27.079	43.783
2007	33.088	32.182	22.680	43.821
2008	31.683	31.140	22.217	43.440
2009	34.268	30.030	26.137	43.448
2010	37.289	31.268	26.137	47.847
2011	41.917	32.281	25.976	49.283
2012	42.156	34.782	25.986	51.637
2013	43.439	35.401	25.975	50.396
2014	43.424	37.327	26.001	52.453
2015	43.963	37.532	25.729	52.507

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

Source: City of Manhattan Finance Department

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015</u>			<u>2006</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Westar Energy	Utility	\$10,711,830	1	2.39%	\$5,907,123	2	2.00%
Manhattan Town Center Mall	Retail	10,137,500	2	2.26%	9,022,501	1	3.06%
Individual	Residential	6,849,115	3	1.53%	-		0.00%
Westloop Center Association	Retail	5,875,000	4	1.26%	3,739,550	5	1.27%
Manhattan Marketplace	Shopping Center	5,650,006	5	1.31%	-		0.00%
Manhattan Medical Center	Medical Complex	4,930,185	6	1.10%	-		0.00%
WPP LLC	Residential/Commercial	2,738,955	7	0.61%	-		0.00%
Wal-Mart Stores Inc.	Retail	3,212,463	8	0.72%	-		0.00%
Menards Inc.	Retail	3,024,148	9	0.67%	-		0.00%
GJL Real Estate	Commercial	2,935,917	10	0.65%	-		0.00%
Kansas Farm Bureau	Insurance	-		0.00%	4,398,861	3	1.49%
Target Corporation	Retail	-		0.00%	2,222,993	7	0.75%
Southwestern Bell	Utility	-		0.00%	3,847,601	4	1.30%
Professional Center Medical Complex	Real Estate - Commercial	-		0.00%	2,454,696	7	0.83%
KSU Foundation	Endowment Assoc.	-		0.00%	2,104,270	8	0.71%
Home Depot	Retail	-		0.00%	2,094,290	9	0.71%
University Commons	Residential	-			1,996,872	10	0.68%
Total		<u>\$56,065,119</u>		<u>12.50%</u>	<u>\$37,788,757</u>		<u>12.80%</u>

Source: Riley and Pottawatomie County Clerks' Offices

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	Percentage of <u>Current Collections to Current Levy</u>	<u>Delinquent Property Taxes Collected</u>	<u>Total Tax Collections</u>	Percentage of <u>Total Collections to Current Levy</u>
2006	\$11,648,970	\$11,479,673	98.55%	\$ 198,674	\$11,678,347	100.25%
2007	12,157,635	11,763,885	96.76%	194,361	11,958,246	98.36%
2008	13,110,873	12,888,741	98.31%	229,424	13,118,165	100.06%
2009	14,734,675	14,366,090	97.50%	209,513	14,575,603	98.92%
2010	16,102,722	15,600,136	96.88%	269,384	15,869,520	98.55%
2011	18,296,294	17,881,828	97.73%	372,646	18,254,474	99.77%
2012	18,932,078	18,479,520	97.61%	284,710	18,764,230	99.11%
2013	19,850,805	19,858,991	100.04%	402,304	20,261,295	102.07%
2014	21,067,088	20,733,876	98.42%	197,250	20,931,126	99.35%
2015	22,011,724	21,858,471	99.30%	342,194	22,200,666	100.86%

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

Source: City of Manhattan Finance Department

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Utilities	\$ 41,960,320	\$ 48,810,744	\$ 53,483,039	\$ 46,844,368
Construction	21,928,000	25,710,753	20,900,046	17,814,284
Manufacturing	27,501,280	27,546,189	22,774,274	19,365,639
Wholesale	45,122,320	51,267,430	48,857,423	40,752,414
Retail	482,844,000	491,433,252	570,245,375	590,686,296
Information	31,151,360	48,622,705	41,723,079	47,878,972
Accommodation and food services	91,023,200	111,952,779	105,188,266	98,851,406
Services	20,986,160	21,635,358	20,722,647	19,472,283
Other	53,410,400	64,303,790	61,538,038	48,312,789
Total	<u>\$ 815,927,040</u>	<u>\$ 891,283,000</u>	<u>\$ 945,432,187</u>	<u>\$ 929,978,451</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.25%

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

Source: Kansas Department of Revenue

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	50,673,215	\$ 49,737,744	\$ 53,105,248	\$ 59,160,213	\$ 67,926,637	\$ 62,227,642
	20,305,980	19,572,141	19,221,222	18,792,852	20,482,710	18,478,493
	21,007,993	20,396,696	24,082,264	19,095,534	22,658,540	21,211,828
	43,156,462	41,275,002	42,171,041	43,037,782	36,234,135	38,289,992
	592,012,033	611,319,978	628,543,906	650,912,056	687,840,138	663,013,103
	46,731,108	46,388,328	48,616,262	47,853,827	57,795,367	59,867,107
	100,134,295	108,208,474	133,925,014	128,203,960	137,239,162	143,335,204
	19,026,101	20,137,517	18,045,652	18,934,268	18,901,220	18,285,879
	51,569,986	53,666,722	67,031,028	61,851,086	62,817,264	69,590,002
	<u>\$ 944,617,173</u>	<u>\$ 970,702,602</u>	<u>\$ 1,034,741,637</u>	<u>\$ 1,047,841,578</u>	<u>\$ 1,111,895,173</u>	<u>\$ 1,094,299,250</u>
(1)	1.25%	(1) 1.25%	(1) 1.25%	1.25%	1.25%	1.25%

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

<u>Fiscal Year</u>	<u>Manhattan City</u>	<u>Riley County</u>	<u>Pottawatomie County</u>	<u>School Dist. 383</u>	
2006	1.00%	1.00%	1.00%	0.25%	(1)
2007	1.00%	1.00%	1.00%	-	
2008	1.00%	1.00%	1.00%	-	
2009	1.25% (2)	1.00%	1.00%	-	
2010	1.25%	1.00%	1.00%	-	
2011	1.25%	1.00%	1.00%	-	
2012	1.25%	1.00%	1.00%	-	
2014	1.25%	1.00%	1.00%	-	
2015	1.25%	1.00%	1.00%	-	

(1) Effective October 1, 2005, through December 31, 2006.

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

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

Source: City of Manhattan Finance Department

CITY OF MANHATTAN, KANSAS
Sales Tax Revenue Payers by Industry
Fiscal Years 2015 and 2006

	2015				2006			
	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail	1,195	30.74%	\$ 8,340,270	60.59%	688	30.77%	\$ 4,490,795	62.10%
Accommodation and food services	184	4.73%	1,803,063	13.10%	110	4.92%	802,600	11.10%
Other	729	18.76%	875,397	6.36%	414	18.52%	414,414	5.73%
Utilities	14	0.36%	782,783	5.69%	9	0.40%	372,309	5.15%
Information	247	6.36%	753,089	5.47%	202	9.03%	334,819	4.63%
Wholesale	436	11.22%	481,663	3.50%	269	12.03%	323,085	4.47%
Manufacturing	321	8.26%	266,831	1.94%	200	8.94%	199,033	2.75%
Construction	435	11.19%	232,447	1.69%	150	6.71%	148,062	2.05%
Services	326	8.39%	230,024	1.67%	194	8.68%	146,040	2.02%
Total	3,887	100.00%	\$ 13,765,567	100.00%	2,236	100.00%	\$ 7,231,157	100.00%

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

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

Source: Kansas Department of Revenue

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

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Special Assessment Bonds	Special Obligation Bonds	Temporary Notes	Notes Payable	Sales Tax Revenue Bonds	Transportation Revolving Fund Loan	Capital Leases
2006	\$ 13,186,133	\$ 38,848,867	\$ 4,610,321	\$ 18,525,000	\$ -	\$ 1,495,000	\$ 4,066,781	\$ 672,175
2007	16,956,756	46,213,244	16,112,084	27,595,000	-	555,000	4,391,994	861,598
2008	17,930,537	59,404,463	26,697,298	19,915,000	-	-	4,199,610	1,231,605
2009	19,900,461	71,939,539	75,380,000	25,890,000	300,000	505,000	4,000,070	1,000,393
2010	29,305,246	67,149,754	75,380,000	22,930,000	240,000	6,050,000	3,793,106	687,229
2011	31,393,273	64,321,727	76,585,000	41,135,000	180,000	5,980,000	3,578,444	1,555,084
2012	45,350,577	60,124,423	65,800,000	36,120,000	120,000	5,845,000	3,355,796	1,799,176
2013	43,476,781	56,778,219	61,890,000	34,560,000	60,000	5,665,000	3,124,866	1,573,138
2014	56,220,206	56,999,794	57,185,000	29,560,000	-	5,490,000	2,885,345	1,696,660
2015	52,298,515	57,701,485	52,950,000	53,140,000	-	5,335,000	2,636,913	1,900,129

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

¹See the Schedule of Demographic and Economic Statistics on page 193 for personal income and population data.

Business-type Activities			Total Primary Government	Percentage of Personal Income¹	Per Capita¹
General Obligation Bonds	State Revolving Loans	Capital Leases			
\$ 2,925,000	\$ 5,027,531	\$ -	\$ 89,356,808	5.7%	\$ 1,783.18
2,325,000	4,749,118	-	119,759,794	6.5%	2,318.19
2,405,000	5,248,561	-	137,032,074	6.6%	2,626.44
4,130,000	5,986,497	100,000	209,131,960	9.7%	3,958.13
5,485,000	16,308,285	75,188	227,403,808	9.9%	4,349.65
7,000,000	43,885,556	160,449	275,774,533	11.0%	5,137.57
6,090,000	50,637,614	109,157	275,351,743	8.0%	4,910.94
6,345,000	55,264,202	56,141	268,793,347	8.9%	4,787.66
8,295,000	55,222,769	141,429	273,696,203	8.3%	4,880.63
7,155,000	52,831,273	84,672	286,032,989	7.9%	5,079.79

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

Fiscal Year	Governmental Activities General Obligation Bonds¹	Business-Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Value³ of Property	Per Capita⁴
2006	\$ 52,035,000	\$ 2,925,000	\$ 3,513,662	\$ 51,446,338	2.6%	\$1,026.65
2007	63,170,000	2,325,000	3,627,187	61,867,813	2.4%	1,197.57
2008	77,335,000	2,405,000	5,766,501	73,973,499	2.5%	1,417.82
2009	91,840,000	4,130,000	12,412,298	83,557,702	2.8%	1,581.45
2010	96,455,000	5,485,000	6,692,149	95,247,851	3.1%	1,821.84
2011	95,715,000	7,000,000	8,052,900	94,662,100	3.0%	1,763.52
2012	105,475,000	6,090,000	14,677,973	96,887,027	2.9%	1,728.00
2013	100,255,000	6,345,000	8,387,441	98,212,559	2.9%	1,749.33
2014	113,220,000	8,295,000	14,153,611	107,361,389	3.0%	1,914.50
2015	110,000,000	7,155,000	19,974,970	97,180,030	2.0%	1,725.87

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

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

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

³See the Schedule of Assessed and Estimated Actual Value of Taxable Property on page 176 for property value data.

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

CITY OF MANHATTAN, KANSAS
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u> ¹	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Overlapping debt			
Unified School Dist. #383	\$ 101,852,195	76.30%	\$ 77,713,225
Unified School Dist. #378	875,000	16.50%	144,375
Riley County	3,825,000	81.20%	3,105,900
Pottawatomie County	8,770,000	8.20%	719,140
			<hr/>
Total overlapping debt			\$ 81,682,640
Direct debt			
Bonded debt:			
General obligation debt			\$ 50,683,515
Special assessment debt			57,701,485
			<hr/>
Total general obligation bonded debt			108,385,000
Special obligation bonded debt			52,950,000
Sales tax revenue bonded debt			5,335,000
Temporary note debt			53,140,000
Notes payable			-
Transportation revolving fund loan			2,636,913
Capital leases			1,984,800
			<hr/>
Total direct debt			224,431,713
			<hr/>
Total Direct and Overlapping Debt			\$ 306,114,353
			<hr/> <hr/>

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

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

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

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

	Fiscal Year			
	2006	2007	2008	2009
Debt limit ¹	\$106,939,202	\$121,577,656	\$135,179,174	\$140,952,445
Total net debt applicable to limit	<u>47,015,307</u>	<u>54,967,050</u>	<u>59,027,855</u>	<u>67,946,855</u>
Legal debt margin	<u>\$59,923,895</u>	<u>\$66,610,606</u>	<u>\$76,151,319</u>	<u>\$73,005,590</u>
Total net debt applicable to the limit as a percentage of debt limit	43.96%	45.21%	43.67%	48.21%

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

2010	2011	Fiscal Year		2014	2015
		2012	2013		
\$140,952,445	\$142,176,832	\$146,043,310	\$150,315,801	\$157,111,561	\$161,970,200
72,739,910	90,779,021	92,945,516	96,958,394	97,436,828	106,666,447
<u>\$68,212,535</u>	<u>\$51,397,811</u>	<u>\$53,097,794</u>	<u>\$53,357,407</u>	<u>\$59,674,733</u>	<u>\$55,303,753</u>
51.61%	63.85%	63.64%	64.50%	62.02%	65.86%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Valuation of Taxable Tangible Property	\$ 500,683,372
Motor Vehicle Valuation	<u>39,217,293</u>
Total Valuation	<u>539,900,665</u>
Debt Limit Ratio	<u>30%</u>
December 31, 2015 Debt Limit	<u>\$161,970,200</u>
Outstanding Debt Subject to Debt Limit	<u>106,666,447</u>
Debt Authority Remaining December 31, 2015	<u>\$ 55,303,753</u>

12/31/15 G.O.Bonds Outstanding	\$ 108,385,000
Add: Amount for Refunded Bonds	4,835,917
Less: Amount for Refunding, Water, Sewer and Storm water projects	<u>42,066,469</u>
	<u>71,154,447</u>
12/31/15 Temporary Notes Outstanding	53,140,000
Less: Amount for Water, Sewer & Storm water Projects	<u>17,628,000</u>
	<u>35,512,000</u>
Total Outstanding Debt Subject to Debt Limit 12/31/15	* <u>\$ 106,666,447</u>

CITY OF MANHATTAN, KANSAS
Pledged Revenue Coverage

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

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

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

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

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

<u>Fiscal Year</u>	<u>Population</u> ¹	<u>Public School Enrollment</u> ²	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Average Wage per Job</u> ³	<u>Unemployment Rate</u> ⁴
2006	50,111	5,467	\$ 1,557,982,913	\$ 31,091	\$ 28,801	3.3%
2007	51,661	5,764	1,848,967,731	35,790	29,662	3.1%
2008	52,174	6,141	2,085,333,146	39,969	30,627	3.5%
2009	52,836	6,193	2,152,062,142	40,731	31,177	4.4%
2010	52,281	6,375	2,306,260,643	44,113	32,089	5.0%
2011	53,678	6,552	2,516,821,605	46,887	33,232	4.8%
2012	56,069	6,385	2,773,497,574	49,466	unavailable	4.4%
2013	56,143	6,562	3,034,863,603	54,056	33,838	4.2%
2014	56,078	6,571	3,316,386,819	59,139	33,871	3.7%
2015	56,308	6,579	3,630,810,014	64,481	44,891	3.3%

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

²Kansas State Department of Education (organization level headcount)

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

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

CITY OF MANHATTAN, KANSAS
Personal Income
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Riley County Personal Income</u> ^{1,2}	<u>Riley County Population</u> ³	<u>City of Manhattan Population</u>	<u>Population as a Percentage of Riley County Population</u>	<u>City of Manhattan Personal Income</u>
2006	\$ 2,150,425,000	69,164	50,111	72.45%	\$ 1,557,982,913
2007	2,484,170,000	69,406	51,661	74.43%	1,848,967,731
2008	2,842,215,000	71,113	52,174	73.37%	2,085,333,146
2009	2,905,836,000	71,341	52,836	74.06%	2,152,062,142
2010	3,136,916,000	71,115	52,281	73.52%	2,306,260,643
2011	3,422,850,000	72,997	53,678	73.53%	2,516,821,605
2012	3,734,847,258	75,508	56,069	74.26%	2,773,497,574
2013	4,075,283,474	75,394	56,143	74.47%	3,034,863,603
2014	4,446,750,897	75,194	56,078	74.58%	3,316,386,819
2015	4,852,078,062	75,247	56,308	74.83%	3,630,810,014

¹U.S. Bureau of Economic Analysis

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

³U.S. Bureau of the Census estimates

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

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Riley County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Riley County Employment</u>
Fort Riley Military Base (military) ¹	19,468	1	48.79%	12,533	1	35.56%
Kansas State University	5,424	2	13.59%	5,896	3	16.73%
Fort Riley Military Base (civilian) ¹	2,804	3	7.03%	8,346	2	23.68%
U.S.D. No. 383 - Manhattan Schools	1,450	4	3.63%	2,283	4	6.48%
GTM Sportswear	991	5	2.48%	420	10	1.19%
Mercy Health Center	800	6	2.00%	950	5	2.70%
Wal-Mart	480	7	1.20%	475	8	1.35%
Meadowlark Hill Retirement Community	420	8	1.05%	-		0.00%
City of Manhattan	320	9	0.80%	-		0.00%
Manko Windo Systems, Inc.	235	10	0.59%	-		0.00%
Pawnee Mental health Services	235	10	0.59%	-		0.00%
Alorica	-		0.00%	595	7	1.69%
Auth-Florence Manufacturing	-		0.00%	512	6	1.45%
Kansas Farm Bureau	-		0.00%	400	8	1.14%
Total	<u><u>32,627</u></u>		<u><u>81.75%</u></u>	<u><u>32,410</u></u>		<u><u>91.97%</u></u>

¹Not included in the official labor force statistics.

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
Full-time	61	50	52	56	57	56	53	52	56	54
Part-time	3	4	4	4	4	5	4	3	8	9
Seasonal/temporary	13	13	13	13	15	16	15	14	8	10
Public safety										
Full-time	79	81	81	81	83	85	96	98	99	98
Part-time	2	2	3	3	3	3	3	4	5	5
Seasonal/temporary	9	10	10	11	11	11	6	6	6	6
Public works										
Full-time	40	44	46	47	47	49.5	55	55	51	52
Part-time	3	1	-	-	-	-	-	-	-	-
Seasonal/temporary	8	9	8	9	9	7	2	2	2	2
Urban development and housing										
Full-time	8	9	9	9	9	10	10	10	10	10
Part-time	-	-	-	-	-	-	-	-	-	1
Seasonal/temporary	1	1	1	2	4	3	3	3	1	1
Culture and recreation										
Full-time	56	66	72	74	75	76.5	88.5	87.5	87	90
Part-time	8	8	6	7	7	7	12	12	11	10
Seasonal/temporary	1144	1146	912	818	849	871	893	892	726	723
Water										
Full-time	24	25	26	26	25	25.5	29.5	29.5	29.3	30.3
Part-time	-	-	-	-	-	1	1	-	-	-
Seasonal/temporary	1	1	3	3	7	3	5	5	5	5
Wastewater										
Full-time	22	24	24	24	24	25.5	26.5	27.5	29.8	30.8
Part-time	-	-	-	-	-	-	-	-	-	-
Seasonal/temporary	-	-	-	-	1	3	2	2	2	2
Storm Water Management										
Full-time	1	1	1	2	2	2	2	2	2	2.3
Totals										
Full-time	291	300	311	319	322	330	361	362	364	367
Part-time	16	15	13	14	14	16	20	19	24	25
Seasonal/temporary	1176	1180	947	856	896	914	926	924	750	749

Source: City of Manhattan Finance Department

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public safety										
Incident responses	2,333	2,554	2,511	2,514	2,334	2,345	2,672	2,385	2,392	2,581
Fire inspections	2,615	2,700	2,562	2,567	2,786	1,763	1,969	1,855	1,897	2,397
Construction inspections	8,914	7,361	5,885	6,476	7,094	7,108	6,129	5,053	5,876	5,121
Public works										
Road added (square yards)	160,855	105,009	72,804	26,769	35,267	21,948	52,354	33,690	73,169	52,406
Asphalt placed for street repairs (tons)	119	257	248	379	822	350	299	457	798	1,020
Call backs for signal problems	31	62	43	43	40	49	52	68	89	73
Urban development and housing										
Annexations	8	5	2	2	2	2	1	1	6	3
Rezoning	33	18	19	10	8	8	5	13	16	15
Culture and recreation										
Annual swimming pool attendance ¹	63,994	60,049	55,507	39,115	87,674	96,528	128,602	108,050	131,876	123,160
Annual zoo attendance	52,769	60,206	51,985	57,969	62,668	63,066	71,936	74,542	79,269	85,772
Annual registrations in recreation programs ²	16,110	13,267	11,828	11,630	11,206	9,022	10,579	11,144	12,122	9,298
Water										
New taps	912	551	254	414	420	383	342	209	266	205
Total water metered in distribution system (MG)	2,450	3,176	2,286	2,391	2,448	2,597	2,800	2,481	2,468	2,417
Wastewater										
Total influent flow (MG)	1,659	1,824	1,859	1,780	1,779	1,734	1,695	1,763	1,757	1,853

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

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

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

Sources: Various City of Manhattan departments

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

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

Sources: Various City of Manhattan departments

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August 19, 2016

The Honorable Mayor and City Commission
City of Manhattan, Kansas

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manhattan, Kansas (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 19, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

August 19, 2016
City of Manhattan, Kansas
Page two

Purpose of this Report

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

Vannoy & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas



August 19, 2016

The Honorable Mayor and City Commission
City of Manhattan, Kansas

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

Report on Compliance for Each Major Federal Program

We have audited the City of Manhattan, Kansas (the City) and its compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City has complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

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

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

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

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

Vaney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF MANHATTAN, KANSAS
 Manhattan, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Passthrough Grant Number</u>	<u>Federal Award Expenditures</u>	<u>Subrecipient Expenditures</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants Passed through the Kansas Housing Resources Corp.	14.218	-	\$ 825,360	\$ -
HOME Investments Partnership Program	14.239	HR10-0101	4,939	-
Emergency Shelter Grants Program	14.231	ESG FFY201X	308,060	-
Total U.S. Department of Housing and Urban Development			<u>\$ 1,138,359</u>	<u>\$ -</u>
Environmental Protection Agency:				
Passed through the Kansas Department of Health and Environment Capitalization Grants for Drinking Water State Revolving Funds (ARRA)	66.468	2743	<u>\$ 291,564</u>	<u>\$ -</u>
U.S. Department of Transportation				
Airport Improvement Program	20.106	-	<u>\$ 1,919,902</u>	<u>\$ -</u>
TOTAL			<u><u>\$ 3,349,825</u></u>	<u><u>\$ -</u></u>

See notes to schedule of expenditures of federal awards.

CITY OF MANHATTAN, KANSAS
Manhattan, Kansas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

Note 1: General

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

Note 2: Basis of Accounting

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

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

The City did not receive any Federal awards in the form of noncash assistance, insurance or loan guarantees for the year ended December 31, 2015.

The City did expend Federal awards in the form of loans as part of the Capitalization Grants for Drinking Water State Revolving Funds (CFDA 66.468). During 2015, the City received \$381,785 of loan proceeds as reimbursement for qualifying program expenditures originally paid for by the City during 2014. In accordance with the basis of accounting as described in note 2 above, the City reports 2015 expenditures of \$291,564 which represents the Federal portion of qualifying program expenditures actually incurred during 2015, regardless of the timing of reimbursement from the Kansas Department of Health and Environment.

Note 4: Indirect Cost Rate

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

CITY OF MANHATTAN, KANSAS
 Manhattan, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditor's report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major programs:	
Name of Federal program	<u>CFDA Number</u>

Airport Improvement Program	20.106
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Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported

CITY OF MANHATTAN, KANSAS
Manhattan, Kansas
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2015

None.