CITY OF MANCHESTER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

Prepared by:

Department of Finance and Administration

CITY OF MANCHESTER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of transmittal i
GFOA Certificate of Achievement iv
Organization chart v
List of principal officials vi

FINANCIAL SECTION

Independent auditors' report 1

Management's discussion and analysis 4

Basic financial statements:
Government-wide financial statements:
Statement of net position 10
Statement of activities 12
Fund financial statements:
Balance sheet - Governmental funds 13
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position 14
Statement of revenues, expenditures, and changes in fund balances - Governmental funds 15
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities 16
Statement of revenues, expenditures, and changes in fund balance - Budget and actual - General fund 17
Statement of net position - Proprietary funds 19
Statement of revenues, expenses, and changes in net position - Proprietary funds 21
Statement of cash flows - Proprietary funds 22
Notes to basic financial statements 23

Required supplementary information:
Schedule of changes in the net pension liability and related ratios - Defined benefit pension plan 43
Schedule of contributions - Defined benefit pension plan 44

Supplemental information:
Nonmajor governmental funds:
Combining balance sheet - Nonmajor governmental funds 45
Combining statement of revenues, expenditures, and changes in fund balances - Nonmajor governmental funds 46
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual - Debt service fund 47
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual - Special Revenue Fund - CDBG small cities 48
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual - Special Revenue Fund - CDBG revolving loan fund 49
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual - Special Revenue Fund - Hotel/Motel tax fund 50
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual - Special Revenue Fund - TIA fund 51
Debt service fund:
Comparative balance sheets 52
Comparative statements of revenues, expenditures, and changes in fund balances 53

CITY OF MANCHESTER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

TABLE OF CONTENTS

Page

Special revenue funds:
Comparative balance sheets - CDBG small cities 54
Comparative statements of revenues, expenditures, and changes in fund balances - CDBG small cities 55
Comparative balance sheets - CDBG revolving loan fund 56
Comparative statements of revenues, expenditures, and changes in fund balances - CDBG revolving loan fund 57
Comparative balance sheets - Hotel/Motel tax fund 58
Comparative statements of revenues, expenditures, and changes in fund balances - Hotel/Motel tax fund 59
Comparative balance sheets - TIA fund 60
Comparative statements of revenues, expenditures, and changes in fund balances - TIA fund 61
Major governmental funds:
General fund:
Comparative balance sheets 62
Comparative statements of revenues, expenditures, and changes in fund balances 63
Capital projects fund:
Comparative balance sheets - SPLOST fund 64
Comparative statements of revenues, expenditures, and changes in fund balances -SPLOST fund 65
Proprietary funds:
Water and sewerage fund:
Comparative statements of net position 66
Comparative statements of revenues, expenses, and changes in net position 68
Comparative statements of cash flows 69
Gas system fund:
Comparative statements of net position 70
Comparative statements of revenues, expenses, and changes in net position 72
Comparative statements of cash flows 73
Solid waste fund:
Comparative statements of net position 74
Comparative statements of revenues, expenses, and changes in net position 75
Comparative statements of cash flows 76
Downtown Development Authority:
Balance sheet 77
Statement of revenues, expenditures, and changes in fund balance 78
Capital assets used in the operation of governmental funds:
Comparative schedules by source 79
Schedule by function and activity 80
Schedule of changes by function and activity 81
Additional data:
Community Development Block Grant:
Source and application of funds status report 82
Project cost schedule 83
Schedule of special purpose sales and use tax 84

STATISTICAL SECTION (Unaudited)

Net position by component 85
Changes in net position 86
Fund balances of governmental funds 88
Changes in fund balances of governmental funds 89
Assessed value and estimated actual value of taxable property 90
Property tax rates - Direct and overlapping governments 91
Principal property taxpayers 92
Property tax levies and collections 93

CITY OF MANCHESTER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

TABLE OF CONTENTS

	Page
Utility rates	94
Top ten water consumers	95
Top ten sewer consumers	96
Ratios of outstanding debt by type	97
Ratios of general bonded debt outstanding	98
Direct and overlapping governmental activities debt	99
Legal debt margin information	100
Pledged-revenue coverage	101
Demographic and economic statistics	102
Principal employers	103
Full-time equivalent city governmental employees by function	104
Operating indicators by function	105
Capital asset statistics by function	106

City of Manchester

P. O. BOX 366

MANCHESTER, GEORGIA 31816

(706) 846-3141 OR (706) 846-3142

December 10, 2015

TO: The Citizens of the City of Manchester, Georgia
The Honorable Mayor and Members of the City Council
of the City of Manchester, Georgia

The Comprehensive Annual Financial Report (CAFR) of the City of Manchester, Georgia (City) is submitted for the fiscal year ended June 30, 2015. Management of the City accepts all responsibility for the accuracy of the data and completeness and fairness of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Our goal has been to relate the City's financial position in a format that is informative for the general public.

Georgia law requires cities to perform an audit every two years by independent certified public accountants. The City chooses to have an annual audit and this year Council selected the firm of AJK, LLC to perform the audit. The independent auditor's report is included in the financial section of this report.

The MD&A, which immediately follows the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Manchester is located in the west central part of Georgia approximately 65 miles southwest of Atlanta and 35 miles north of Georgia's second largest city, Columbus.

This report includes all funds of the City of Manchester. The City of Manchester, incorporated in 1909, operates under the council-manager form of government. The City is organized under the following departments: City Hall Administration, Police, Fire, Highways and Street, Health and Welfare, Culture and Recreation, Code Enforcement, Public Works, Water and Sewerage, Gas System, and Solid Waste. These departments operate under the supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services for approximately 4,200 citizens. Included among these services are traditional city functions, such as police and fire protection, street construction and maintenance, parks and recreation services, building inspection, zoning enforcement and economic development, as well as gas, water and sewer utilities, and solid waste disposal.

The Housing Authority of the City of Manchester has not met the established criteria for inclusion in the reporting entity and is excluded from this report. The Manchester Development Authority and the Downtown Development Authority of the City of Manchester (the "DDA") have been included in these financial statements as discretely presented component units. The DDA was formed in 1997, but did not become financially active until the fall of 2009.

The City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of Manchester. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is exercised by the City Council at the department level. Additional information on the budgetary process can be found in Note 1(D) in the Notes to the Basic Financial Statements.

FACTORS AFFECTING ECONOMIC CONDITION

The information provided 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 Manchester operates.

Local Economy

The City of Manchester continues to struggle due to unemployment and lack of local jobs.

Tourism continues to be a focus of Manchester as well as Meriwether County. The City hosted the third annual Celebration of Trees and Christmas Parade along with other community events. July 4th was celebrated with an outdoor event bringing in children's activities, food vendors, a live band, and fireworks. This event was a huge success. The second annual outdoor concert series was held during June and July, as well as other tourism events.

Long-Term Financial Planning

The addition of Mando 2 Manufacturing, located in Meriwether Park, as a natural gas user has proved to be beneficial for the City of Manchester and Meriwether County with an increase of natural gas usage. Mando plans to expand their operations with two more facilities in the future.

The City of Manchester and Meriwether County have started conversations concerning a joint venture to provide recreation to the children of Meriwether County. The two governments have previously worked together on this venture.

Major Initiatives

The City has decided to move forward with a USDA application to upgrade the water treatment facility. An emergency project was funded this year with 2013 bond proceeds. The plant was built in 1993 and requires a complete rehab of the facility.

The Georgia Department of Transportation began a bridge replacement project in the main thoroughfare of Manchester on Broad Street in February 2015. The project is set for completion in March 2016.

The Manchester Downtown Development Authority continues to support small businesses by providing startup funds. They have assisted two small businesses: Antoinette's House of Fashion (a clothing store) and Paws on Main (a pet grooming salon). The Downtown Development Authority continues to be a strong component in facilitating a strong downtown.

The City was awarded a Community Block grant in the amount of $500,000 for a sewer rehab project on Perry Street. Work on this project began in November 2015.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manchester for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty third consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The timely preparation of this report was possible because of the efficiency and dedicated service of the entire staff at City Hall. Each member of the department has our sincere appreciation for their contributions in the preparation of this report. We wish to thank the Mayor and Council Members for their continued support as we strive for excellence in financial reporting for the City of Manchester. We also wish to acknowledge the professional and dedicated services of the staff of AJK, LLC, Certified Public Accountants.

Respectfully submitted,

Kathy Storey

Kathy Storey, City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Manchester

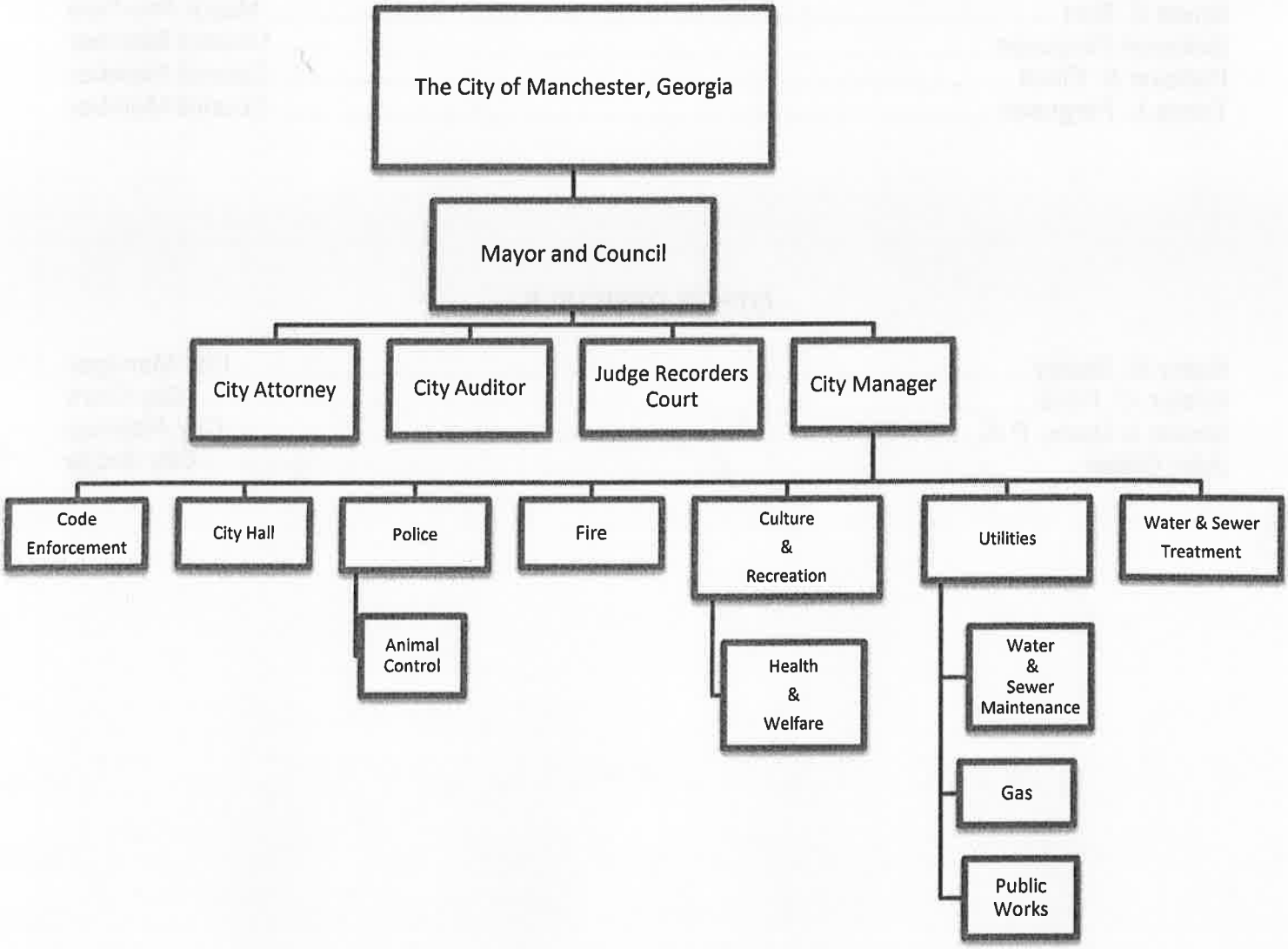
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF MANCHESTER, GEORGIA
ORGANIZATION CHART
June 30, 2015



CITY OF MANCHESTER, GEORGIA
LIST OF PRINCIPAL OFFICIALS
June 30, 2015

ELECTED OFFICIALS

Michael J. Brening	Mayor
Bruce S. Burt	Mayor Pro-Tem
Solomon Ferguson	Council Member
Pattisue S. Elliott	Council Member
Travis L. Ferguson	Council Member

OTHER OFFICIALS

Kathy M. Storey	City Manager
Kristen C. Price	City Clerk
Glover & Davis, P.A.	City Attorney
John Gilson	City Judge

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 ☐ 405 Second Street ☐ Manchester, GA 31816
(706) 846-8401 ☐ Fax (706) 846-3370

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Manchester, Georgia

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 Manchester, Georgia, as of and for the year ended June 30, 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

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Manchester, Georgia, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required the restatement of net position as discussed in Note 1T to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

The emphasis of this matter does not constitute modifications on our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios and the schedule of contributions information on pages 4 through 9 and page 43 and 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparison, and individual fund financial statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, comparative, budgetary comparison, and individual fund financial statements and schedules, and other supplemental information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Manchester, Georgia's basic financial statements for the year ended June 30, 2014, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's

basic financial statements as a whole. The individual fund financial statements, as of and for the year ended June 30, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2014 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of the City of Manchester, Georgia'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 City of Manchester, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
December 10, 2015

NOTICE

Certain pages of this report have been left blank intentionally.
These pages are identified as shown on this page.



Management's Discussion and Analysis

As management of the City of Manchester (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- At June 30, 2015, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by $11,563,422 (net position). Net position in governmental activities decreased $1,023,905 or 15.38 percent, and net position of our business-type activities decreased $1,079,478 or 15.40 percent.

- The City's total net position decreased $2,103,383 from the previous year. As explained in the notes to the basic financial statements in Note 18, the City implemented GASB No. 68 and 71 during the fiscal year ended June 30, 2015. The restatement of the beginning net positions of the various funds of the City affected by these GASB's resulted in a decrease in net position of the City totaling $930,434. The majority of the additional decrease in the City's net position is attributable to extensive repairs and maintenance done to the City's water treatment facility.

- As of the close of 2015, the City's governmental funds reported combined ending fund balances of $2,044,669, a decrease of $502,068 from the prior year. This decrease is due to the SPLOST Fund spending the money it received in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These financial statements will present an overview of the City's financial activities and are presented in 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 statements are intended to present information about the City as a whole using accounting methods similar to the private sector.

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

The statement of activities presents information showing how the government'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 vacation leave).

The government-wide financial statements of the City are separated into three kinds of activities:

- Governmental activities: Most of the City's programs and services are reported here, including police, fire, senior center, recreation, public works, and general administration. These governmental activities are funded primarily by property taxes and state and federal grants.
- Business-type activities: These activities include the business-like operations of the City which are intended to recover all or a significant portion of their costs through user fees and charges. These services include water, sewer, gas and garbage.
- Component units: The Manchester Development Authority and the Downtown Development Authority (the "DDA") of the City of Manchester are included as discretely presented component units of the City. Although they are legally separate from the City, the City is financially accountable. Additional information can be found on the Manchester Development Authority in their separately issued financial statements and on the DDA in the supplemental information in these financial statements. The Manchester Public Utilities Authority, although also legally separate, functions for all practical purposes as part of the City's Water and Sewerage Fund; therefore, it has been included as part of the business-type activities.

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided, along with the financial resources available.

By comparing the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements, 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.

The City maintains seven 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 and SPLOST Fund, which are the City's major governmental funds. Individual data from the remaining nonmajor governmental funds are combined into a single, aggregate column marked "Other Governmental Funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and other supplementary data provided within the financial section of the report.

Proprietary Funds - The City presents only enterprise funds for its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City utilizes enterprise funds to account for the Water & Sewer operations, Gas operations, and Solid Waste disposal activities. The Water & Sewer, Gas, and Solid Waste funds are all considered to be major enterprise funds.

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 & Sewer, Gas, and Solid Waste funds since all are considered to be major funds of the City.

Notes to the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes the components of the City's net position of the primary government at June 30, 2015 and 2014.

NET POSITION

	Governmental Activities		Business-type		Totals	
	2015	2014	2015	2014	2015	2014
Assets:						
Current & Other Assets	$ 2,431,860	$ 2,825,495	$ 2,554,268	$ 3,930,177	$ 4,986,128	$ 6,755,672
Capital Assets, Net	4,941,008	4,752,245	13,304,067	13,383,199	18,245,075	18,135,444
Total Assets	7,372,868	7,577,740	15,858,335	17,313,376	23,231,203	24,891,116
Deferred Outflows of Resources	176,467	0	222,739	277,140	399,206	277,140
Liabilities:						
Current & Other Liabilities	576,305	445,515	859,521	914,012	1,435,826	1,359,527
Long-term Liabilities	1,261,956	473,864	9,276,097	9,668,060	10,538,053	10,141,924
Total Liabilities	1,838,261	919,379	10,135,618	10,582,072	11,973,879	11,501,451
Deferred Inflows of Resources	76,618	0	16,490	0	93,108	0
Net Position:						
Net Investment in Capital Assets	4,482,775	4,236,911	6,456,886	8,115,278	10,939,661	12,352,189
Restricted	1,118,976	1,742,690	380,617	1,697,345	1,499,593	3,440,035
Unrestricted	32,705	678,760	(908,537)	(2,804,179)	(875,832)	(2,125,419)
Total Net Position	$ 5,634,456	$ 6,658,361	$ 5,928,966	$ 7,008,444	$11,563,422	$ 13,666,805

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. In the case of the City of Manchester, assets exceeded liabilities by $11,563,422 at June 30, 2015. The City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, equipment and vehicles), less any outstanding related debt used to acquire the asset equals approximately 94.61% of net position. The City uses these capital assets to provide services to citizens and consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities.

The following shows the changes in net position for 2015 and 2014.

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	$ 737,265	$ 694,099	$ 2,947,640	$ 3,235,691	$ 3,684,905	$ 3,929,790
Operating grants and contributions	298,747	900,555	0	0	298,747	900,555
Capital grants and contributions	120,626	1,729,191	0	0	120,626	1,729,191
General Revenues:						
Property taxes	1,041,462	1,036,188	0	0	1,041,462	1,036,188
Franchise tax	230,140	217,697	0	0	230,140	217,697
Insurance premium tax	229,870	218,200	0	0	229,870	218,200
Motor vehicle and mobile home tax	140,862	144,361	0	0	140,862	144,361
Alcoholic beverage tax	77,247	79,749	0	0	77,247	79,749
Sales tax	357,636	361,302	0	0	357,636	361,302
Other	28,657	22,819	0	0	28,657	22,819
Investment earnings	2,470	2,827	2,196	2,795	4,666	5,622
Total Revenues	3,264,982	5,406,988	2,949,836	3,238,486	6,214,818	8,645,474
Expenses:						
General government	758,893	691,609	0	0	758,893	691,609
Public safety	1,706,052	1,559,309	0	0	1,706,052	1,559,309
Health and welfare	152,969	166,324	0	0	152,969	166,324
Culture and recreation	441,135	466,802	0	0	441,135	466,802
Highways and streets	598,737	502,479	0	0	598,737	502,479
Community development	9,576	108,801	0	0	9,576	108,801
Interest on long-term debt	24,557	28,027	0	0	24,557	28,027
Water and sewer	0	0	2,676,364	1,743,175	2,676,364	1,743,175
Gas	0	0	755,385	771,321	755,385	771,321
Solid waste	0	0	264,099	263,547	264,099	263,547
Total Expenses	3,691,919	3,523,351	3,695,848	2,778,043	7,387,767	6,301,394
Increase (decrease) in net position before transfers	(426,937)	1,883,637	(746,012)	460,443	(1,172,949)	2,344,080
Transfers	168,685	(29,034)	(168,685)	29,034	0	0
Increase (decrease) in net position	(258,252)	1,854,603	(914,697)	489,477	(1,172,949)	2,344,080
Net Position, beginning of year, as restated	5,892,708	4,803,758	6,843,663	6,518,967	12,736,371	11,322,725
Net Position, end of year	$ 5,634,456	$ 6,658,361	$ 5,928,966	$ 7,008,444	$ 11,563,422	$ 13,666,805

Governmental Activities

Governmental activities decreased the City's net position by $1,023,905. Of this decrease $765,653 is attributable to the restatement required with implementation of GASB No. 68 and 71, as explained earlier, and $258,252 is attributable to current year operations. Key elements of the decrease attributable to current year operations are shown in the preceding table *Changes in Net Position*. Noteworthy variances are:

- Operating grants and contributions decreased $601,808. Approximately $473,000 of this is due to a decrease in the amount of Community Development Block Grants received during the year.
- Capital grants and contributions decreased $1,608,565. The majority of this decrease is because the City's pro-rata share of the 2015 Meriwether County General Obligation Sales Tax Bonds was received last year.

Business-Type Activities

Business-type activities decreased the City's net position by $1,079,478. Of this decrease $164,781 is attributable to the restatement required with implementation of GASB No. 68 and 71, as explained earlier, and $914,697 is attributable to current year operations. The most significant variance attributable to current year operations is the increase in water and sewer expenses due to the extensive repairs and maintenance done to the City's water treatment facility.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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, unassigned fund balance may serve as a useful tool in the measurement of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2015, the City's governmental funds reported a combined ending fund balance of $2,044,669, a decrease of $502,068 in comparison with the prior year. The fund balance is classified as nonspendable ($71,776), restricted ($1,118,976), committed ($259,784) and unassigned ($594,133) to indicate the purpose for which the resources can be used. The restricted fund balance (amounts constrained to specific purposes by their providers) represents approximately 54.73% of the fund balance. The unassigned fund balance, which represents approximately 29.06% of the total fund balance, is available for any purpose.

The General Fund is the City's chief operating fund. The fund balance of the City's General Fund increased by $121,646 during year ended 2015. The increase in the General Fund is a result of the City's continued effort to curtail expenditures where possible.

Proprietary Funds

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

The change for net position in the Proprietary Funds for the year ended June 30, 2015 was a decrease of

$1,079,478. The factors concerning this decrease have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Manchester City Council adopts the annual operating budgets for the City on or about May 1 each year for the fiscal year commencing July 1. The most significant budgeted fund of the City is the General Fund. During the year, amendments to the budget are adopted as needed. The significant amendments during the year were:

- Grant revenue was increased approximately $87,000 to reflect a recreation grant and a police equipment grant.
- Fines and forfeitures were increased by approximately $47,000 to reflect additional police fines collected.
- Property taxes were increased approximately $44,000.
- Salaries were adjusted in most departments to reflect actual amounts paid. The net adjustments to salaries was approximately a $51,000 increase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015 was $10,939,661, net of accumulated depreciation and related debt. This investment in capital assets includes land, buildings, improvements, machinery, equipment, vehicles, infrastructure, and construction in progress.

Long-Term Debt

As of June 30, 2015 the City had total bonded outstanding debt of $8,845,000.

More detailed information about the City's capital assets and long-term debt is presented in the notes to the basic financial statements in Note 3 and Note 5, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the following:

Kathy M. Storey, City Manager
Department of Financial Administration
P.O. Box 366
Manchester, Georgia 31816
706-846-3141

BASIC FINANCIAL STATEMENTS

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manchester Development Authority	Downtown Development Authority
ASSETS					
Cash and cash equivalents	$ 2,151,128	$ 991,426	$ 3,142,554	$ 936,140	$ 11,296
Receivables (net, where applicable, of allowance for uncollectibles):					
Tax and tax liens	13,416		13,416		
Accounts		665,627	665,627		
Fines and forfeitures	24,765		24,765		
Nutrition program	17,972		17,972		
Other	152,803		152,803		
Inventory, at cost	44,294	1,062	45,356		
Prepaid items	27,482		27,482		
Note receivable			-	457,521	22,234
Restricted assets:					
Temporarily restricted:					
Cash		821,262	821,262		
Prepaid bond insurance, net of accumulated amortization		74,891	74,891		
Capital assets not being depreciated	289,733	795,803	1,085,536	134,433	20,400
Capital assets being depreciated, net of accumulated depreciation	4,651,275	12,508,264	17,159,539	2,979,216	
Total assets	7,372,868	15,858,335	23,231,203	4,507,310	53,930
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding		184,760	184,760		
Pension:					
Difference between expected and actual experience	56,670	12,198	68,868		
Changes of assumptions	3,701	796	4,497		
Contributions after measurement date	116,096	24,985	141,081		
Total deferred outflows of resources	176,467	222,739	399,206	-	-

Continued...

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manchester Development Authority	Downtown Development Authority
LIABILITIES					
Accounts payable and other current liabilities	278,151	40,799	318,950	2,297	50
Accrued payroll	41,253		41,253		
Accrued interest on bonds	8,100	65,309	73,409		
Customer deposits		93,366	93,366		
Customer overpayments		16,919	16,919		
Unearned revenue	67,787	24,600	92,387		500
Noncurrent liabilities:					
Due within one year	181,014	618,528	799,542	44,835	
Due in more than one year	412,821	9,093,351	9,506,172	881,436	
Net pension liability	849,135	182,746	1,031,881		
Total liabilities	1,838,261	10,135,618	11,973,879	928,568	550
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Difference between projected and actual earnings on investments	76,618	16,490	93,108		
Total deferred inflows of resources	76,618	16,490	93,108	-	-
NET POSITION					
Net investment in capital assets	4,482,775	6,456,886	10,939,661	2,187,378	
Restricted for:					
Construction		380,617	380,617		
Economic development activities	225,398		225,398		
Capital projects	893,578		893,578		
Debt service			-	485,204	
Unrestricted	32,705	(908,537)	(875,832)	906,160	53,380
Total net position	$ 5,634,456	$ 5,928,966	$ 11,563,422	$ 3,578,742	$ 53,380

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services, Fees, Fines, and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Manchester Development Authority	Component Units: Downtown Development Authority
Primary government:									
Governmental activities:									
General government	$ 758,893	$ 460,497	$ 92,514		$ (205,882)		$ (205,882)		
Public safety	1,706,052	208,510	22,029	$ 75,000	(1,400,513)		(1,400,513)		
Health and welfare	152,969	13,106	97,431		(42,432)		(42,432)		
Culture and recreation	441,135	55,152	37,978		(348,005)		(348,005)		
Highways and streets	598,737		48,795	126	(549,816)		(549,816)		
Community development	9,576			45,500	35,924		35,924		
Interest on long-term debt	24,557				(24,557)		(24,557)		
Total governmental activities	3,691,919	737,265	298,747	120,626	(2,535,281)		(2,535,281)		
Business-type activities:									
Water and sewerage	2,676,364	1,721,914				$ (954,450)	(954,450)		
Gas	755,385	803,820				48,435	48,435		
Solid Waste	264,099	421,906				157,807	157,807		
Total business-type activities	3,695,848	2,947,640	-	-		(748,208)	(748,208)		
Total primary government	$ 7,387,767	$ 3,684,905	$ 298,747	$ 120,626	(2,535,281)	(748,208)	(3,283,489)		
Component units:									
Manchester Development Authority	$ 194,672	$ 184,400						$ (10,272)	
Downtown Development Authority	9,250	7,141	$ 10,000	$ 20,400					$ 28,291
Total component units	$ 203,922	$ 191,541	$ 10,000	$ 20,400				(10,272)	28,291
General revenues:									
Taxes:									
Property taxes					1,041,462		1,041,462		
Sales tax					357,636		357,636		
Franchise tax					230,140		230,140		
Insurance premium tax					229,870		229,870		
Motor vehicle and mobile home tax					140,862		140,862		
Alcoholic beverage tax					77,247		77,247		
Other					28,657		28,657		
Investment earnings					2,470	2,196	4,666	16,280	663
Transfers					168,685	(168,685)	-		
Total general revenues and transfers					2,277,029	(166,489)	2,110,540	16,280	663
Change in net position					(258,252)	(914,697)	(1,172,949)	6,008	28,954
Net position, beginning of year, as restated					5,892,708	6,843,663	12,736,371	3,572,734	24,426
Net position, end of year					$ 5,634,456	$ 5,928,966	$ 11,563,422	$ 3,578,742	$ 53,380

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	Major Governmental Fund Types		Nonmajor Governmental Fund Types	
	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 993,966	$ 995,895	$ 161,267	$ 2,151,128
Receivables (net, where applicable, of allowances for uncollectibles):				
Taxes and tax liens	13,416			13,416
Fines and forfeitures	24,765			24,765
Nutrition program	17,972			17,972
Other	73,447		79,356	152,803
Inventory, at cost	44,294			44,294
Prepaid items	27,482			27,482
Total assets	$ 1,195,342	$ 995,895	$ 240,623	$ 2,431,860
LIABILITIES				
Accounts payable	$ 160,609	$ 102,317	$ 15,225	$ 278,151
Accrued payroll	41,253			41,253
Unearned revenue	67,787			67,787
Total liabilities	269,649	102,317	15,225	387,191
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Inventory	44,294			44,294
Prepaids	27,482			27,482
Restricted for:				
Economic development activities			225,398	225,398
Capital projects		893,578		893,578
Committed:				
Special incentives	19,501			19,501
Infrastructure	240,283			240,283
Unassigned	594,133			594,133
Total fund balances	925,693	893,578	225,398	2,044,669
Total liabilities and fund balances	$ 1,195,342	$ 995,895	$ 240,623	$ 2,431,860

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2015

Fund balances - Total governmental funds		$ 2,044,669
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:		
Add - Capital assets		9,030,163
Deduct - Accumulated depreciation		(4,089,155)
The deferred outflows below are not current assets or financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at June 30, 2015 are:		
Deferred outflows		176,467
Deferred inflows		(76,618)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. Balances at June 30, 2015 are:		
Accrued interest payable on bonds		(8,100)
Bonds payable	$ (405,000)	
Capital leases	(28,233)	
Notes payable	(25,000)	
Compensated absences	(135,602)	
Net pension liability	(849,135)	(1,442,970)
Net position of governmental activities		$ 5,634,456

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Major Governmental Fund Types		Nonmajor Governmental Fund Types	
	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	$ 963,117		$ 78,345	$ 1,041,462
Sales	356,857		779	357,636
Franchise	230,140			230,140
Insurance premium	229,870			229,870
Motor vehicle and mobile home	140,862			140,862
Alcoholic beverage	77,247			77,247
Other	19,081		9,576	28,657
Licenses and permits	71,825			71,825
Grants and subsidies	205,189		45,500	250,689
Charges for services	59,194			59,194
Fines and forfeitures	208,480			208,480
Interest revenue	379	$ 126	2,091	2,596
Other revenue	491,324			491,324
Total revenues	3,053,565	126	136,291	3,189,982
Expenditures:				
Current:				
General government	725,261			725,261
Public safety	1,578,793			1,578,793
Health and welfare	153,412			153,412
Culture and recreation	364,385			364,385
Highway and streets	482,168		779	482,947
Community development			9,576	9,576
Debt service:				
Principal retirement	27,101		55,000	82,101
Interest and fees	2,312		23,345	25,657
Capital outlay:				
General government		22,733		22,733
Public safety	19,870	314,323		334,193
Highway and streets		30,865		30,865
Culture and recreation		75,812		75,812
Total expenditures	3,353,302	443,733	88,700	3,885,735
Excess of revenues over (under) expenditures	(299,737)	(443,607)	47,591	(695,753)
Other financing sources (uses):				
Debt issued	25,000			25,000
Transfers in	3,898,024		79,170	3,977,194
Transfers out	(3,501,641)	(182,698)	(124,170)	(3,808,509)
Total other financing sources (uses)	421,383	(182,698)	(45,000)	193,685
Net change in fund balances	121,646	(626,305)	2,591	(502,068)
Fund balances, beginning of year	804,047	1,519,883	222,807	2,546,737
Fund balances, end of year	$ 925,693	$ 893,578	$ 225,398	$ 2,044,669

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net change in fund balances - Total governmental funds	$ (502,068)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($360,728) exceeded depreciation expense ($246,965) in the current period.	113,763
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net position.	75,000
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is represented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:	
Compensated absences	(19,515)
Accrued interest payable	1,100
Pension expense	16,367
Capital lease proceeds provide current financial resource to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal retirements	82,101
Proceeds from notes payable	(25,000)
Change in net position of governmental activities	$ (258,252)

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property	$ 1,065,045	$ 1,109,071	$ 963,117	$ (145,954)
Sales	380,000	356,231	356,857	626
Franchise	215,000	215,000	230,140	15,140
Insurance premium	218,000	218,000	229,870	11,870
Motor vehicle and mobile home	135,000	145,263	140,862	(4,401)
Alcoholic beverage	85,000	77,247	77,247	-
Other	12,500	12,500	19,081	6,581
Licenses and permits	72,650	72,650	71,825	(825)
Grants and subsidies	142,296	229,796	205,189	(24,607)
Charges for services	75,500	89,672	59,194	(30,478)
Fines and forfeitures	160,185	206,832	208,480	1,648
Interest revenue	300	300	379	79
Other revenue	684,302	714,513	491,324	(223,189)
Total revenues	3,245,778	3,447,075	3,053,565	(393,510)
Expenditures:				
General government:				
Elected officials	97,782	93,878	93,977	(99)
City manager	91,655	93,871	95,271	(1,400)
General administration	475,096	598,348	536,013	62,335
Total general government	664,533	786,097	725,261	60,836
Public safety:				
Police	1,078,531	1,082,507	1,123,792	(41,285)
Fire	439,051	456,927	455,001	1,926
Total public safety	1,517,582	1,539,434	1,578,793	(39,359)
Highway and streets:				
Streets	437,857	440,148	482,168	(42,020)
Total highway and streets	437,857	440,148	482,168	(42,020)
Health and welfare:				
Senior center	123,171	122,884	121,012	1,872
Animal control	41,598	36,377	32,400	3,977
Total health and welfare	164,769	159,261	153,412	5,849
Culture and recreation:				
Recreation	303,354	311,724	314,385	(2,661)
Library	50,000	50,000	50,000	-
Total culture and recreation	353,354	361,724	364,385	(2,661)

Continued...

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2015
(Continued)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Debt service:				
Principal retirement	105,371	105,447	27,101	78,346
Interest	2,312	2,312	2,312	-
Capital outlay		52,652	19,870	32,782
Total expenditures	3,245,778	3,447,075	3,353,302	93,773
Excess (deficiency) of revenues over (under) expenditures	-	-	(299,737)	(299,737)
Other financing sources (uses):				
Debt issued			25,000	25,000
Transfers in			3,898,024	3,898,024
Transfers out			(3,501,641)	(3,501,641)
Total other financing sources (uses)	-	-	421,383	421,383
Net change in fund balances	-	-	121,646	121,646
Fund balances, beginning of year	804,047	804,047	804,047	-
Fund balances, end of year	$ 804,047	$ 804,047	$ 925,693	$ 121,646

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
ASSETS				
Current assets:				
Cash	$ 991,401	$ 25		$ 991,426
Receivables (net, where applicable, of allowance for uncollectibles):				
Accounts	556,207	58,534	$ 50,886	665,627
Inventories	463	599		1,062
Total unrestricted current assets	1,548,071	59,158	50,886	1,658,115
Restricted cash	821,262			821,262
Total restricted cash	821,262	-	-	821,262
Total current assets	2,369,333	59,158	50,886	2,479,377
Noncurrent assets:				
Prepaid bond insurance, net of accumulated amortization	74,891	-	-	74,891
Capital assets:				
Land and land improvements	537,065			537,065
Construction in progress	258,738			258,738
Buildings	9,883,369	10,088		9,893,457
Improvements other than building	7,294,744	2,408,781		9,703,525
Machinery and equipment	1,039,679	63,401	21,060	1,124,140
Less, accumulated depreciation	(7,670,088)	(521,710)	(21,060)	(8,212,858)
Total capital assets (net of accumulated depreciation)	11,343,507	1,960,560	-	13,304,067
Total noncurrent assets	11,418,398	1,960,560	-	13,378,958
Total assets	13,787,731	2,019,718	50,886	15,858,335
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	184,760			184,760
Pensions:				
Differences between expected and actual experience	9,622	2,576		12,198
Changes of assumptions	628	168		796
Contributions after measurement date	19,709	5,276		24,985
Total deferred outflows of resources	214,719	8,020	-	222,739

(Continued...)

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015
(Continued)

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
LIABILITIES				
Current liabilities:				
Accounts payable	35,566	5,233		40,799
Customer deposits	72,331	21,035		93,366
Customer overpayments	16,919			16,919
Accrued compensated absences	6,932	4,613		11,545
Unearned revenue	24,600			24,600
Obligations under capital leases, current portion		81,983		81,983
Current liabilities payable from restricted assets:				
Accrued interest	65,309			65,309
Revenue bonds, current portion	525,000			525,000
Total current liabilities	746,657	112,864	-	859,521
Noncurrent liabilities:				
Compensated absences	3,732	2,484		6,216
Unearned revenues	692,900			692,900
Revenue bonds payable	7,866,015			7,866,015
Obligations under capital leases		528,220		528,220
Net pension liabilities	144,154	38,592		182,746
Total noncurrent liabilities	8,706,801	569,296	-	9,276,097
Total liabilities	9,453,458	682,160	-	10,135,618
DEFERRED INFLOWS OF RESOURCES				
Pensions:				
Difference between projected and actual earnings on investments	13,008	3,482		16,490
Total deferred inflows of resources	13,008	3,482	-	16,490
NET POSITION				
Net investment in capital assets	5,106,529	1,350,357		6,456,886
Restricted for construction	380,617			380,617
Unrestricted	(951,162)	(8,261)	50,886	(908,537)
Total net position	$ 4,535,984	$ 1,342,096	$ 50,886	$ 5,928,966

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
Operating revenues:				
Charges for services:				
Sales	$ 1,620,526	$ 756,547	$ 421,906	$ 2,798,979
Other fees	101,388	47,273		148,661
Total operating revenues	1,721,914	803,820	421,906	2,947,640
Operating expenses:				
Salaries and wages	282,890	95,504		378,394
Payroll taxes and employee benefits	93,829	29,787		123,616
Gas purchased for resale		187,713		187,713
Sales tax expense		44,572		44,572
Utilities	201,170	4,863		206,033
Repairs and maintenance	1,023,563	154,100		1,177,663
Materials, supplies, and chemicals	97,964	4,104		102,068
Office supplies and postage	8,029	2,085		10,114
Engineering and other professional services	13,148	7,350		20,498
Depreciation and amortization	396,322	48,767		445,089
Administrative charges	205,670	109,690	34,278	349,638
Sanitation expense			229,821	229,821
Miscellaneous	45,738	1,396		47,134
Total operating expenses	2,368,323	689,931	264,099	3,322,353
Operating income (loss)	(646,409)	113,889	157,807	(374,713)
Nonoperating revenues (expenses):				
Interest income	2,196			2,196
Interest expenses	(308,041)	(65,454)		(373,495)
Total nonoperating revenues (expenses)	(305,845)	(65,454)	-	(371,299)
Income (loss) before transfers	(952,254)	48,435	157,807	(746,012)
Transfers in	2,405,735	888,330	416,824	3,710,889
Transfers out	(2,439,262)	(865,243)	(575,069)	(3,879,574)
Changes in net position	(985,781)	71,522	(438)	(914,697)
Net position, beginning of year, as restated	5,521,765	1,270,574	51,324	6,843,663
Net position, end of year	$ 4,535,984	$ 1,342,096	$ 50,886	$ 5,928,966

The accompanying notes are an integral part of these financial statements.

CITY OF MANCHESTER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
Cash flows from operating activities:				
Receipts from customers	$ 1,348,832	$ 805,165	$ 422,344	$ 2,576,341
Receipts from (refund of) customer overpayments	4,907			4,907
Receipts from (refund of) customer deposits	7,298	(3,805)		3,493
Payments to employees	(388,374)	(119,969)		(508,343)
Payments to vendors	(1,363,306)	(406,825)	(229,821)	(1,999,952)
Payments to other funds for services provided	(205,670)	(109,690)	(34,278)	(349,638)
Net cash provided (used) by operating activities	(596,313)	164,876	158,245	(273,192)
Cash flows from noncapital financing activities:				
Transfers in	2,178,037	888,330	416,824	3,483,191
Transfers out	(2,439,262)	(865,243)	(575,069)	(3,879,574)
Principal paid on noncapital debt	(106,605)			(106,605)
Interest paid on noncapital debt	(42,689)			(42,689)
Net cash provided (used) by noncapital financial activities	(410,519)	23,087	(158,245)	(545,677)
Cash flows from capital and related financing activities:				
Transfers in	227,698			227,698
Acquisition of capital assets	(365,957)			(365,957)
Principal paid on capital debt	(408,395)			(408,395)
Capital lease payments		(122,509)		(122,509)
Interest paid on capital debt	(163,540)	(65,454)		(228,994)
Net cash provided (used) by capital and related financing activities	(710,194)	(187,963)	-	(898,157)
Cash flows from investing activities:				
Interest income	2,196			2,196
Net cash provided (used) by investing activities	2,196	-	-	2,196
Net increase (decrease) in cash	(1,714,830)	-	-	(1,714,830)
Cash, beginning of year	3,527,493	25		3,527,518
Cash, end of year	$ 1,812,663	$ 25	$ -	$ 1,812,688
Reported on statement of net position:				
Cash	$ 991,401	$ 25		$ 991,426
Restricted cash	821,262			821,262
Total cash per statement of net position	$ 1,812,663	$ 25	$ -	$ 1,812,688
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	$ (646,409)	$ 113,889	$ 157,807	$ (374,713)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	396,322	48,767		445,089
(Increase) decrease in:				
Accounts receivable	(348,482)	1,345	438	(346,699)
Increase (decrease) in:				
Accounts payable	26,769	784		27,553
Customer deposits	7,298	(3,805)		3,493
Customer overpayments	4,907			4,907
Accrued compensated absences	(9,339)	4,641		(4,698)
Unearned revenue	(24,600)			(24,600)
Net pension liability	(2,779)	(745)		(3,524)
Net cash provided (used) by operating activities	$ (596,313)	$ 164,876	$ 158,245	$ (273,192)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Manchester, Georgia (the "City") was incorporated on August 16, 1909, under the provisions of the State of Georgia. The City operates under an elected Mayor-Council form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and welfare services, culture and recreation, public works, public utilities, code enforcement, community development, and general administrative services.

The accounting policies of the City of Manchester, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

A. The Reporting Entity

The City of Manchester, Georgia is a municipal corporation governed by an elected Mayor and four member Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

- **Blended Component Units** - The Manchester Public Utilities Authority (the "PUA") serves all the citizens of the City and is governed by a board comprised of the City's elected council. The rates for any user charges and bond issuance authorizations are approved by the City's council and the legal liability for the general obligation portion of any PUA's debt remains with the City. The PUA is combined with the Water and Sewerage Fund in these financial statements and does not issue separate financial statements.

- **Discretely Presented Component Units** - The Manchester Development Authority (the "Authority") was created to attract new industry and promote existing industry in the City. The board members of the Manchester Development Authority are appointed by the Mayor and City Council of the City. The Authority's bonded debt must be approved by the City Council and the city provides significant financial support to the Authority. The Manchester Development Authority is presented as a governmental fund type. Complete financial statements can be obtained from the Manchester Development Authority, P.O. Box 583, Manchester, Georgia 31816.

  The Downtown Development Authority of the City of Manchester, Georgia (the "DDA") was created to revitalize and redevelop the central business district of the City. The DDA's board members are appointed by the Mayor and City Council of the City. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The DDA is presented as a governmental fund type. Fund financial statements for the DDA are included in supplemental information.

- **Related Organization** - The City Council is responsible for appointing the members of the Manchester Housing Authority board, but the City's accountability for this organization does not extend beyond making the appointments.

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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

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

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* 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, including property taxes, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants from other governments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The ***General Fund*** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The ***SPLOST Fund*** is established as a capital project fund to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

The City reports the following major proprietary funds:

- The ***Water and Sewerage Fund*** accounts for the activities of the government's water and sewerage activities.
- The ***Gas Fund*** accounts for the activities of the government's gas system activities.
- The ***Solid Waste Fund*** accounts for the activities of the government's waste disposal activities.

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 government's water and sewer function and various other functions of the City. 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 producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

The City's net position are reported in three parts - 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position. 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. Budgets and Budgetary Accounting

The City prepares and adopts its budget and complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving and encouraging the principle of home rule over local matters. The procedures are as follows:

1. On or about May 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution. The General Fund, the Special Revenue Funds, and the Debt Service Fund have legally adopted budgets that are prepared by fund, function, and department. Any revisions that alter the total expenditures of any fund or any transfers between departments must be approved by the City Council. All appropriations lapse at year end. The legal level of control (level at which expenditures may not legally exceed the budget) is exercised by the City Council at the department level.

4. The budgets for the General Fund, Special Revenue Funds, and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.

The capital project fund representing the Special Purpose Local Option Sales Tax adopts its budget on a project-length basis instead of an annual basis.

The budget amounts shown in these financial statements include any amendments approved by the City Council during the year. The Council made several amendments during the year. In the General Fund, the most significant amendments recorded grants received from various state and federal agencies, an increase in expected police fines, and an increase in property taxes collected for approximately $87,000, $47,000 and $44,000 respectively. Also, the amendments recorded a net increase in salaries approximately $51,000 and affected most departments in the General Fund.

E. Deposits and Investments

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

The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligation; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "a" or better by Moody's Investors Service Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments for the City, as well as for its component units, are reported at fair value. Neither the City, nor its component units, have any investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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 and property tax receivables are shown net of an allowance for uncollectibles.

G. Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied on October 20, and are due and payable on December 20. All unpaid taxes levied October 20 become delinquent December 21 of that year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

H. Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of expendable supplies. The City uses the consumption method to record inventory, which means that inventory acquisitions are recorded in inventory accounts when purchased and charged as expenditures or expenses when used.

I. Prepaid Items

The City uses the consumption method to record prepaid items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements when paid and charged to expenditures or expenses when used.

J. Restricted Cash

Certain cash in the Proprietary Funds of the City is restricted for the debt service and construction.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, 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. Infrastructure assets acquired subsequent to July 1, 1980 are reported at historical cost.

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

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

Property, plant, and equipment of the primary government, as well as the component unit is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Improvements	20-30
Public domain infrastructure	40
System infrastructure	20-50
Machinery and equipment	5-20

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred charge on refunding reported in the business-type statement of net position, resulting from the difference in the carrying value of refunded debt and its reacquisition price (which is deferred and amortized over the shorter of the life of the refunded or refunding debt) is reported in this category. Also, the differences between expected and actual experience related to pensions, the changes in assumptions, and the contributions made to the pension plan after the measurement date qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The net difference between projected and actual earnings on investments related to pensions is the only item that the City has that qualifies for reporting in this category.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Manchester's Georgia Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plans' fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Fund Equity

Beginning with the year ended June 30, 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed Fund Balance** - Amounts constrained to specific purposes by the City Council through an ordinance;
- **Assigned Fund Balance** - Amounts are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City manager based on the City Council direction;
- **Unassigned Fund Balance** - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. It is the City's policy to use restricted fund balances first, followed by committed, assigned, and then unassigned amounts, respectively.

Q. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Allocation of Administrative Expenses

The City does not allocate indirect costs. It is the City's policy to allocate to the proprietary funds overhead administrative expenses that are paid by and expended in the General Fund. This allocation is to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, etc.). These expenses allocated to the proprietary funds are presented in these financial statements as "administrative charges" on the proprietary funds financial statement and are included in "other revenue" on the General Fund financial statements.

S. Use of Estimates to Prepare Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

T. Recently Issued Accounting Principles

The "Government Accounting Standards Board" (GASB) has approved the following GASB Statements that have been adopted by the City for the year ended June 30, 2015, and have a direct and material impact on the City's financial statement.

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions-An Amendment to GASB Statement No. 27" establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pension plans. For defined benefit pension plans this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service.

GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68" amends paragraph 137 of Statement 68 that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning of the net pension liability.

U. Subsequent Events

Subsequent events have been evaluated by management through December 10, 2015, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

At year end, the City had $5,387 in petty cash, $995,895 in short-term investments (cash equivalents), and the carrying amount of the City's deposits (checking, savings, and certificates of deposit) was $2,962,534. The short-term investments were invested 100% in a U.S. Treasury portfolio. For the City's deposits, the bank balance was $2,981,085 of which $661,267 was covered by federal depository insurance and $2,319,818 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name. The City does not have a deposit policy for custodial credit risk. .

At year end, the Manchester Development Authority, a discretely presented component unit, did not have any investments and the carrying amount of the Authority's deposits (checking and savings accounts) was $936,140 and the bank balance was $936,815. Of the bank balance, $382,962 was covered by federal depository insurance and $553,853 was covered by collateral held in the pledging bank's trust department or by its agent in the Authority's name.

At year end, the Downtown Development Authority, the other discretely presented component unit, did not have any investments and the carrying amount of the DDA deposits (checking and savings accounts) was $11,296 and the bank balance was $11,296. Of the bank balance, $11,296 was covered by federal depository insurance.

Neither of the discretely presented component units have a deposit policy for custodial credit risk.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 289,733			$ 289,733
Total capital assets, not being depreciated	289,733			289,733
Capital assets, being depreciated:				
Land improvements	23,160			23,160
Buildings and improvements	3,608,285	$ 231,385		3,839,670
Machinery and equipment	1,595,804	204,343		1,800,147
Infrastructure	3,077,453			3,077,453
Total capital assets being depreciated	8,304,702	435,728	$ -	8,740,430
Less, accumulated depreciation for:				
Land improvements	(4,343)	(579)		(4,922)
Buildings	(1,983,287)	(75,915)		(2,059,202)
Machinery and equipment	(1,244,702)	(93,535)		(1,338,237)
Infrastructure	(609,858)	(76,936)		(686,794)
Total accumulated depreciation	(3,842,190)	(246,965)		(4,089,155)
Total capital assets, being depreciated, net	4,462,512	188,763	-	4,651,275
Governmental activities capital assets, net	$ 4,752,245	$ 188,763	$ -	$ 4,941,008
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 537,065			$ 537,065
Construction in progress	962,924	$ 258,738	$(962,924)	258,738
Total capital assets, not being depreciated	1,499,989	258,738	(962,924)	795,803
Capital assets, being depreciated:				
Buildings	9,893,457			9,893,457
Improvements other than buildings	8,747,391	956,134		9,703,525
Machinery and equipment	1,010,131	114,009		1,124,140
Total capital assets being depreciated	19,650,979	1,070,143		20,721,122
Less, accumulated depreciation for:				
Buildings	(3,685,392)	(201,100)		(3,886,492)
Improvements other than buildings	(3,352,309)	(182,025)		(3,534,334)
Machinery and equipment	(730,068)	(61,964)		(792,032)
Total accumulated depreciation	(7,767,769)	(445,089)		(8,212,858)
Total capital assets, being depreciated, net	11,883,210	625,054	-	12,508,264
Business-type activities capital assets, net	$ 13,383,199	$ 883,792	$(962,924)	$ 13,304,067

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

Governmental activities:	
General government	$ 12,048
Public safety	77,659
Highways and streets, including depreciation of general infrastructure assets	85,243
Health and welfare	485
Culture and recreation	71,530
Total depreciation expense - Governmental activities	$ 246,965
Business-type activities:	
Water and sewerage	$ 396,322
Gas	48,767
Total depreciation expense - Business-type activities	$ 445,089

Component Units

Activity for the Manchester Development Authority for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 134,433			$ 134,433
Total capital assets not being depreciated	134,433	$ -	$ -	134,433
Capital assets being depreciated:				
Infrastructure	287,076			287,076
Buildings and improvements	3,697,168	55,550		3,752,718
Furniture and equipment	35,573			35,573
Total capital assets being depreciated	4,019,817	55,550	-	4,075,367
Less, accumulated depreciation for:				
Infrastructure	(215,122)	(10,141)		(225,263)
Building and improvements	(783,862)	(53,239)		(837,101)
Furniture and equipment	(31,835)	(1,952)		(33,787)
Total accumulated depreciation	(1,030,819)	(65,332)	-	(1,096,151)
Total capital assets being depreciated, net	2,988,998	(9,782)	-	2,979,216
Development Authority capital assets, net	$ 3,123,431	$(9,782)	$ -	$ 3,113,649

Depreciation expense for the Authority was charged to functions as follows:

Business promotion and tourism	$ 63,380
General and administrative	1,952
	$ 65,332

Activity for the Downtown Development Authority for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land		$ 20,400		$ 20,400
Total capital assets not being depreciated	$ -	$ 20,400	$ -	$ 20,400

4. UNEARNED REVENUE

On August 4, 1992, the City entered into a joint services contract with Talbot County, Georgia regarding the City's water treatment facility. The contract entitles Talbot county to 29% of the City's total water treatment plant capacity, 29% of the total reservoir capacity, and 29% of total water line capacity for the sum of $1,230,000. This amount was received by the City during the year ended June 30, 1995, and has been recorded as unearned revenue, to be recognized into income over the life of the contract, which is 50 years. The balance of unearned revenue at June 30, 2015 was $717,500 and is shown as unearned revenue in the business-type activities, Water and Sewerage Fund, in these financial statements as current liability ($24,600) and noncurrent liabilities ($692,900).

5. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities and are paid from the debt service fund. The original amount of general obligations bonds issued in prior years was $1,400,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Governmental activities	4.8 - 5%	$ 405,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2016	$ 60,000	$ 19,880
2017	60,000	17,000
2018	65,000	14,120
2019	70,000	11,000
2020	75,000	7,500
2021	75,000	3,750
	$ 405,000	$ 73,250

B. Revenue Bonds

Primary Government

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The business-type activities currently have revenue bonds outstanding to be paid from the Water and Sewerage Fund. The original amount of revenue bonds issued in prior years is $9,460,000.

Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Water & Sewer	Variable, 2.0% to 2.75%	$ 8,440,000

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2016	$ 525,000	$ 195,927
2017	535,000	185,428
2018	450,000	174,728
2019	460,000	165,728
2020	470,000	156,527
2021-2025	2,325,000	625,512
2026-2030	2,560,000	351,045
2031-2032	1,115,000	45,925
	$ 8,440,000	$ 1,900,820

C. Notes Payable

Primary Government

The City has entered into a note payable with the U.S. Department of Agriculture (USDA) for financing the purchase of communications equipment for public safety. The total amount of the loan is $25,000. This note payable will be repaid through the General Fund.

Notes payable are direct obligations of the City and pledge the full faith and credit of the City. Notes payable currently outstanding are as follows:

Purpose	Interest Rate	Amount
Purchase of equipment	3.75%	$ 25,000

Notes payable debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2016	$ 4,640	$ 938
2017	4,840	736
2018	4,995	582
2019	5,182	395
2020	5,343	234
	$ 25,000	$ 2,885

Component Unit

The Authority has issued a note payable to provide funds for the purchase of an existing industrial building. The original amount of the note payable issued is $500,000 and will be repaid through the Debt Service Fund. This note payable is secured by the industrial building purchased. The terms of the note payable provided for deferred payments for five years. If the building was sold by the Authority, the purchaser would assume the note payable and must begin repayment. If at the end of the five years the Authority still owns the building, then the Authority must begin repayment. Quarterly payments of $6,250 began April 2014. The balance at June 30, 2015 was $468,750.

The Authority has issued a note payable to assist with machinery and equipment cost of a business in the industrial park. The original amount of the note payable issued is $500,000 and will be repaid through the Debt Service fund. This note payable is secured by a $500,000 promissory note given by the business to the Authority. The note is due in quarterly payments of $8,335, including interest at 3%. The balance at June 30, 2015 was $457,521.

Notes payable are direct obligations of the component unit and pledge the full faith and credit of the component unit. Notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amounts
Purchase of existing industrial building	0%	$ 468,750
Assists with cost of machinery and equipment for business in industrial park	3%	457,521
		$ 926,271

Note payable debt service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
2016	$ 44,835	$ 13,504
2017	45,437	12,902
2018	46,057	12,282
2019	46,696	11,643
2020	47,354	10,985
2021-2025	247,365	44,331
2026-2030	267,090	24,607
2031-2034	181,437	3,994
	$ 926,271	$ 134,248

D. Capital Leases

Primary Government

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment and vehicles for the governmental activities. All of these leases are being paid by the general fund. The gas fund of the business activities has also entered into lease agreements for the expansion and improvements to the gas distribution system. These leases are being repaid from revenues earned by the gas fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded as capital assets at the present value of their future minimum lease payments as of the inception date. The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Gas Fund
Improvements other than buildings		$ 2,000,000
Machinery and equipment	$ 393,694	
Less, accumulated depreciation	(320,997)	(376,080)
Total	$ 72,697	$ 1,623,920

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

	Governmental Activities	Gas Fund
Year ending June 30:		
2016	$ 29,413	$ 93,553
2017		93,553
2018		93,553
2019		93,553
2020		93,554
2021-2022		187,107
Total minimum lease payments	29,413	654,873
Less, amount representing interest	(1,180)	(44,670)
Present value of minimum lease payments	$ 28,233	$ 610,203

E. Accrued Compensated Absences

Primary Government

The government accrues compensated absences for their employees. Both governmental activities and business-type activities have accrued compensated absences at June 30, 2015. Accrued compensated absences from governmental activities are repaid through the general fund. Business-type activities accrued compensated absences are repaid through the water & sewerage and gas funds.

F. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bond payable:					
General obligation bonds	$ 460,000		$(55,000)	$ 405,000	$ 60,000
Note payable		$ 25,000		25,000	4,640
Capital leases	55,334		(27,101)	28,233	28,233
Accrued compensated absences	116,087	81,896	(62,381)	135,602	88,141
Governmental activity long-term liabilities	$ 631,421	$ 106,896	$(144,482)	$ 593,835	$ 181,014
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 8,955,000		$(515,000)	$ 8,440,000	$ 525,000
Less, unamortized discount	(54,073)		5,088	(48,985)	
Total bonds payable	8,900,927		(509,912)	8,391,015	525,000
Capital leases	732,712		(122,509)	610,203	81,983
Accrued compensated absences	22,459	$ 14,215	(18,913)	17,761	11,545
Business-type activities long-term liabilities	$ 9,656,098	$ 14,215	$(651,334)	$ 9,018,979	$ 618,528

The government-wide statement of net position noncurrent liabilities due in more than one year for business-type activities of $9,093,351 includes $692,900 of unearned revenue which is not reported in the business-type activities in the schedule above.

Component Unit

Long-term liability activity for the Manchester Development Authority for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 970,522	$ -	$(44,251)	$ 926,271	$ 44,835
Component unit long-term liabilities	$ 970,522	$ -	$(44,251)	$ 926,271	$ 44,835

6. INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended June 30, 2015, consisted of the following:

	Transfers In					
Transfers Out	General Fund	Nonmajor Governmental	Water and Sewerage Fund	Gas Fund	Solid Waste Fund	Total
General Fund		$ 79,170	$2,117,317	$ 888,330	$ 416,824	$3,501,641
SPLOST Fund			182,698			182,698
Nonmajor Governmental Fund	$ 79,170		45,000			124,170
Water and Sewerage Fund	2,439,262					2,439,262
Gas Fund	804,523		60,720			865,243
Solid Waste Fund	575,069					575,069
Total	$3,898,024	$ 79,170	$2,405,735	$ 888,330	$ 416,824	$7,688,083

Transfers are primarily used to (1) move funds from the proprietary funds to the General Fund for the allocated amount of administrative expense, (2) move funds between all funds and the General Fund for expenses paid through the accounts payable system, and (3) to supplement operations. The $182,698 transferred out of SPLOST Fund to the Water and Sewerage Fund was transferred to fund SPLOST approved projects.

At June 30, 2015, there were no interfund balances owed between funds.

7. DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description – All full-time City employees and all City officials are eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit pension plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and city ordinance. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling 404/688-0472.

Benefits Provided – GMEBS provides service retirement, disability benefits, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 and with ten years of total service are eligible to retire at age 55 with full retirement benefits.

Employees Covered – At June 30, 2015 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	49
Inactive employees entitled to but not yet receiving benefits	24
Active employees	48
Total	121

Contributions – The City's employee's participation is noncontributory. The City is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses); 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees; and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

B. Net Pension Liability

The City's net pension liability for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2014, using an annual actuarial valuation as of January 1, 2015. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2015
Measurement Date	September 30, 2014
Actuarial Cost Method	Projected unit credit
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount Rate	7.75%
Inflation Rate	3.25%
Net investment rate of return	7.75%
Projected salary increase	3.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. Further details of the experience study can be obtained by contacting The Georgia Municipal Association.

Discount Rate – The discount rate used to measure the total pension liability was 7.75%. The discount rate did not change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	**100%**		

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/Asset
Balances at September 30, 2013	$ 4,205,942	$ 3,152,996	$ 1,052,946
Changes for the year:			
Service cost	102,334		102,334
Interest	316,553		316,553
Differences between expected and actual experience	91,822		91,822
Contributions - employer		189,445	(189,445)
Contributions - employee			-
Net investment income		358,291	(358,291)
Benefit payments, including refunds of employee contributions	(242,786)	(242,786)	-
Administrative expense		(9,966)	9,966
Other	5,996		5,996
Net changes	273,919	294,984	(21,065)
Balances at September 30, 2014	$ 4,479,861	$ 3,447,980	$ 1,031,881

Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease	Current Discount Rate	1% Increase
(6.75%)	(7.75%)	(8.75%)
$ 1,561,728	$ 1,031,881	$ 582,411

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of $188,108. At June 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 68,868	
Pension contributions subsequent to measurement date	141,081	
Changes of assumption	4,497	
Net difference between projected and actual earnings on pension plan investments		$ (93,108)
Total	$ 214,446	$ (93,108)

$141,081 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	$ 1,178
2017	1,178
2018	1,178
2019	(23,277)
	$ (19,743)

8. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all City employees, permits them to defer a portion of their salary (not to exceed $18,000) until future years. The deferrals are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Deferred Compensation Plan are being held in a trust administered by a third party for the exclusive benefit of the participants and their beneficiaries. At June 30, 2015 the City has one employee that participates in this plan but no contributions were made.

9. OTHER POST EMPLOYMENT BENEFITS

The City provides post retirement life insurance benefits, as per the requirements of a local ordinance for certain retirees. The policy provides $10,000 in benefits payable to a designated beneficiary upon the death of the retiree. The City will pay 100 percent of the premiums when the employee retires. This benefit is available to retirees who terminate employment for the purpose of immediate retirement and will be receiving a monthly benefit over their lifetime from the GMA Retirement Fund. This excludes vested terminations, disability retirements, and those who receive lump sum distributions.

As of year end, there were thirteen employees which had retired and were receiving the 100 percent premium coverage benefit. The City finances the plan on a pay-as-you-go basis. For the year ended June 30, 2015, the City paid $346 in premiums.

10. RISK MANAGEMENT

The City is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance.

There were no significant reductions of insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self Insurance - The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

11. COMMITMENTS AND CONTINGENT LIABILITIES

The activities of the City include revenues received from Federal and State governments and expenditures related to Federal and State funded grant programs. These programs are subject to program compliance audits by the grantors or their representative. The amount, if any, of expenditures which may be disallowed by the granting agencies' audits cannot be determined at this time, although the City believes any such amounts to be immaterial.

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The Manchester Development Authority, which has been discretely presented as a component unit in these financial statements, is a non-profit authority that was organized to attract and promote new industry for the City of Manchester. The City entered into a contract with the Manchester Development Authority to pay the Authority the sum of three mill per dollar of assessed taxable property in the City as provided by state law. The Authority agreed to use the funds to identify, attract and locate new business, industry and tourism in the City of Manchester for the purpose of increasing trade, commerce, industry, tourism and employment opportunities. The effective date of the contract is March 11, 1996 and continued through 2028 or until the revenue bonds issued by the Authority were paid off. These bonds were paid off June 27, 2013; however, under the contract, the City will continue to pay the Authority one mil through 2015. During the year ended June 30, 2015, the Authority elected not to receive these funds.

12. INTERGOVERNMENTAL AGREEMENTS

On March 1, 2014, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County, including the City of Manchester (the "City"), relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2014 for $9,000,000 in February 2014. The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST receipts be inadequate to service the debt. The City of Manchester's share is 19.6175%. The amount, if any, required to be funded by the City cannot be determined at this time.

13. HOTEL-MOTEL TAX

The City of Manchester has levied a 5% hotel-motel tax. A summary of the transactions for the year ended June 30, 2015 follows:

Balance of hotel-motel tax funds on hand at beginning of year	$ 0
Hotel-motel tax receipts	9,576
Disbursements for tourism and promotion	(9,576)
Balance of hotel-motel tax funds on hand at end of year	$ 0

The activity for hotel-motel tax receipts and related expenditures is shown in the Hotel-Motel Tax Fund, a Special Revenue Fund. The expenditures were for promotion of tourism as required by OCGA 48-13-51.

14. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county west Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2015, the City paid $4,113 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes three members from each county of the area and five at-large members. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
P.O. Box 1600
Franklin, Georgia 30217

15. DEBT DEFEASANCE

The City defeased utility revenue bonds by placing a portion of the proceeds of new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2015, $1,020,000 of defeased bonds remain outstanding.

16. EXCESS OF EXPENDITURES OVERAPPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the departments, as shown on page 17 and 18 of these financial statements. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

17. SUBSEQUENT EVENT

Subsequent to June 30, 2015, the City applied for a combination grant/loan program with the United States Department of Agriculture in the amount of $2,800,000. The proceeds are to be used for repair and maintenance expenses of the City's water treatment plant. As of December 10, 2015 approval for the grant/loan application by the United States Department of Agriculture is pending.

18. RESTATEMENT OF NET POSITION AND FUND BALANCES

For the fiscal year ending June 30, 2015, the City implemented the provisions of GASB No. 68 and 71 – Accounting and Financial Reporting for Pensions. Accordingly, beginning net positions of the Water and Sewerage Fund was reduced by $129,982; and the Gas System Fund was reduced by $34,799. The governmental activities net position on the Statement of Activities was reduced by $765,653. These reductions reflect the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources as required under the new GASBs.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of changes in the net pension liability and related ratios- Defined Benefit Pension Plan

Schedule of contributions – Defined Benefit Pension Plan

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2015

	2015
Total pension liability	
Service cost	$ 102,334
Interest	316,553
Changes of benefit terms	-
Difference between expected and actual experience	91,822
Change in assumptions	5,996
Benefit payments, including refunds	(242,786)
Net change in total pension liability	273,919
Total pension liability - beginning	4,205,942
Total pension liability - ending	4,479,861
Plan fiduciary net position	
Contributions:	
Employer	189,445
Employee	-
Net investment income	358,291
Benefit payments, including refunds	(242,786)
Administrative expense	(9,966)
Other	-
Net change in plan fiduciary net position	294,984
Plan fiduciary net position - beginning	3,152,996
Plan fiduciary net position - ending	3,447,980
Net pension liability - ending	$ 1,031,881
Plan fiduciary net position as a % of total pension liability	76.97%
Covered employee payroll	$ 1,427,951
Net pension liability as a % of covered-employee payroll	72.26%

Changes in assumptions

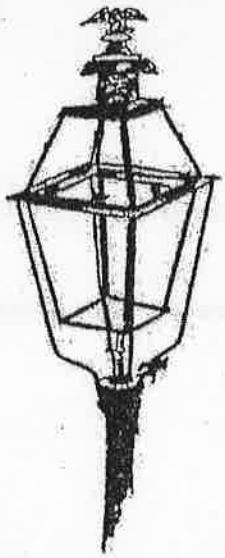
In 2015, amounts reported as changes in assumptions resulted primarily from adjustments made based on actuarial experience study covering the period January 1, 2010 to June 30, 2014. The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2015

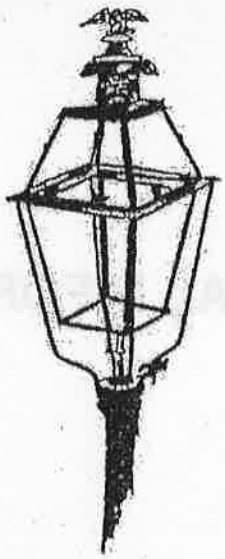
Actuarially determined contribution	*
Contributions in relation to actuarially determined contribution	*
Contribution deficiency (excess)	*
Covered-employee payroll	*
Contributions as a percentage of covered-employee payroll	*

* The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.



SUPPLEMENTAL INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund accounts for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of Proprietary Fund Types).

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

CDBG Small Cities Fund - This fund is used to account for the City's multi-activity community development block grants that are funding the street paving, drainage and housing activities for the small cities program.

CDBG Revolving Loan Fund - This fund is used to account for the community development block grants that are funding the revolving loan fund for economic development activities.

Hotel-Motel Tax Fund - This fund is used to account for the City's share of hotel-motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.

TIA Fund - This fund is used to account for the City's share of Transportation Investment Act sales tax.

CITY OF MANCHESTER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue Funds					
	Debt Service Fund	CDBG Small Cities	CDBG Revolving Loan Fund	Hotel-Motel	TIA	Total Nonmajor Governmental Funds
ASSETS						
Cash		$ 500	$ 160,767			$ 161,267
Grant receivable		15,225				15,225
Notes receivable			64,131			64,131
Total assets	$ -	$ 15,725	$ 224,898	$ -	$ -	$ 240,623
LIABILITIES						
Accounts payable		$ 15,225				$ 15,225
Total liabilities	$ -	15,225	$ -	$ -	$ -	15,225
FUND BALANCE						
Restricted for:						
Economic development activities		500	224,898			225,398
Total fund balance	-	500	224,898	-	-	225,398
Total liabilities and fund balances	$ -	$ 15,725	$ 224,898	$ -	$ -	$ 240,623

CITY OF MANCHESTER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Special Revenue Funds					
	Debt Service Fund	CDBG Small Cities	CDBG Revolving Loan Fund	Hotel-Motel	TIA	Total Nonmajor Governmental Funds
Revenues:						
Taxes:						
Property	$ 78,345					$ 78,345
Sales					$ 779	779
Hotel and motel				$ 9,576		9,576
Grant income		$ 45,500				45,500
Interest revenue			$ 2,091			2,091
Total revenues	78,345	45,500	2,091	9,576	779	136,291
Expenditures:						
Current:						
Community development				9,576		9,576
Streets					779	779
Debt service:						
Principal retirement	55,000					55,000
Interest and fees	23,345					23,345
Total expenditures	78,345	-	-	9,576	779	88,700
Excess of revenues over (under) expenditures	-	45,500	2,091	-	-	47,591
Other financing sources (uses):						
Transfers in	79,170					79,170
Transfers out	(79,170)	(45,000)				(124,170)
Total other financing sources (uses)	-	(45,000)	-	-	-	(45,000)
Net change in fund balances	-	500	2,091	-	-	2,591
Fund balance, beginning of year	-		222,807	-	-	222,807
Fund balance, end of year	$ -	$ 500	$ 224,898	$ -	$ -	$ 225,398

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	$ 78,270	$ 78,345	$ 78,345	-
Total revenues	78,270	78,345	78,345	$ -
Expenditures:				
Debt service:				
Principal retirement	55,000	55,000	55,000	-
Interest and fees	23,270	23,345	23,345	-
Total expenditures	78,270	78,345	78,345	-
Excess of revenue over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in			79,170	79,170
Transfers out			(79,170)	(79,170)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year				
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-CDBG SMALL CITIES
Year Ended June 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Grant income	$ 29,775	$ 45,500	$ 15,725
Total revenues	29,775	45,500	15,725
Expenditures:			
Current:			
Community development			-
Total expenditures	-	-	-
Excess of revenue over (under) expenditures	29,775	45,500	15,725
Other financing sources (uses):			
Transfers out	(29,775)	(45,000)	(15,225)
Total other financing sources (uses)	(29,775)	(45,000)	(15,225)
Net change in fund balances	-	500	500
Fund balance, beginning of year			-
Fund balance, end of year	$ -	$ 500	$ 500

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
Year Ended June 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
2013 EIP Grant	$ 12,486		$ (12,486)
Interest revenue	100	$ 2,091	1,991
Total revenues	12,586	2,091	(10,495)
Expenditures:			
Current:			
Community development	-	-	-
Total expenditures	-	-	-
Excess of revenue over (under) expenditures	12,586	2,091	(10,495)
Net change in fund balances	12,586	2,091	(10,495)
Fund balance, beginning of year	222,807	222,807	-
Fund balance, end of year	$ 235,393	$ 224,898	$ (10,495)

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Hotel/motel tax	$ 8,300	$ 9,575	$ 9,576	$ 1
Total revenues	8,300	9,575	9,576	1
Expenditures:				
Current:				
Community development:				
Tourism and promotion	8,300	9,575	9,576	(1)
Total expenditures	8,300	9,575	9,576	(1)
Excess of revenue over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-TIA FUND
Year Ended June 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Sales tax	$ 650	$ 779	$ 129
Total revenues	650	779	129
Expenditures:			
Current:			
Highway and streets:			
Streets	650	779	(129)
Total expenditures	650	779	(129)
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for debt service	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Taxes:		
Property	$ 78,345	$ 80,910
Total revenues	78,345	80,910
Expenditures:		
Debt service:		
Principal retirement	55,000	55,000
Interest and fees	23,345	25,910
Total expenditures	78,345	80,910
Excess of revenue over (under) expenditures	-	-
Other financing sources (uses):		
Transfers in	79,170	161,820
Transfers out	(79,170)	(161,820)
Total other financing sources (uses)	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-CDBG SMALL CITIES
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ 500	$ -
Grant receivables	15,225	-
Total assets	$ 15,725	$ -
LIABILITIES		
Accounts payable	$ 15,225	$ -
Total liabilities	15,225	-
FUND BALANCE		
Restricted for small cities program	500	-
Total fund balances	500	-
Total liabilities and fund balance	$ 15,725	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND-CDBG SMALL CITIES
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Grant income	$ 45,500	$ 518,600
Total revenue	45,500	518,600
Expenditures:		
Current:		
Community development		100,662
Total expenditures	-	100,662
Excess of revenue over (under) expenditures	45,500	417,938
Other financing sources (uses):		
Transfers out	(45,000)	(420,529)
Total other financing sources (uses)	(45,000)	(420,529)
Net change in fund balances	500	(2,591)
Fund balances, beginning of year		2,591
Fund balances, end of year	$ 500	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ 160,767	$ 147,526
Notes receivable	64,131	75,281
Total assets	$ 224,898	$ 222,807
LIABILITIES		
Total liabilities	$ -	$ -
FUND BALANCE		
Restricted for economic development activities	224,898	222,807
Total liabilities and fund balance	$ 224,898	$ 222,807

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Interest revenue	$ 2,091	$ 2,595
Total revenue	2,091	2,595
Expenditures:		
Current:		
Community development	-	-
Total expenditures	-	-
Excess of revenue over (under) expenditures	2,091	2,595
Net change in fund balances	2,091	2,595
Fund balances, beginning of year	222,807	220,212
Fund balances, end of year	$ 224,898	$ 222,807

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for community development	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND- HOTEL/MOTEL TAX FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Taxes:		
Hotel and motel	$ 9,576	$ 8,139
Total revenue	9,576	8,139
Expenditures:		
Current:		
Community development	9,576	8,139
Total expenditures	9,576	8,139
Excess of revenue over (under) expenditures	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-TIA FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for highways and streets	$ -	$ -
Total fund balance	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND-TIA FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Sales tax	$ 779	$ 602
Total revenue	779	602
Expenditures:		
Highway and street:		
Streets	779	602
Total expenditures	779	602
Excess of revenue over (under) expenditures	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

SPLOST Fund - This fund is used to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
GENERAL FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ 993,966	$ 882,432
Receivables (net where applicable, of allowances for uncollectibles):		
Taxes and tax liens	13,416	11,338
Fines and forfeitures	24,765	28,711
Nutrition program	17,972	16,829
Other	73,447	67,290
Inventory at cost	44,294	36,116
Prepaid items	27,482	40,089
Total assets	$ 1,195,342	$ 1,082,805
LIABILITIES		
Accounts payable	$ 160,609	$ 187,111
Accrued payroll	41,253	37,179
Unearned revenue	67,787	54,468
Total liabilities	269,649	278,758
FUND BALANCES		
Nonspendable for:		
Inventory	44,294	36,116
Prepaids	27,482	40,089
Committed:		
Infrastructure	240,283	240,241
Special incentives	19,501	8,446
Unassigned	594,133	479,155
Total fund balances	925,693	804,047
Total liabilities and fund balances	$ 1,195,342	$ 1,082,805

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
Years Ended June 30, 2015 and 2014

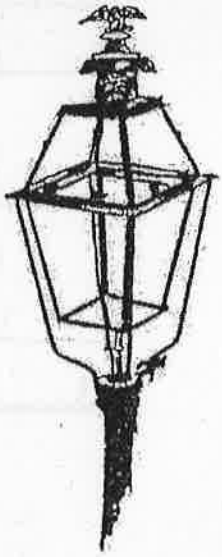
	2015	2014
Revenues:		
Taxes:		
Property	$ 963,117	$ 955,278
Sales	356,857	360,700
Franchise	230,140	217,697
Insurance premium	229,870	218,200
Motor vehicle/mobile home	140,862	144,361
Alcoholic beverage	77,247	79,749
Other	19,081	14,680
Licenses and permits	71,825	83,145
Grants and subsidies	205,189	264,105
Charges for services	59,194	63,493
Fines and forfeitures	208,480	195,597
Interest revenue	379	232
Other revenue	491,324	469,714
Total revenues	3,053,565	3,066,951
Expenditures:		
Current:		
General government	725,261	678,763
Public safety	1,578,793	1,487,937
Health and welfare	153,412	165,334
Culture and recreation	364,385	396,157
Highway and streets	482,168	419,397
Debt service:		
Principal retirement	27,101	26,013
Interest and fees	2,312	3,400
Capital outlay:		
Public safety	19,870	4,034
Highways and streets		13,553
Culture and recreation		9,500
Total expenditures	3,353,302	3,204,088
Excess of revenue over (under) expenditures	(299,737)	(137,137)
Other financing sources (uses):		
Debt issued	25,000	
Transfers in	3,898,024	4,900,720
Transfers out	(3,501,641)	(4,439,120)
Total other financing sources (uses)	421,383	461,600
Net change in fund balances	121,646	324,463
Fund balances, beginning of year	804,047	479,584
Fund balances, end of year	$ 925,693	$ 804,047

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPLOST FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 995,895	$ 1,519,883
Total assets	$ 995,895	$ 1,519,883
LIABILITIES		
Accounts payable	$ 102,317	$ -
Total liabilities	102,317	-
FUND BALANCE		
Restricted for capital projects	893,578	1,519,883
Total fund balances	893,578	1,519,883
Total liabilities and fund balance	$ 995,895	$ 1,519,883

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPLOST FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Intergovernmental		$ 1,729,152
Interest revenue	$ 126	39
Total revenue	126	1,729,191
Expenditures:		
Capital outlay:		
General government	22,733	
Health and welfare		6,794
Public safety	314,323	21,417
Highway and streets	30,865	11,623
Culture and recreation	75,812	99,370
Total expenditures	443,733	139,204
Excess of revenue over (under) expenditures	(443,607)	1,589,987
Other financing sources (uses):		
Transfers out	(182,698)	(70,105)
Total other financing sources (uses)	(182,698)	(70,105)
Net change in fund balances	(626,305)	1,519,882
Fund balances, beginning of year	1,519,883	1
Fund balances, end of year	$ 893,578	$ 1,519,883



PROPRIETARY FUNDS

These funds account for the provision of utility service to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to administration, financing and related debt service, and billing and collection.

Water and Sewerage - This fund accounts for the operations of the City's water and sewerage activities.

Gas System - This fund accounts for the operations of the City's gas system activities.

Solid Waste - This fund accounts for the operations of the City's waste disposal activity.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWERAGE FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash	$ 991,401	$ 1,303,019
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	556,207	207,725
Inventories	463	463
Total unrestricted current assets	1,548,071	1,511,207
Restricted cash	821,262	2,224,474
Total current assets	2,369,333	3,735,681
Noncurrent assets:		
Prepaid bond insurance, net of accumulated amortization	74,891	82,669
Capital assets:		
Land and land improvements	537,065	537,065
Construction in progress	258,738	962,924
Buildings and systems	9,883,369	9,883,369
Improvements other than buildings	7,294,744	6,338,610
Machinery and equipment	1,039,679	925,670
Less, accumulated depreciation	(7,670,088)	(7,273,766)
Total capital assets (net of accumulated depreciation)	11,343,507	11,373,872
Total noncurrent assets	11,418,398	11,456,541
Total assets	13,787,731	15,192,222
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	184,760	277,140
Pensions:		
Differences between expected and actual experience	9,622	
Changes of assumptions	628	
Contributions after measurement date	19,709	
Total deferred outflows of resources	214,719	277,140

Continued...

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWERAGE FUND
June 30, 2015 and 2014
(Continued)

	2015	2014
LIABILITIES		
Current liabilities:		
Accounts payable	35,566	8,797
Customer deposits	72,331	65,033
Customer overpayments	16,919	12,012
Accrued compensated absences	6,932	13,002
Unearned revenue	24,600	24,600
Total current liabilities	156,348	123,444
Current liabilities payable from restricted assets:		
Accrued interest	65,309	68,743
Revenue bonds, current portion	525,000	515,000
Total current liabilities payable from restricted assets	590,309	583,743
Noncurrent liabilities:		
Compensated absences	3,732	7,001
Unearned revenue	692,900	717,500
Revenue bonds payable	7,866,015	8,385,927
Net pension liability	144,154	
Total noncurrent liabilities	8,706,801	9,110,428
Total liabilities	9,453,458	9,817,615
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Difference between projected and actual earnings on investments	13,008	
Total deferred inflows of resources	13,008	-
NET POSITION		
Net investment in capital assets	5,106,529	6,838,663
Restricted for construction	380,617	1,697,345
Unrestricted	(951,162)	(2,884,261)
Total net position	$ 4,535,984	$ 5,651,747

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER AND SEWERAGE FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Charges for services:		
Sales	$ 1,620,526	$ 1,801,987
Other fees	101,388	107,754
Total operating revenues	1,721,914	1,909,741
Operating expenses:		
Salaries and wages	282,890	259,630
Payroll taxes and employee benefits	93,829	85,182
Utilities	201,170	188,832
Repairs and maintenance	1,023,563	133,236
Materials, supplies, and chemicals	97,964	82,814
Office supplies and postage	8,029	8,427
Engineering and other professional services	13,148	32,409
Depreciation and amortization	396,322	357,768
Administrative charges	205,670	195,151
Miscellaneous	45,738	98,446
Total operating expenses	2,368,323	1,441,895
Operating income (loss)	(646,409)	467,846
Nonoperating revenues (expenses):		
Interest income	2,196	2,795
Interest expense	(308,041)	(301,280)
Total nonoperating revenues (expenses)	(305,845)	(298,485)
Income (loss) before transfers	(952,254)	169,361
Transfers in	2,405,735	3,484,806
Transfers out	(2,439,262)	(3,299,118)
Changes in net position	(985,781)	355,049
Net position, beginning of year, as restated	5,521,765	5,296,698
Net position, end of year	$ 4,535,984	$ 5,651,747

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER AND SEWERAGE FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Receipts from customers	$ 1,348,832	$ 1,895,706
Receipts from (refund of) customer overpayments	4,907	(1,083)
Receipts from (refund of) customer deposits	7,298	4,384
Payments to employees	(388,374)	(336,710)
Payments to vendors	(1,363,306)	(543,569)
Payments to other funds for services provided	(205,670)	(195,151)
Net cash provided (used) by operating activities	(596,313)	823,577
Cash flow from noncapital financing activities:		
Transfers in	2,178,037	2,994,172
Transfers out	(2,439,262)	(3,299,118)
Principal paid on noncapital debt	(106,605)	(104,535)
Interest paid on noncapital debt	(42,689)	(45,111)
Net cash provided (used) by noncapital financing activities	(410,519)	(454,592)
Cash flows from capital and related financial activities:		
Transfers in	227,698	490,634
Acquisition of capital assets	(365,957)	(1,766,029)
Principal paid on capital debt	(408,395)	(400,465)
Interest paid on capital debt	(163,540)	(172,817)
Net cash provided (used) by capital and related financing activities	(710,194)	(1,848,677)
Cash flows from investing activities:		
Interest income	2,196	2,795
Net increase (decrease) in cash	(1,714,830)	(1,476,897)
Cash, beginning of year	3,527,493	5,004,390
Cash, end of year	$ 1,812,663	$ 3,527,493
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ (646,409)	$ 467,846
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	396,322	357,768
(Increase) decrease in:		
Accounts receivable	(348,482)	10,565
Increase (decrease) in:		
Accounts payable	26,769	2,794
Customer overpayments	4,907	(1,083)
Customer deposits	7,298	4,384
Accrued compensated absences	(9,339)	5,903
Unearned revenue	(24,600)	(24,600)
Net pension liability	(2,779)	
Net cash provided by operating activities	$ (596,313)	$ 823,577

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
GAS SYSTEM FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash	$ 25	$ 25
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	58,534	59,879
Inventory	599	599
Total current assets	59,158	60,503
Noncurrent assets:		
Capital assets:		
Buildings	10,088	10,088
Improvements other than buildings	2,408,781	2,408,781
Machinery and equipment	63,401	63,401
Less, accumulated depreciation	(521,710)	(472,943)
Total capital assets (net of accumulated depreciation)	1,960,560	2,009,327
Total noncurrent assets	1,960,560	2,009,327
Total assets	2,019,718	2,069,830
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	2,576	
Changes of assumptions	168	
Contributions after measurement date	5,276	
Total deferred outflows of resources	8,020	-

Continued...

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
GAS SYSTEM FUND
June 30, 2015 and 2014
(Continued)

	2015	2014
LIABILITIES		
Current liabilities:		
Accounts payable	5,233	4,449
Customer deposits	21,035	24,840
Accrued compensated absences	4,613	1,596
Obligations under capital leases, current portion	81,983	175,940
Total current liabilities	112,864	206,825
Noncurrent liabilities:		
Compensated absences	2,484	860
Obligations under capital leases	528,220	556,772
Net pension liability	38,592	
Total noncurrent liabilities	569,296	557,632
Total liabilities	682,160	764,457
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Difference between projected and actual earnings on investments	3,482	
Total deferred inflows of resources	3,482	-
NET POSITION		
Net investment in capital assets	1,350,357	1,276,615
Unrestricted	(8,261)	28,758
Total net position	$ 1,342,096	$ 1,305,373

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GAS SYSTEM FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Charges for services:		
Sales	$ 756,547	$ 843,144
Other fees	47,273	57,353
Total operating revenues	803,820	900,497
Operating expenses:		
Salaries and wages	95,504	81,282
Payroll taxes and employee benefits	29,787	22,246
Gas purchases for resale	187,713	288,193
Sales tax expense	44,572	47,289
Utilities	4,863	3,984
Repairs and maintenance	154,100	113,490
Materials, supplies, and chemicals	4,104	9,493
Office supplies and postage	2,085	2,402
Engineering and other professional services	7,350	8,190
Depreciation and amortization	48,767	48,767
Administrative charges	109,690	104,081
Miscellaneous	1,396	1,923
Total operating expenses	689,931	731,340
Operating income (loss)	113,889	169,157
Nonoperating revenues (expenses):		
Interest expense	(65,454)	(39,981)
Total nonoperating revenues (expenses)	(65,454)	(39,981)
Income (loss) before transfers	48,435	129,176
Transfers in	888,330	923,592
Transfers out	(865,243)	(918,311)
Changes in net position	71,522	134,457
Net position, beginning of year, as restated	1,270,574	1,170,916
Net position, end of year	$ 1,342,096	$ 1,305,373

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
GAS SYSTEM FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Receipts from customers	$ 805,165	$ 884,363
Receipts from (refund of) customer deposits	(3,805)	85
Payments to employees	(119,969)	(103,389)
Payments to vendors	(406,825)	(473,929)
Payments to other funds for services provided	(109,690)	(104,081)
Net cash provided (used) by operating activities	164,876	203,049
Cash flows from noncapital financing activities:		
Transfers in	888,330	923,592
Transfers out	(865,243)	(918,311)
Net cash provided (used) by noncapital financing activities	23,087	5,281
Cash flows from capital and related financial activities:		
Capital lease payments	(122,509)	(168,349)
Interest paid on capital debt	(65,454)	(39,981)
Net cash provided (used) by capital and related financing activities	(187,963)	(208,330)
Net increase (decrease) in cash	-	-
Cash, beginning of year	25	25
Cash, end of year	$ 25	$ 25
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 113,889	$ 169,157
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	48,767	48,767
(Increase) decrease in:		
Accounts receivable	1,345	(16,134)
Increase (decrease) in:		
Accounts payable	784	1,309
Customer deposits	(3,805)	85
Accrued compensated absences	4,641	(135)
Net pension liability	(745)	
Net cash provided (used) by operating activities	$ 164,876	$ 203,049

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
SOLID WASTE FUND
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	$ 50,886	$ 51,324
Total current assets	50,886	51,324
Noncurrent assets:		
Capital assets:		
Machinery and equipment	21,060	21,060
Less, accumulated depreciation	(21,060)	(21,060)
Total capital assets (net of accumulated depreciation)	-	-
Total noncurrent assets	-	-
Total assets	50,886	51,324
NET POSITION		
Unrestricted	50,886	51,324
Total net position	$ 50,886	$ 51,324

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
SOLID WASTE FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Charges for services:		
Sales	$ 421,906	$ 425,453
Total operating revenues	421,906	425,453
Operating expenses:		
Administrative charges	34,278	32,525
Sanitation expense	229,821	231,022
Total operating expenses	264,099	263,547
Operating income (loss)	157,807	161,906
Income (loss) before transfers	157,807	161,906
Transfers in	416,824	447,383
Transfers out	(575,069)	(609,318)
Changes in net position	(438)	(29)
Net position, beginning of year	51,324	51,353
Net position, end of year	$ 50,886	$ 51,324

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
SOLID WASTE FUND
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Receipts from customers	$ 422,344	$ 425,482
Payments to vendors	(229,821)	(231,022)
Payments to other funds for services provided	(34,278)	(32,525)
Net cash provided (used) by operating activities	158,245	161,935
Cash flows from noncapital financing activities:		
Transfers in	416,824	447,383
Transfers out	(575,069)	(609,318)
Net cash provided (used) by noncapital financing activities	(158,245)	(161,935)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	$ -	$ -
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 157,807	$ 161,906
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	438	29
Net cash provided by operating activities	$ 158,245	$ 161,935

DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority is a discretely presented component unit of the City.

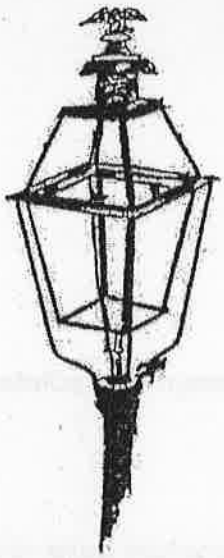
DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
June 30, 2015

ASSETS		
Cash	$	11,296
Notes receivable		22,234
Total assets	$	33,530
LIABILITIES		
Accounts payable	$	50
Unearned revenue		500
Total liabilities		550
FUND BALANCE		
Unassigned		32,980
Total fund balance		32,980
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.		20,400
Net assets of governmental activities	$	53,380

DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2015

Revenue:		
Grants and subsidies	$	10,000
Special events		7,141
Interest revenue		663
Total revenue		17,804
Expenditures:		
Community development		9,250
Total expenditures		9,250
Excess of revenues over (under) expenditures		8,554
Net change in fund balance		8,554
Fund balance, beginning of year		24,426
Fund balance, end of year	$	32,980

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance	$	8,554
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		20,400
Total changes in net assets of governmental activities	$	28,954



CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF MANCHESTER, GEORGIA
COMPARATIVE SCHEDULES BY SOURCE *
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Years Ended June 30, 2015 and 2014

	2015	2014
Governmental funds capital assets:		
Land and land improvements	$ 312,893	$ 312,893
Buildings and improvements	3,839,670	3,608,285
Machinery and equipment	1,800,147	1,595,804
Infrastructure	3,077,453	3,077,453
Total governmental funds capital assets	$ 9,030,163	$ 8,594,435
Investment in governmental funds capital assets by source:		
General fund	$ 3,585,461	$ 3,585,461
SPLOST funds	1,508,095	1,167,237
Gifts	659,618	584,618
General obligation bonds	1,228,608	1,228,608
Federal grants	1,725,590	1,705,720
State grants	295,791	295,791
County grants	27,000	27,000
Total governmental funds capital assets	$ 9,030,163	$ 8,594,435

* This schedule presents only the capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
June 30, 2015

Function and Activity	Total	Land and Land Improvements	Building and Improvements	Machinery and Equipment	Infrastructure
General government	$ 962,126	$ 262,733	$ 585,544	$ 113,849	
Public safety	1,734,813		585,183	1,149,630	
Health and welfare	56,895		45,395	11,500	
Culture and recreation	2,943,195	27,000	2,536,774	379,421	
Highways and streets	3,333,134	23,160	86,774	145,747	$ 3,077,453
Total governmental funds capital assets	$ 9,030,163	$ 312,893	$ 3,839,670	$ 1,800,147	$ 3,077,453

* This schedule presents only capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
June 30, 2015

Function and Activity	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
General government	$ 946,833	$ 15,293		$ 962,126
Public safety	1,383,886	350,927		1,734,813
Health and welfare	56,895			56,895
Culture and recreation	2,873,687	69,508		2,943,195
Highways and streets	3,333,134			3,333,134
Total governmental funds capital assets	$ 8,594,435	$ 435,728	$ -	$ 9,030,163

* This schedule presents only the capital assets balances related to governmental funds.

ADDITIONAL DATA

The following data is required by either state statute, specific grant audit requirements, or auditing standards:

Community Development Block Grant - Disclosure required by specific grant audit requirements.

SPLOST - Disclosure required by state requirements.

CITY OF MANCHESTER, GEORGIA
SOURCE AND APPLICATION OF FUNDS STATUS REPORT
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2015

CDBG 14p-x-099-2-5684:

Total grant	$	500,000
Less, total program funds drawn down by recipient for the year ended: June 30, 2015		(45,500)
Program funds available for future draw down	$	454,500
Total program funds drawn down by recipient for the year ended June 30, 2015	$	45,500
Add, program income applicable to the year ended June 30, 2015		-
Total program funds drawn by recipient and program income for the year ended June 30, 2015	$	45,500

CITY OF MANCHESTER, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2015

Activity	Budgeted Expenditures	Actual Expenditures Year Ended June 30, 2015	Actual Expenditures Prior Years	Questioned Cost
CDBG 14p-x-099-2-5684:				
P-03J-02	$ 397,583			
T-03J-00	47,550	$ 36,500		None
A-21A-00	30,000	8,500		None
C-022-00	22,117			
P-001-01	2,750			
	$ 500,000	$ 45,000	$ -	

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF SPECIAL PURPOSE SALES AND USE TAX
June 30, 2015

Project	Estimated Project Amount	Estimated Percentage of Completion	Amount of Receipts to Date	Amount Expended Prior Years	Amount Expended Current Year
Resolution #030114:					
Buildings	$ 268,101	32.54%		$ 6,794	$ 80,440
Recreation	102,039	100.00%		99,370	2,669
Streets and sidewalks	357,135	11.90%		11,623	30,865
Public safety	258,098	100.00%		21,417	236,681
Equipment	290,109	32.08%			93,078
Water, Sewer, & Gas Projects	453,670	55.72%		70,105	182,698
	$ 1,729,152		$ 1,729,152	* $ 209,309	$ 626,431

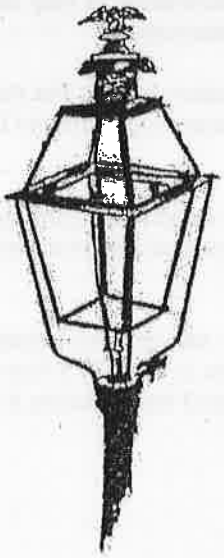
* Receipts are not designated by project.

STATISTICAL SECTION

This part of the City of Manchester'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 government'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.	85
Revenue Capacity - These schedules present information to help the reader assess the City's most significant local revenue sources.	90
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.	97
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.	102
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.	104

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



CITY OF MANCHESTER, GEORGIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	$ 2,358,389	$ 2,575,973	$ 3,722,007	$ 5,713,711	$ 5,924,123	$ 5,899,570	$ 4,268,924	$ 4,229,346	$ 4,236,911	$ 4,482,775
Restricted	204,079	701,128	1,738,873	963,410	830,029	771,920	408,008	222,804	1,742,690	1,118,976
Unrestricted	(168,177)	(560,633)	(511,763)	(800,824)	(30,449)	(56,374)	68,474	351,608	678,760	32,705
Total governmental activities net position	$ 2,394,291	$ 2,716,468	$ 4,949,117	$ 5,876,297	$ 6,723,703	$ 6,615,116	$ 4,745,406	$ 4,803,758	$ 6,658,361	$ 5,634,456
Business-type activities										
Net investment in capital assets	$ 6,180,298	$ 6,205,910	$ 7,102,166	$ 7,273,454	$ 7,363,268	$ 7,182,172	$ 7,102,398	$ 6,892,270	$ 8,115,278	$ 6,456,886
Restricted	322,268	251,534						3,031,484	1,697,345	380,617
Unrestricted	(725,135)	(165,249)	(374,323)	(272,714)	(890,561)	(408,624)	(365,174)	(3,404,787)	(2,804,179)	(908,537)
Total business-type activities net position	$ 5,777,431	$ 6,292,195	$ 6,727,843	$ 7,000,740	$ 6,472,707	$ 6,773,548	$ 6,737,224	$ 6,518,967	$ 7,008,444	$ 5,928,966
Primary government										
Net investment in capital assets	$ 8,538,687	$ 8,781,883	$ 10,824,173	$ 12,987,165	$ 13,287,391	$ 13,081,742	$ 11,371,322	$ 11,121,616	$ 12,352,189	$ 10,939,661
Restricted	526,347	952,662	1,738,873	963,410	830,029	771,920	408,008	3,254,288	3,440,035	1,499,593
Unrestricted	(893,312)	(725,882)	(886,086)	(1,073,538)	(921,010)	(464,998)	(296,700)	(3,053,179)	(2,125,419)	(875,832)
Total primary government net position	$ 8,171,722	$ 9,008,663	$ 11,676,960	$ 12,877,037	$ 13,196,410	$ 13,388,664	$ 11,482,630	$ 11,322,725	$ 13,666,805	$ 11,563,422

CITY OF MANCHESTER, GEORGIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
Expenses	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Governmental activities:										
General government	$ 810,527	$ 895,411	$ 1,147,257	$ 999,930	$ 1,115,872	$ 963,147	$ 875,283	$ 851,282	$ 691,609	$ 758,893
Public safety	1,221,731	1,295,576	1,480,934	1,463,794	1,491,837	1,425,739	1,461,400	1,526,212	1,559,309	1,706,052
Health and welfare	151,005	332,670	159,624	147,547	164,498	129,721	151,054	155,931	166,324	152,969
Culture and recreation	402,972	424,232	477,367	397,162	410,603	447,241	479,144	506,659	466,802	441,135
Streets and highways	448,007	165,713	459,326	710,416	680,166	587,832	556,214	489,636	502,479	598,737
Other governmental services	75,132									
Community development	256,123	141,474	281,637	121,927	12,883	159,378	2,218,377	104,379	108,801	9,576
Interest on long-term debt	67,982	66,484	75,693	65,901	106,183	44,254	36,721	31,754	28,027	24,557
Total governmental activities expenses	3,433,479	3,321,560	4,081,838	3,906,677	3,982,042	3,757,312	5,778,193	3,665,853	3,523,351	3,691,919
Business-type activities:										
Water and sewerage	1,447,964	1,473,231	1,525,784	1,344,528	1,354,612	1,599,354	1,593,314	2,061,417	1,743,175	2,676,364
Gas	1,214,593	1,218,653	1,345,341	948,163	848,029	797,554	702,362	659,844	771,321	755,385
Solid waste	315,022	317,631	271,229	301,947	296,420	281,548	271,683	267,034	263,547	264,099
Broadband			31,056	376,228	322,163	342,506	18,822	3,705		
Total business-type activities expenses	2,977,579	3,009,515	3,173,410	2,970,866	2,821,224	3,020,962	2,586,181	2,992,000	2,778,043	3,695,848
Total primary government expenses	$ 6,411,058	$ 6,331,075	$ 7,255,248	$ 6,877,543	$ 6,803,266	$ 6,778,274	$ 8,364,374	$ 6,657,853	$ 6,301,394	$ 7,387,767
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 417,591	$ 429,360	$ 442,328	$ 473,763	$ 473,058	$ 484,127	$ 452,979	$ 431,163	$ 431,327	$ 460,497
Public safety	139,061	167,261	124,526	130,675	143,143	129,646	166,785	192,472	195,597	208,510
Culture and recreation	58,775	61,343	54,165	71,879	56,200	58,800	68,936	61,230	58,776	55,152
Other activities	12,962	17,335	16,322	12,410	8,223	7,347	9,505	2,080	8,399	13,106
Operating grants and contributions	366,480	161,524	537,316	347,765	155,292	333,270	408,311	509,996	900,555	298,747
Capital grants and contributions	325,891	704,745	2,987,196	1,690,720	586,406	143,722	117,471	140,440	1,729,191	120,626
Total governmental activities program revenues	1,320,760	1,541,568	4,161,853	2,727,212	1,422,322	1,156,912	1,223,987	1,337,381	3,323,845	1,156,638
Business-type activities:										
Charges for services:										
Water and sewerage	1,495,752	1,727,961	1,835,877	1,818,181	1,894,847	2,108,600	1,970,781	1,856,517	1,909,741	1,721,914
Gas	1,152,923	1,300,627	1,528,805	891,819	964,698	949,673	756,450	765,116	900,497	803,820
Solid waste	315,742	332,265	342,416	339,140	419,367	446,503	437,134	443,380	425,453	421,906
Broadband			37,578	335,769	280,041	180,290	4,940			
Operating grants and contributions	20,262	103,422								
Capital grants and contributions										
Total business-type activities program revenues	2,984,679	3,464,275	3,744,676	3,384,909	3,558,953	3,685,066	3,169,305	3,065,013	3,235,691	2,947,640
Total primary government program revenues	$ 4,305,439	$ 5,005,843	$ 7,906,529	$ 6,112,121	$ 4,981,275	$ 4,841,978	$ 4,393,292	$ 4,402,394	$ 6,559,536	$ 4,104,278
Net (expense)/revenue										
Governmental activities	$ (2,112,719)	$ (1,779,992)	$ 80,015	$ (1,179,465)	$ (2,559,720)	$ (2,600,400)	$ (4,554,206)	$ (2,328,472)	$ (199,506)	$ (2,535,281)
Business-type activities	7,100	454,760	571,266	414,043	737,729	664,104	583,124	73,013	457,648	(748,208)
Total primary government net expense	$ (2,105,619)	$ (1,325,232)	$ 651,281	$ (765,422)	$ (1,821,991)	$ (1,936,296)	$ (3,971,082)	$ (2,255,459)	$ 258,142	$ (3,283,489)

General Revenues and Other Changes Net Position	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Taxes										
Property taxes	$ 978,268	$ 1,061,303	$ 909,773	$ 920,746	$ 1,127,332	$ 1,094,171	$ 1,034,166	$ 1,063,897	$ 1,036,188	$ 1,041,462
Sales tax	413,353	402,280	406,851	376,908	395,807	395,138	392,921	380,696	361,302	357,636
Franchise tax	212,132	202,234	186,793	217,618	194,708	210,722	229,997	221,189	217,697	230,140
Insurance premium tax	199,733	208,971	217,980	223,201	221,107	214,681	198,405	210,739	218,200	229,870
Motor vehicle and mobile home tax	94,804	100,834	96,423	96,551	86,774	98,654	97,088	113,568	144,361	140,862
Alcoholic beverage taxes	96,896	92,570	88,949	90,289	89,694	92,336	90,480	85,990	79,749	77,247
Other	26,052	78,366	22,879	18,306	17,242	20,804	19,586	16,024	22,819	28,657
Investment earnings	4,317	3,551	38,287	21,194	8,163	1,098	823	1,228	2,827	2,470
Transfers	90,678	(47,940)	184,699	141,832	1,266,299	364,209	621,030	293,493	(29,034)	168,685
Total governmental activities	2,116,233	2,102,169	2,152,634	2,106,645	3,407,126	2,491,813	2,684,496	2,386,824	2,054,109	2,277,029
Business-type activities:										
Gain on sale of assets	41,378		37,120							
Investment earnings	11,914	12,064	11,961	686	537	946	1,582	2,223	2,795	2,196
Transfers	(90,678)	47,940	(184,699)	(141,832)	(1,266,299)	(364,209)	(621,030)	(293,493)	29,034	(168,685)
Total business-type activities	(37,386)	60,004	(135,618)	(141,146)	(1,265,762)	(363,263)	(619,448)	(291,270)	31,829	(166,489)
Total primary government	$ 2,078,847	$ 2,162,173	$ 2,017,016	$ 1,965,499	$ 2,141,364	$ 2,128,550	$ 2,065,048	$ 2,095,554	$ 2,085,938	$ 2,110,540
Change in Net Position										
Governmental activities	$ 3,514	$ 322,177	$ 2,232,649	$ 927,180	$ 847,406	$ (108,587)	$ (1,869,710)	$ 58,352	$ 1,854,603	$ (258,252)
Business-type activities	(30,286)	514,764	435,648	272,897	(528,033)	300,841	(36,324)	(218,257)	489,477	(914,697)
Total primary government	$ (26,772)	$ 836,941	$ 2,668,297	$ 1,200,077	$ 319,373	$ 192,254	$ (1,906,034)	$ (159,905)	$ 2,344,080	$ (1,172,949)

CITY OF MANCHESTER, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Nonspendable	$ 63,144	$ 58,644	$ 75,226	$ 75,632	$ 64,138	$ 38,002	$ 64,268	$ 46,447	$ 76,205	$ 71,776
Restricted						44,911	75,802			
Committed						12,502	21,760	253,000	248,687	259,784
Unassigned	(141,846)	(529,486)	(460,501)	(737,723)	119,291	7,182	108,968	180,137	479,155	594,133
Total general fund	$ (78,702)	$ (470,842)	$ (385,275)	$ (662,091)	$ 183,429	$ 102,597	$ 270,798	$ 479,584	$ 804,047	$ 925,693
Other governmental funds										
Restricted, reported in:										
Debt service fund	$ 196	$ 197	$ 197	$ 197	$ 197	$ 198	$ 198			
Special revenue funds	203,883	701,021	696,971	712,595	719,288	715,501	223,178	$ 222,803	$ 222,807	$ 225,398
Capital project fund			1,041,705	250,618	110,544	11,310	108,830	1	1,519,883	893,578
Total other governmental funds	$ 204,079	$ 701,218	$ 1,738,873	$ 963,410	$ 830,029	$ 727,009	$ 332,206	$ 222,804	$ 1,742,690	$ 1,118,976

CITY OF MANCHESTER, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	$ 2,021,238	$ 2,098,558	$ 1,929,648	$ 1,943,619	$ 2,132,664	$ 2,126,506	$ 2,062,643	$ 2,092,103	$ 2,080,316	$ 2,105,874
Licenses and permits	82,963	83,409	74,247	72,089	70,492	79,535	80,570	85,470	83,145	71,825
Intergovernmental			2,197,555			29,668			1,729,152	
Grants and subsidies	692,371	866,269	1,261,127	347,765	724,577	344,708	445,942	508,620	782,705	250,689
Charges for services	60,760	62,540	54,516	70,643	56,276	58,800	65,837	60,757	63,493	59,194
Fines and forfeitures	138,479	143,137	115,377	125,087	142,425	129,646	166,291	192,472	195,597	208,480
Interest revenue	4,317	3,551	38,287	21,194	8,163	2,137	1,409	1,663	2,866	2,596
Miscellaneous	346,187	386,213	459,031	420,908	440,701	493,100	464,761	479,627	469,714	491,324
Total revenues	3,346,315	3,643,677	6,129,788	3,001,305	3,575,298	3,264,100	3,287,453	3,420,712	8,596,970	3,189,982
Expenditures:										
General government	778,922	837,962	1,068,742	934,268	922,739	913,022	834,472	834,570	678,763	725,261
Public safety	1,166,746	1,231,321	1,333,508	1,390,208	1,386,289	1,373,271	1,378,111	1,448,479	1,487,937	1,578,793
Health and welfare	149,331	137,440	151,554	144,915	143,637	146,660	150,722	155,599	165,334	153,412
Culture and recreation	332,215	330,038	326,695	325,326	319,063	389,168	441,243	445,918	396,157	364,385
Highway and streets	418,563	353,317	424,777	557,515	576,763	415,793	417,056	393,371	419,999	482,947
Community development	256,123	141,474	281,637	121,927	12,883	159,378	715,049	104,379	108,801	9,576
Other governmental services	75,132	23,735	11,687	5,719	34,940	31,130				
Debt service:										
Principal	150,690	104,267	106,045	96,015	97,083	103,006	103,968	74,969	81,013	82,101
Interest	66,082	70,597	76,980	67,189	107,570	45,723	38,190	32,754	29,310	25,657
Capital outlay	598,527	260,587	1,409,640	552,334	528,491	235,010	56,274	124,782	166,291	463,603
Total expenditures	3,992,331	3,490,738	5,191,265	4,195,416	4,129,458	3,812,161	4,135,085	3,614,821	3,533,605	3,885,735
Excess of revenues over (under) expenditures	(646,016)	152,939	938,523	(1,194,111)	(554,160)	(548,061)	(847,632)	(194,109)	5,063,365	(695,753)
Other financing sources (uses):										
Transfers in	3,879,092	3,621,164	5,003,182	4,496,671	5,015,481	5,303,747	4,555,880	4,288,833	5,062,540	3,977,194
Transfers out	(3,788,414)	(3,669,104)	(4,818,483)	(4,354,839)	(3,749,182)	(4,939,538)	(3,934,850)	(3,995,340)	(5,091,574)	(3,808,509)
Capital leases	281,641									25,000
Total other financing sources (uses)	372,319	(47,940)	184,699	141,832	1,266,299	364,209	621,030	293,493	(29,034)	193,685
Net change in fund balances	$ (273,697)	$ 104,999	$ 1,123,222	$ (1,052,279)	$ 712,139	$ (183,852)	$ (226,602)	$ 99,384	$ 5,034,331	$ (502,068)
Debt service as a percentage of noncapital expenditures	6.39%	5.41%	4.63%	4.36%	5.62%	4.04%	3.46%	3.07%	3.27%	3.06%

CITY OF MANCHESTER, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Utilities and Other Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2006	$ 23,351,812	$ 15,924,817	$ 18,306,536	$ 3,397,550	$ 60,980,715	16.15	$ 152,451,788	40%
2007	26,855,269	16,253,610	18,045,503	2,867,309	64,021,691	16.15	160,054,227	40%
2008	31,008,986	16,854,217	13,115,910	3,331,190	64,310,303	16.15	160,775,758	40%
2009	28,498,307	18,696,169	14,968,995	8,382,359	70,545,830	16.15	176,364,575	40%
2010	32,206,279	20,351,383	15,927,525	3,126,102	71,611,289	17.15	179,028,223	40%
2011	33,394,954	17,938,189	11,319,108	3,126,064	65,778,315	17.242	164,445,788	40%
2012	33,339,197	17,865,342	9,667,910	3,126,064	63,998,513	17.242	159,996,283	40%
2013	32,052,831	18,179,965	13,131,113	2,881,761	66,245,670	17.704	165,614,175	40%
2014	30,412,353	18,449,189	12,488,038	3,237,486	64,587,066	17.704	161,467,665	40%
2015	29,294,546	18,862,901	12,491,042	3,223,486	63,871,975	17.704	159,679,938	40%

Data Source: Meriwether and Talbot County Tax Digest
(1) Per $1,000 of assessed value

CITY OF MANCHESTER, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUE)
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Manchester (Direct Rates)			Overlapping Rates	
	Operating Millage	Debt Service Millage *	Total City Millage	Total County Millage (1)	Total School Millage (2)
2006	16.040	0.110	16.150	13.000	18.000
2007	15.980	0.170	16.150	12.220	18.000
2008	14.360	1.790	16.150	12.220	18.000
2009	14.400	1.750	16.150	12.270	18.000
2010	15.510	1.640	17.150	13.567	16.900
2011	15.572	1.670	17.242	13.650	16.998
2012	15.542	1.700	17.242	12.417	18.830
2013	15.984	1.720	17.704	13.740	19.010
2014	16.444	1.260	17.704	13.540	19.019
2015	16.443	1.261	17.704	13.644	19.230

Data Sources:
(1) Meriwether County Tax Commissioner
(2) Meriwether County Board of Education

* General Obligation Debt

CITY OF MANCHESTER, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current year and Nine Years Ago

Taxpayer	2015 (1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2006 (2) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Angio Dynamics	$ 3,599,166	1	5.64%			
Georgia Power Company	1,683,655	2	2.64%	$ 1,330,880	3	2.18%
F&M Bank & Trust Co	1,646,680	3	2.58%			
Dan Bitton (Eccomelt)	1,430,122	4	2.24%			
The Sherwin Williams Co	1,174,928	5	1.84%			
William B Jones	868,560	6	1.36%	875,112	5	1.44%
CSX	720,308	7	1.13%			
Kilbarry Enterprises LLC	596,868	8	0.94%			
Windstream Georgia Communications	560,495	9	0.88%			
CVS	553,782	10	0.87%			
Goody Products				7,440,779	1	12.20%
Rita Medical Products				4,295,631	2	7.04%
Alltel Ga Communications				1,038,176	4	1.70%
Dobco				650,584	6	1.07%
Manchester Housing LTD				548,328	7	0.89%
Manchester Elderly Housing				518,162	8	0.85%
Jeneca Properties				512,490	9	0.84%
Manchester Apartments				459,144	10	0.75%
	$ 12,834,564		20.12%	$ 17,669,286		28.96%

Data Source: City Finance Office
(1) Based on 2014 tax digest.
(2) Based on 2005 tax digest.

CITY OF MANCHESTER, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	$ 1,065,369	$ 1,059,396	99.44%	$ 5,973	$ 1,065,369	100.00%
2007	1,136,949	1,130,022	99.39%	6,927	1,136,949	100.00%
2008	989,282	968,159	97.86%	21,080	989,239	99.90%
2009	1,034,853	975,159	94.23%	59,303	1,034,462	99.96%
2010	1,168,964	1,101,187	94.20%	67,058	1,168,245	99.94%
2011	1,134,170	1,108,400	97.73%	22,239	1,130,639	99.69%
2012	1,132,152	1,107,460	97.82%	21,629	1,129,089	99.73%
2013	1,156,148	1,129,391	97.69%	17,134	1,146,525	99.17%
2014	1,163,477	1,147,929	98.66%	10,825	1,158,754	99.59%
2015	1,168,959	1,148,285	98.23%		1,148,285	98.23%

Data Source: City Finance Office
(1) Includes: Real Property
Personal Property
Utility
Vehicles

CITY OF MANCHESTER, GEORGIA
UTILITY RATES
Year Ended June 30, 2015

Monthly Water Rate		
Base Charge	$	15.00
Commodity charge (per 1,000 gallons)		4.82

Monthly Rural Water Rate		
Base charge (includes 1st 1,000 gallons)	$	24.45
Next 9,000 gallons (per 1,000 gallons)		7.97

Monthly Sewer Rate		
Base charge	$	15.00
Commodity charge (per 1,000 gallons)		4.82

Monthly Gas Rate		
Base charge-residential	$	15.00
Base charge-commercial		100.00
Commodity charge (per 1,000 cubic feet), plus cost of gas (floating rate)		4.00

Monthly Garbage Rate		
Residential	$	19.00

Connection Chages		
Nonrefundable service agreement	$	50.00
Nonrefundable transfer		50.00
Water deposit		125.00
Gas deposit		175.00
Water reconnection		50.00
Gas reconnection		50.00
Return check fee		30.00

The above rates are in effect as of July 1, 2014.

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
TOP TEN WATER CONSUMERS
Year Ended June 30, 2015

Consumer	Fiscal Year Ended June 30, 2015 Consumption *	Revenue	Percentage of Total Water Revenue
Meriwether County Board of Education	1,346,290	$ 10,046	0.99%
Manchester Elderly Housing, LP	1,674,600	8,252	0.81%
Manchester Superetta	815,800	4,112	0.40%
Jet Spray Car Wash, LLC	729,100	3,874	0.38%
Larry Bishop's Farms	479,386	3,346	0.33%
TBO Manchester- McDonald's	577,420	3,143	0.31%
Dairy Queen	346,130	1,848	0.18%
Manchester Laundry	281,000	1,534	0.15%
Magic City Grill	232,000	1,298	0.13%
Angio Dynamics	222,000	1,250	0.12%
	6,703,726	$ 38,703	3.80%

Data Source: City Finance Office
* per gallons

CITY OF MANCHESTER, GEORGIA
TOP TEN SEWER CONSUMERS
Year Ended June 30, 2015

Consumer	Fiscal Year Ended June 30, 2015 Consumption *	Revenue	Percentage of Total Sewer Revenue
Meriwether County Board of Education	1,346,290	$ 10,045	1.59%
Manchester Elderly Housing, LP	1,674,600	8,252	1.31%
Manchester Superetta	815,800	4,112	0.65%
Jet Spray Car Wash, LLC	729,100	3,874	0.61%
TBO Manchester- McDonald's	577,420	3,143	0.50%
Dairy Queen	346,130	1,848	0.29%
Manchester Laundry	281,000	1,534	0.24%
Magic City Grill	232,000	1,298	0.21%
Angio Dynamics	222,000	1,250	0.20%
Multi Purpose Center	151,690	911	0.14%
	6,376,030	$ 36,267	5.74%

Data Source: City Finance Office
* per gallons

CITY OF MANCHESTER, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income**	Per Capita*
	General Obligation Bonds	Capital Leases	Revenue Bonds	Capital Leases	Notes Payable			
2006	$1,000,000	$ 281,699	$4,375,000	$1,886,443		$7,543,142		$ 1,891
2007	940,000	237,432	4,070,000	1,762,674		7,010,106		1,758
2008	870,000	201,387	3,915,000	1,633,038		6,619,425		1,659
2009	800,000	175,373	3,691,000	1,498,419		6,164,792		1,545
2010	725,000	153,290	4,786,000	1,359,798	$ 827,595	7,851,683		1,969
2011	645,000	130,284	4,255,332	1,214,242	1,418,732	7,663,590		1,812
2012	565,000	106,316	3,695,050	1,048,319	1,890,419	7,305,104		1,727
2013	515,000	81,347	9,460,000	901,061		10,957,408		2,590
2014	460,000	55,334	8,955,000	732,712		10,203,046		2,412
2015	405,000	28,233	8,440,000	610,203		9,483,436		2,242

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

* See Demographic and Economic Statistics on page 102 for population data.
** Information not available.

CITY OF MANCHESTER, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita**
2006	$ 1,000,000	$ 196	$ 999,804	0.66%	251
2007	940,000	197	939,803	0.59%	236
2008	870,000	197	869,803	0.54%	218
2009	800,000	197	799,803	0.45%	200
2010	725,000	197	724,803	0.40%	182
2011	645,000	198	644,802	0.39%	152
2012	565,000	198	564,802	0.35%	134
2013	515,000		515,000	0.31%	122
2014	460,000		460,000	0.28%	109
2015	405,000		405,000	0.25%	96

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

* See Assessed Value and Estimated Actual Value of Taxable Property on page 90 for property value data.
** See Demographic and Economic Statistics on page 102 for population data.

CITY OF MANCHESTER, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Meriwether County, Georgia	$ 11,970,310	20%	$ 2,394,062
Meriwether County Board of Public Education	16,206,880	20%	3,241,376
Subtotal, overlapping debt			5,635,438
Direct debt:			
City of Manchester, Georgia governmental activities			458,233
Subtotal, direct debt			458,233
Total direct and overlapping debt			$ 6,093,671

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Manchester, Georgia. This process recognizes that, when considering the government'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.

* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

CITY OF MANCHESTER, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 6,098,072	$ 6,402,169	$ 6,431,030	$ 7,054,583	$ 7,161,128	$ 6,577,832	$ 6,399,851	$ 6,624,567	$ 6,458,707	$ 6,387,198
Total net debt applicable to limit	999,804	939,803	869,803	799,803	724,803	644,802	198	-	460,000	405,000
Total net debt margin	$ 5,098,268	$ 5,462,366	$ 5,561,227	$ 6,254,780	$ 6,436,325	$ 5,933,030	$ 6,399,653	$ 6,624,567	$ 5,998,707	$ 5,982,198
Total net debt applicable to the limit as a percentage of debt limit	16.40%	14.68%	13.53%	11.34%	10.12%	9.80%	0.00%	0.00%	7.12%	6.34%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	$ 63,871,975
Add Back: Exempt real property	-
Total assessed value	$ 63,871,975
Debt limit (10% of total assessed value)	$ 6,387,198
Debt applicable to limit:	
General obligation bonds	405,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	405,000
Legal debt margin	$ 5,982,198

Note: Under state law the City of Manchester's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MANCHESTER, GEORGIA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Utility Charges and Other*	Less: Operating Expenses**	Net Available Revenue	Debt Service					Coverage
				Principal	Interest	Total Debt Service	Less CAPI Funds	Net Debt Service	
2006	$ 2,668,937	$ 1,965,023	$ 703,914	$ 290,000	$ 247,983				1.31
2007	3,132,010	1,983,608	1,148,402	305,000	233,483				2.13
2008	3,364,682	2,278,451	1,086,231	320,000	218,080				2.02
2009	2,710,000	1,676,724	1,033,276	224,000	117,707				3.02
2010	2,902,292	1,594,079	1,308,213	405,000	108,485				2.55
2011	3,058,273	1,620,285	1,437,988	426,000	95,742				2.76
2012	2,596,937	1,525,264	1,071,673	436,000	82,493				2.07
2013	2,621,633	1,606,791	1,014,842	504,254	68,238				1.77
2014	1,916,840	1,084,127	832,713	505,000	216,928	$ 721,928	$ 216,928	$ 505,000	1.65
2015	1,792,800	1,192,630 ***	600,170	515,000	206,228	721,228	206,228	515,000	1.17

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Through fiscal year ended June 30, 2013, the revenue bonds outstanding were Combined Public Utilities Revenue Bonds; therefore, the above figures included the Water, Sewer, and Gas Funds of the City. Beginning with fiscal year ended June 30, 2014, the revenue bonds are Water and Sewer Revenue Bonds; therefore, the above figures include only the Water and Sewerage Fund of the City.

* SPLOST reimbursement for repairs and maintenance is included in this figure.
** Operating expenses do not include interest or depreciation.
*** Operating expenses have been reduced for any expenses paid with bond proceeds.

CITY OF MANCHESTER, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income	Meriwether County Public School Enrollment (3)	Meriwether County Unemployment Rate (4)
2006	3,988	$ 14,380	$ 57,347,440	3,821	6.00%
2007	3,988	14,380	57,347,440	3,736	6.40%
2008	3,988	14,380	57,347,440	3,511	5.10%
2009	3,988	22,715	90,587,420	3,149	8.40%
2010	3,988	20,880	83,269,440	3,071	12.10%
2011	4,230	17,586	74,388,780	3,038	11.70%
2012	4,230	17,586	74,388,780	3,135	14.60%
2013	4,230	18,295	77,387,850	3,164	15.20%
2014	4,230	15,708	66,444,840	3,075	11.40%
2015	4,230	15,704	66,427,920	2,933	5.90%

Data Sources:
(1) U.S. Census Bureau
(2) Meriwether County Industrial Development Authority
(3) Meriwether County Board of Public Education, based on census at start of school year
(4) Georgia Department of Labor

CITY OF MANCHESTER, GEORGIA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2015			2006		
Taxpayer	Employees	Rank	Percentage of Total City Employees	Employees	Rank	Percentage of Total City Employees
CSX	240	1	19.62%			
Board of Education	113	2	9.24%			
Angio Dynamics	106	3	8.67%			
The Sherwin Williams Co	26	4	2.13%	38	3	3.21%
City of Manchester	55	5	4.50%	56	2	4.73%
MJR Solutions	32	6	2.62%			
Piggly Wiggly	26	7	2.13%	23	6	1.94%
F&M Bank & Trust Co	24	8	1.96%			
CVS	20	9	1.64%			
Eccomelt	20	10	1.64%			
Rita Medical				144	1	12.16%
Rite Aid				35	4	2.96%
Lewis Jones Foods				24	5	2.03%
Ga L P Gas				21	7	1.77%
Flint Facilities				21	8	1.77%
Variety Wholesellers				19	9	1.60%
TBO Manchester- McDonald's				16	10	1.35%
	662		54.15%	397		33.52%

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	10	10	11	9	11	9	9	9	9	9
Public safety										
Police	17	14	18	19	16	17	17	17	19	19
Fire	8	8	8	8	7	6	7	7	8	8
Health and welfare										
Senior center	2	2	2	2	2	2	2	2	2	2
Animal control	1	1	1	1	1	1	1	1	1	1
Culture and recreation	3	3	3	3	3	4	4	3	4	4
Highways and streets	4	3	3	2	2	2	1	1	1	1
Other governmental services										
Code enforcement	0	0	0	0	0	0	0	0	0	0
Vehicle maintenance	1	0	0	0	1	0	0	0	0	0
Community development	0	0	0	0	0	0	0	0	0	0
Water and sewerage	7	9	10	10	7	7	6	7	9	9
Gas	3	2	4	5	3	2	3	2	2	2
Solid waste	0	0	0	0	0	0	0	0	0	0
Total	56	52	60	59	53	50	50	49	55	55

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Years

Function	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrests	236	186	214	227	219	283	263	327	326	129
Parking violations	2	0	0	5	6	8	37	94	51	0
Traffic violations	*	683	477	739	677	667	802	1,089	1,047	755
Fire										
Number of calls answered	397	418	610	639	626	451	550	664	777	672
Inspections	58	70	193	350	350	146	162	171	112	293
Culture and recreation										
Number of youth participants	1,078	1,182	927	820	862	1,120	1,170	1,369	1,320	1,585
Senior center meals served	17,906	17,035	14,385	14,483	12,824	9,898	10,259	11,123	12,354	7,018
Health and Welfare										
Animal control (captured animals)	*	98	76	121	102	248	209	225	124	30
Highways and streets										
Street resurfacing (miles)	2	2	2	1	1	1	1	2	1	2
Potholes repaired	270	228	178	178	103	187	250	50	200	150
Water and sewerage										
New water connections	15	9	7	8	11	9	5	3	3	0
New sewage connections	3	3	2	4	3	1	1	0	1	0
Average daily consumption ^	800	800	800	800	800	800	800	800	800	800
Average daily sewage treatment ^	710	710	710	710	710	710	710	710	710	710
Gas										
Breaks on gas main	3	4	1	2	2	1	0	0	0	1
Solid waste										
Refuse collected (tons/day)	*	*	*	*	*	*	*	*	*	*
Recyclables collected (tons/day)	*	*	*	*	*	*	*	*	*	*

Data Sources: Various City Departments

Note: Indicators not available for the general government function.

* Information not available

^ Per thousands of gallons

CITY OF MANCHESTER, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	14	13	14	14	14	13	14	14
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines	3	3	4	4	4	4	3	3	3	3
Health and welfare										
Animal control-Animal pounds	1	1	1	1	1	1	1	1	1	1
Senior center-Buildings	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Parks acreage	38	38	38	51	51	51	51	51	51	51
Parks	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	0	0
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community centers	3	3	3	4	4	4	3	2	2	2
Highways and streets										
Streets (miles)	67	67	67	67	67	67	67	67	67	67
Streetlights	678	678	678	670	670	670	670	670	670	670
Traffic signals	4	4	4	4	4	4	4	4	4	4
Water and sewerage										
Water customers	2,215	2,273	2,247	2,191	2,119	2,132	2,103	2,101	2,058	2,067
Water mains (miles)	105	105	105	105	105	105	105	113	113	113
Fire hydrants	265	265	265	265	265	265	265	300	300	300
Maximum daily water capacity ^	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Sewer customers	1,750	1,799	1,758	1,718	1,659	1,671	1,637	1,631	1,600	1,622
Sanitary sewers (miles)	609	609	609	609	609	609	609	609	609	609
Storm sewers (miles)	366	366	366	366	366	366	366	366	366	366
Maximum daily sewer treatment capacity ^	850	850	850	850	850	850	850	850	850	850
Gas										
Gas customers	1,010	984	943	927	865	845	805	770	727	706
Gas lines (miles)	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5
Number of distribution stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Sanitation customers	1,750	1,789	1,758	1,718	1,659	1,671	1,637	1,631	1,600	1,622

Data Sources: Various City departments

Note: No capital asset statistics are available for the general government function.

^ Per thousands of gallons