



BOARD OF DIRECTORS MEETING

Date: October 25, 2016

**Place: Manhattan Area Technical College
Room 104a at 6:30 p.m.**

2016

Therese Adams – Chair (Riley)

Board of Directors

Wendy King-Luttman (Clay)
Marla Brandon (Pottawatomie)
Randall Anderes (Riley)
John Pagen (Riley)
Irma O'Dell (Geary)
Megan Umscheid (Pottawatomie)
LJ Baker (Geary)
David Fritchen (Riley)

Administration/Staff

Jim Genandt (President/CEO)
Tracy Geisler (Exec. Assistant/Board Clerk)
Keith Zachariasen (VPAS)
Dr. Richard Fogg (AVPIA)
Sarah Phillips (VPSS)
Marilyn Mahan (VPAA)
Carmela Jacobs (CFO)



**Board of Directors Meeting Agenda
Manhattan Area Technical College
October 25, 2016
Board meeting at 6:30 p.m.
Room 104a**

Board of Directors:

___ Adams, Therese Chair (Riley) ___ Fritchen, David (Riley) ___ O'Dell, Irma (Geary)
___ Anderes, Randall Vice Chair (Riley) ___ Pagen, John (Riley) ___ Umscheid, Megan (Pottawatomie)
___ Brandon, Marla (Pottawatomie) ___ King-Luttman, Wendy (Clay) ___ Baker L J (Geary)

Administration/Staff:

___ Genandt, Jim (President/CEO) ___ Geisler, Tracy (Board Clerk) ___ Mahan, Marilyn (VPAA)
___ Zachariasen, Keith (VPAS) ___ Dr. Fogg, Richard (AVPIA) ___ Phillips, Sarah (VPSS)
___ Jacobs, Carmela (CFO) ___ Gfeller, Josh (CIO) ___ Schroll, Linn (Faculty Senate)
___ Student Senate

___ Call to Order

___ Incidental Information

- Additions/Changes to Agenda
- BOD Member Community Reports
- Faculty Senate Update: Linn Schroll

___ Consent Agenda (Routine items requiring BOD action) *

- Approval of September, 2016 Meeting Minutes (Attachment 1) *
- September Check Register (Attachment 2) *
- September Threshold Expenditures (Attachment 3) *
- September Organizational update (Attachment 4) *

___ General Agenda (Items possibly requiring BOD Action)

- Approval of Auditor's Report (Attachment 5) *
- Westar Letter of Support Approval (Attachment 6) *
- KPERS Optional Life Insurance Recommendation (Attachment 7) *
- Internal Monitoring Report: Budgeting/Financial Planning/Forecasting (Attachment 8) *

___ Discussion of Ends (Demonstration, Testimonial, or Report of Results related to Board Mission)

- Resource Options (PowerPoint)
- Title III update (attachment 9)
- Alternate Expenditure Report Option (Handout)
- Modular & South Wing update (Jim & Keith)
- Afterhours (Jim)
- Feasibility Study Update (Jim & Tracy)

___ Ownership Linkage (Related to Owner Expectations, "Gaps", Meeting Expectations, Identifying New Needs of Employers, etc.)

- President's Report/College Progress (Attachment 10)
- Board meeting schedule during holiday months

___ Evaluation of Board Process

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Executive Session

- Confidential data relating to financial affairs or trade secrets of corporations, partnerships, trusts and individual proprietorship.

Meetings and Upcoming Events

- **Haunted Trail at MATC Thursday, October 27, 6:00 p.m. – 10:00 p.m.**
- **Scholarship reception Thursday, November 18, at 6:00 p.m. in Commons at MATC**

* Requires BOD Action

Submitted to Board Chair in writing prior to meeting; three-minute limit. Contact Board Clerk for details

Manhattan Area Technical College
Board of Directors Meeting
September 20, 2016 Room 104a at 5:30 p.m.

1. The Board of Directors of the Manhattan Area Technical College met September 20, 2016, at 5:30 p.m. in room 104a.

Members present: Irma O'Dell, Therese Adams, Randall Anderes, John Pagen, Megan Umscheid, Wendy King-Luttman, LJ Baker, and David Fritchen

Members absent: Marla Brandon

Also present: Jim Genandt, President/CEO; Tracy Geisler, Executive Assistant/Board Clerk; Marilyn Mahan; Vice President for Academic Affairs; Keith Zachariasen, Vice President for Administrative Services; Carmela Jacobs, Chief Financial Officer; Sarah Phillips, Vice President for Student Services; Dr. Rich Fogg, Associate Vice President

- a. Faculty/Staff/SGO/Visitors: Linn Schroll, Faculty Senate

2. CALL TO ORDER

Therese Adams called the meeting to order at 5:30 p.m.

- An executive session on a personnel matter will be added to the end of the agenda.

3. INCIDENTAL INFORMATION

- a. Linn Schroll, Faculty Senate updated the board and shared information about the MATC car show that will take place on October 15, 2016.

4. CONSENT AGENDA (Routine items requiring BOD action) *

- a. LJ Baker moved to approve the Consent Agenda (Attachments 1, 2, 3, and 4). Megan Umscheid seconded. Motion carried 8 yeas, 0 nays.

5. GENERAL AGENDA (items possibly requiring BOD action)

- a. Irma O'Dell moved to approve the Westar Project Recommendation (Attachment 5), LJ Baker seconded. After discussion and explanations from Dick Seaton and Jim Genandt, Motion carried 8 yeas, 0 nays.
- b. Keith Zachariasen presented the Human Resources Consulting Recommendation (attachment 6). Megan Umscheid moved to approve attachment 6. Wendy King-Luttman seconded. Motion carried 8 yeas, 0 nays.

6. DICUSSION OF ENDS (Demonstration, Testimonial, or Report of Results related to Board Mission)

- a. Jim Genandt discussed the Mid-year revenue adjustment options.

7. OWNERSHIP LINKAGE (related to Owner Expectations, “Gaps”, Meeting Expectations, Identifying New Needs of Employers, etc.).

- a. Jim Genandt presented his President Report/College Progress (Attachment 7).

8. EVALUATION OF BOARD PROCESS

- a. None

EXECUTIVE SESSION: CONFIDENTIAL DATA RELATING TO FINANCIAL AFFAIRS OR TRADE SECRETS OF CORPORATIONS, PARTNERSHIPS, TRUSTS AND INDIVIDUAL PROPRIETORSHIPS.

- Randall Anderes moved to go into executive session at 6:45 p.m. and return to open session at 6:55 p.m. LJ Baker seconded. Motion carried 8 yeas 0 nays. Randall Anderes moved to return to open session at 6:55 p.m. Wendy King-Luttman seconded. Motion carried 8 yeas, 0 nays.

EXECUTIVE SESSION: PERSONNEL MATTER

- Randall Anderes moved to go into executive session at 6:55 p.m. and return to open session at 7:00 p.m. Wendy King-Luttman seconded. Motion carried 8 yeas, 0 nays. Randall Anderes moved to return to open session at 7:00 p.m. Wendy King-Luttman seconded. Motion carried 8 yeas, 0 nays.

ADJOURNMENT: Therese Adams, Board Chair, adjourned the meeting at 7:00 p.m.

MATC Board Clerk

Date

Approved:
Chair

Date

October 25, 2016

Attachment 2

To: MATC Board of Directors
 From: Carmela Jacobs, Chief Financial Officer
 Re: September 2016 Check Register

Check No.	Payee / Vendor	Item(s) or Service Description	Amount
35358	A Book Company, LLC.	Fall 2016 Book Vouchers	\$ 2,550.23
35359	Trina Adams	LMS Consulting	\$ 45.00
35360	Air Filter Plus	Air Filter Plus	\$ 74.32
35361	All Star Services, Inc.	monthly custodial services	\$ 6,100.00
35362	Altec Industries Inc	Auger Assembly PO 67018	\$ 2,270.55
35363	Amazon.com	various titles open order amazon	\$ 466.25
35364	Arthur L Davis Publishing Agency Inc	advertising - Dir of Nurs position	\$ 387.09
35365	ATIXA	membership renewal - ATIXA	\$ 2,499.00
35366	Bentley Systems Inc	Bentley MicroStation Software Renewal	\$ 5,000.00
35367	Best Pest Control Company	Best Pest Monthly Pest Control	\$ 130.00
35368	Blueville Nursery	Landscaping and Retaining Wall	\$ 3,533.38
35369	CareerSafe Online	HVA 103, WLD 100, BTR 102	\$ 1,100.00
35370	Carpet Plus	Flooring	\$ 6,665.69
35371	CDW Government Inc	various IT supplies/equipment	\$ 1,855.33
35372	Charlson & Wilson Insurance Agency Inc	policy - directors & officers, W/C, crime, auto	\$ 54,927.00
35373	Cintas Corp #451	Cintas Auto Tech Towel service	\$ 50.90
35374	Cintas FAS 0479	AED Machine Lease	\$ 79.00
35375	Cox Communications	Cox Communications	\$ 3,358.16
35376	Educational Publishers	Business Cards - various departments	\$ 214.92
35377	Endacott Lighting Inc	Lighting	\$ 112.99
35378	Fisher Scientific- Thermo Fisher Scientific	Globe microscope slides, catalog 1321	\$ 265.14
35379	Five Star Vending	Breakroom supplies	\$ 273.50
35380	G4S Secure Solutions Inc	Campus Security 8/15-8/21/16	\$ 241.28
35381	Griffith Lumber Company Inc	Door and frame for 307 office remodel	\$ 546.61
35382	Henton Plumbing & Air Conditioning Inc	Warranty work	\$ 596.93
35383	Home Depot	building materials, offices 307	\$ 960.11
35384	HRMN	HRMN membership	\$ 50.00
35385	Hydraulic Equipment Service	Truck Repair	\$ 249.38
35386	IDEA Center Inc	IDEA KC - Instructional Project Coordinator	\$ 250.00
35387	ImageQUEST	ImageQuest Open PO FY17	\$ 362.95
35388	Junior Achievement of Kansas	College and Career Advertisement	\$ 1,500.00
35389	KACRAO - MEMBERSHIP CHAIR	KACRAO Membership Renewal	\$ 65.00
35390	Kansas Assoc of School Boards	FERPA Training for PDC Days	\$ 464.39
35391	Kansas Gas Service	Kansas Gas Service Facility service	\$ 82.83
35392	Kansas NEA	KNEA dues 5th pymt	\$ 1,966.50
35393	Karsmizki Locksmith	door latch, main office	\$ 72.00
35394	KBS constructors, Inc.	KBS - Bell Knott Services	\$ 12,328.03
35395	Keystone Automotive Industries Inc	Open Po for Student Materials	\$ 2,152.12
35396	DH Instructor	Conference - Dental Hygiene	\$ 1,775.48
35397	Kryterion Inc	Test Deliveries 07/2016 Client ID KANDEP	\$ 540.00
35398	Lampton Welding Supply Co Inc	Lampton bottle Rental	\$ 180.55
35399	Little Apple Brewing Company	DH Faculty Meeting Lunch	\$ 325.19
35400	Manhattan Broadcasting Co Inc	FY 16-17 Radio Advertising	\$ 4,567.67
35401	Manhattan Carpet & Interiors	carpet for new 307 office	\$ 478.40
35402	Manhattan Wrecker Service Inc	wrecker for high ranger	\$ 310.00
35403	Matheson Tri-Gas Inc	gas bottle rental welding	\$ 422.29
35404	MB Supply	Replace broken hand crank and cover	\$ 19.36
35405	McAlister Deli- Bothwell/Saxton Group	Fall 2016 Adjunct In-Service	\$ 434.60
35406	Mead Lumber	1025 Wreath	\$ 185.58
35407	Medical Equipment Affiliate	Drain Sponge 4x4 In (S)pkg/2 Excilon,	\$ 2,603.50
35408	Medi-Waste Disposal	Medi-Waste Disposal	\$ 45.00
35409	Mercer Consumer	liability insurance- student	\$ 5,083.00
35410	EPD Instructor	Cell phone stipend	\$ 50.00
35411	Midway Wholesale	Egress Ladder	\$ 36.09
35412	NACUBO	membership for NACUBO	\$ 1,247.00
35413	National Screening Bureau LLC	Employee Background Checks	\$ 150.00
35414	Paint Bucket,The	2015 Wreath	\$ 266.99
35415	Patterson Dental Supply Inc	HDWR warranty	\$ 63.50
35416	Pawnee Mental Health Services	Karen Smothers PDC Presentation	\$ 100.00
35417	Pitney Bowes Postage Reserve Account	Facility Postage refill	\$ 5,000.00
35418	S/P2 - U Inc	S/P2 Online Safety Training License	\$ 249.00
35419	Schurle's Water Conditioning Inc	Water Services	\$ 13.50
35420	Sean Padgett Masonry Inc	Stonework	\$ 973.31
35421	Seaton, Seaton & Dierks, LLP	Seaton, SEaton & Dierks LLP	\$ 147.00
35422	Leslie Snead	Contract - Registrar Assistance	\$ 2,000.00

October 25, 2016

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To: MATC Board of Directors
 From: Carmela Jacobs, Chief Financial Officer
 Re: September 2016 Check Register

Check No.	Payee / Vendor	Item(s) or Service Description	Amount
35423	Staples Business Advantage	Dry Erase Eraser	\$ 1,215.48
35424	Sterling Computers Corp	Dell Inspiron 15 3000 Series	\$ 7,625.00
35425	Stickle's Cleaners	Laundry Services- Dental Dept	\$ 173.22
35426	SupplyWorks- Interline Brands Inc	Janitorial Supplies august	\$ 1,076.98
35427	UMB Visa Card Services	Recruitment conference Per Diem meals	\$ 175.37
		Student activity	\$ 93.97
		kansas turnpike tolls - college travel	\$ 4.80
		500 interfax send pages	\$ 50.00
		Chamber breakfast	\$ 5.00
		HLC 16-17 dues	\$ 4,360.10
		turnpike tolls - nursing conference	\$ 5.20
		Overnight Shipping charges	\$ 32.01
		Annual Report for MATC Foundation KS Gov	\$ 40.00
		Gas for Mowers	\$ 85.21
		Lodging Recruitment Conference	\$ 733.04
		Fuel - rental car	\$ 12.15
		EPD fuel Summer Internships	\$ 127.25
		Finance chg	\$ 206.12
		Rental Car	\$ 406.97
		Baggage	\$ 50.00
		Recruitment Conference Per Diem meals	\$ 175.36
		Lodging Recruitment Conference	\$ 733.04
		Recruitment conference Per Diem meals	\$ 175.37
35428	Underground Vaults & Storage	Underground Vaults & Storage	\$ 175.00
35548	4 Imprint Inc	Pens for Recruitment	\$ 1,185.86
35549	ACEN- Accreditation Comm - Ed. in Nursing	Annual Accreditation Fee ADN program	\$ 2,875.00
35550	Trina Adams	LMS Consulting	\$ 120.00
35551	Advance Auto Parts	Moto Logic Auto Repair Database Subscrip	\$ 699.00
35552	Alexander Open Systems	19" Power Strips	\$ 2,666.17
35553	All Star Services, Inc.	All Star Services	\$ 6,100.00
35554	Alldata- Motor Information Systems	All Data Subscription	\$ 975.00
35555	Altec Industries Inc	Altec repair	\$ 263.37
35556	Anixter Inc - Kansas City	Wire and anchor, guys from Anixter	\$ 3,679.44
35557	AT& T- internet	Internet, phone, & fax	\$ 1,554.10
35558	BD4 Distributing Inc	floor sweep Linn	\$ 23.30
35559	Best Pest Control Company	Best Pest Monthly Pest Control	\$ 130.00
35560	Brainfuse Inc	BrainFuse Online Tutoring Service	\$ 4,800.00
35561	Built So Well	2" round bar 1ft	\$ 113.44
35562	Burnett Automotive Inc	bernett tire	\$ 364.00
35563	Capital City Oil Inc	Capital City Oil EPD diesel	\$ 193.52
35564	Capital One Commercial	Menards Credit Card - Welding Supplies	\$ 1,200.92
35565	Carquest of Westloop	Open Po for Student Materials	\$ 501.63
35566	CDW Government Inc	various IT supplies/equipment	\$ 1,743.13
35567	CenterPoint Energy	Gas service	\$ 1.59
35568	Central Mechanical Service Inc	gas leak repair - outside east main exit	\$ 1,535.00
35569	Cintas FAS 0479	AED Machine Lease	\$ 79.00
35570	Cox Communications	Cox Communications	\$ 2,529.37
35571	Depco Inc	3D Printer Cartridges - various colors	\$ 2,079.78
35572	Dept of Veterans Affairs- Debt Mgt Center	VA SU16 Refund	\$ 1,005.00
35573	Digital Pix Group Composite Photos	ADN Class 2016 Composite Fee	\$ 670.00
35574	Educational Publishers	Transcript Paper	\$ 937.75
35575	Fisher Scientific- Thermo Fisher Scientific	Alere Cholestech TC-Glu	\$ 130.37
35576	Frankfort Porta Potty Inc	Frankfort Porta Potty	\$ 73.06
35577	G4S Secure Solutions Inc	Campus Security	\$ 663.52
35578	Geary County Hospital Auxiliary	Student Scholarship Refund	\$ 500.00
35579	Global Knowledge Training LLC	VMware Training - INT Instructor	\$ 4,125.00
35580	Golden Rule Creations	Patches - ADN (BLACK ltrs/WHITE bkg)	\$ 214.59
35581	Home Depot	remodel of 307 offices	\$ 381.48
35582	Howie's Enterprises Inc	Howies Enterprises Facility trash service	\$ 409.50
35583	Hutchinson Community College*	KCWE New Instructor's Seminar - BOLEARY	\$ 175.00
35584	IDEA Center Inc	IDEA Summer 2016	\$ 103.25
35585	ImageQUEST	monthly copier usage	\$ 505.40
35586	KACRAO- Conference Registration	KACRAO Conference Registration - Adm/Reg	\$ 430.00
35587	Kansas CPR Inc	CPR EPD	\$ 1,125.00

October 25, 2016

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To: MATC Board of Directors
 From: Carmela Jacobs, Chief Financial Officer
 Re: September 2016 Check Register

Check No.	Payee / Vendor	Item(s) or Service Description	Amount
35588	Kansas Gas Service	Kansas Gas Service Facility service	\$ 101.65
35589	KBS constructors, Inc.	Bio Science Training MODS	\$ 140,504.00
35590	KCPNE- Membership	KCPNE 2016-2017 Annual Membership Dues	\$ 50.00
35591	Keystone Automotive Industries Inc	Open Po for Student Materials	\$ 804.60
35592	K-Scrubs LLC	DH Instructor Uniforms	\$ 374.16
35593	Labso- Lab Supply Company	Extra small blue nitrile exam gloves	\$ 70.46
35594	Manhattan Broadcasting Co Inc	FY 16-17 Radio Advertising	\$ 1,161.91
35595	Manhattan Carpet & Interiors	Dental department flooring	\$ 1,557.65
35596	Manhattan Wrecker Service Inc	Manhattan wrecker	\$ 175.00
35597	Matheson Tri-Gas Inc	gas bottle rental welding	\$ 407.00
35598	Mead Lumber	Shed Materials	\$ 1,442.48
35599	Medi-Waste Disposal	Medi-Waste Disposal	\$ 45.00
35600	EPD Instructor	Cell phone stipend/Power Washer nozzle	\$ 59.97
35601	Midway Wholesale	meadow patch 20	\$ 17.35
35602	Moridge Manufacturing Inc	grasshopper 6" exhaust hose	\$ 59.25
35603	NAPA Auto Parts	AMT and ACR Student tool kits	\$ 102,846.32
35604	National Screening Bureau LLC	Employee Background Checks	\$ 75.00
35605	Patterson Dental Supply Inc	Student DH Kit items	\$ 13,009.75
35606	Pocket Nurse	Various Nursing Supplies	\$ 1,224.18
35607	Riley County Rural Water	Riley County Rural Water	\$ 27.00
35608	ROTO-ROOTER	Snaked main line rm 306	\$ 215.00
35609	Instructional Outreach Coordinator	NACEP Conference	\$ 1,084.70
35610	Schurle's Water Conditioning Inc	Water Services	\$ 52.50
35611	Seaton, Seaton & Dierks, LLP	Seaton, Seaton & Dierks LLP	\$ 336.00
35612	Staples Business Advantage	Library and Adjunct Instruction Supplies	\$ 275.71
35613	Stickle's Cleaners	Laundry Services- Dental Dept	\$ 282.20
35615	Underground Vaults & Storage	Underground Vaults & Storage	\$ 126.36
35616	USD 501- TOPEKA PUBLIC SCHOOLS	College and Career Ready Services	\$ 50.00
35617	VoIP Supply, LLC	Polycom VVX 410 (Refresh)	\$ 124.62
35618	A Book Company, LLC.	Fall Book Vouchers	\$ 15,999.19
35620	Moore Medical	various Nursing items	\$ 486.63
35625	Air Filter Plus	Air Filter Plus	\$ 110.59
35626	Altec Industries Inc	Altec	\$ 1,938.24
35627	Amazon	various titles open order amazon	\$ 173.93
35628	Anixter Inc - Kansas City	HD supply washers and pin adapters	\$ 141.25
35629	Arc-Zone.com Inc	flow meter Part# PX-RF1430-580	\$ 545.20
35630	AT& T- internet	Internet Phone fax	\$ 147.48
35631	Blueville Nursery	EPD lease land maintenance	\$ 1,705.00
35632	Carolina Biological Supply	Lead sheet	\$ 408.62
35633	Carquest of Westloop	Open Carquest PO 2016-2017	\$ 852.16
35634	CBN - Campus Media	advertising kiosk	\$ 2,500.00
35635	CDW Government Inc	various IT supplies/equipment	\$ 4,389.96
35636	Charlson & Wilson Insurance Agency Inc	work comp premium audit FY15-16	\$ 686.00
35637	Depco Inc	3D printer cartridges	\$ 2,079.78
35638	Dept of Veterans Affairs- Debt Mgt Center	BrandonGugenhan VA FA16 Refund	\$ 340.00
35639	Educational Publishers	Promotional stickers	\$ 44.36
35640	Fire One Inc	Paint Booth Semi-annual Inspection	\$ 195.00
35641	Hays Microscope Company	Microscope cleaning/repair	\$ 620.00
35642	Home Depot	floor fan EPD	\$ 127.00
35643	HyVee Inc	PAC Meeting Dinner	\$ 153.56
35644	KASFAA- Registration	KASFAA Fall Training - Director and Assistant Director of FA	\$ 150.00
35645	KCWE-Ks Council for Workforce Ed..	KCWE dues	\$ 250.00
35646	Keystone Automotive Industries Inc	Open Po for Student Materials	\$ 804.60
35647	K-Scrubs LLC	Student department shirt (HVAC, Auto, ACR)	\$ 5,873.03
35648	Lincoln Electric Company	33# spools of .035 er70s-6 wire	\$ 660.00
35649	Matheson Tri-Gas Inc	Open PO for Welding Gas, student tools	\$ 11,563.17
35650	Moridge Manufacturing Inc	grasshopper drive belt	\$ 49.82
35651	Benjamin Joseph O'Leary	KCWE Seminar Travel - BOLEARY	\$ 234.35
35652	Patterson Dental Supply Inc	SCANX Barrier ENV size 1 100	\$ 79.10
35653	Pocket Nurse	IV Supplies	\$ 1,224.18
35654	Premier Dental Products Co.	Enamel Pro Varnish-VanillaMint	\$ 263.00
35655	S & S Truck Service	High ranger dot s&s	\$ 1,261.61
35656	Stanion Wholesale Electric Inc	Air Conditioner disconnects	\$ 23.03
35657	Staples Business Advantage	Student Services Supply Order	\$ 159.78

October 25, 2016

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To: MATC Board of Directors
 From: Carmela Jacobs, Chief Financial Officer
 Re: September 2016 Check Register

Check No.	Payee / Vendor	Item(s) or Service Description	Amount
35658	Stickle's Cleaners	Laundry Services- Dental Dept	\$ 357.60
35659	SupplyWorks- Interline Brands Inc	Janitorial Supplies Sept	\$ 901.66
35660	Thermal Comfort Air Inc	a/c inspection red flag completed	\$ 988.91
35661	UMB Visa Card Services	Columbia Fleece Jackets for DH students (DH Kit)	\$ 405.94
		alligator clip assortment	\$ 24.08
		card fees	\$ 169.96
		pizza for orientation day	\$ 56.15
		KDADS CRC Convenience Fees	\$ 23.65
		SEMA travel AMT Instructor	\$ 1,181.88
		Westar Payment	\$ 133.17
		7 in 1 Tool Set Plastic Prying	\$ 10.98
		In Service	\$ 374.84
		Red Ink Cartridges for DM300C	\$ 166.98
		KDADS Convenience/Processing Fee	\$ 30.83
		Concepts Industrial welding booth lights	\$ 2,530.00
		KDADS HOC CNA Application Fee	\$ 360.00
		KDADS CNA Criminal Record Check	\$ 180.00
		Fleet fuel	\$ 436.34
		Dental Hygiene fax line	\$ 21.28
		Shipping	\$ 15.00
35662	Westar Energy	Westar final bill 1025 Wreath	\$ 141.38
35663	Western Extralite Company	ballasts, 6) 2 lamp, 8) 3 lamp	\$ 380.81
35664	Kansas Payment Center	Remit Payroll deduction	\$ 74.00
35665	Konza United Way, Inc.	Remit Payroll deduction	\$ 26.00
35666	MATC Foundation	Remit Payroll deduction	\$ 304.00
EP 2016	City of Manhattan- Utilities	Facility Utilities	\$ 251.48
EP 2017	Head of Maintenance	August Cell phone stipend	\$ 50.00
EP 2018	3DT	Reimbursement for 3DT Banner	\$ 65.99
EP 2019	EPD Instructor	August Cell phone stipend	\$ 50.00
EP 2020	CIO	August Cell phone stipend	\$ 50.00
EP 2021	BT Assistant	August Cell phone stipend	\$ 50.00
EP 2022	Network Administrator	August Cell phone stipend	\$ 50.00
EP 2023	DH Instructor	DH Conference Reimbursement	\$ 1,781.87
EP 2024	BT Instructor	August Cell phone stipend	\$ 50.00
EP 2025	Springshare LLC	Lib Guides Subscription Renewal	\$ 1,199.00
EP 2026	Director of Bioscience	August Cell phone stipend/Reimbursement	\$ 160.35
EP 2027	Xerox Financial Services	Monthly Service	\$ 497.82
EP2028-EP2123	various students	Title IV disbursement	\$ 263,310.93
EP 2124	AMT Instructor	Reimbursement for SEMA travel exp	\$ 1,221.88
EP 2125	Director of DH	Reimburse for gas purchase	\$ 59.42
EP 2126	City of Manhattan- Utilities	Facility Utilities	\$ 46.42
EP 2127	Head of Maintenance	Cell Phone Stipend	\$ 50.00
EP 2128	EPD Instructor	Cell Phone Stipend	\$ 50.00
EP 2129	CIO	Cell Phone Stipend	\$ 50.00
EP 2130	BT Assistant	Cell Phone Stipend	\$ 50.00
EP 2131	Network Administrator	Cell Phone Stipend	\$ 50.00
EP 2132	AMT Instructor	SEMA expense reimbursement	\$ 40.00
EP 2133	BT Instructor	Cell Phone Stipend	\$ 50.00
EP 2134	Director of Bioscience	Cell Phone Stipend	\$ 50.00
EP 2135	Xerox Financial Services	Monthly Service	\$ 497.82
EP 2136	Delta Dental of Kansas	Remit payroll deductions - PR 09.15.16	\$ 926.84
EP 2137	Security Benefit Life Insurance Company	Remit payroll deductions - PR 09.15.16	\$ 1,479.17
EP 2138	Delta Dental of Kansas	Remit payroll deductions - PR 09.30.16	\$ 926.84
EP 2139	Security Benefit Life Insurance Company	Remit payroll deductions - PR 09.30.16	\$ 1,479.17
EP 2140	City of Manhattan- Utilities	Facility Utilities	\$ 285.52
EP 2141	Instructional Project Coordinator	IDEA Workshop - Travel Reimbursement	\$ 145.82
BNKDFT	BCBS of Kansas	Health Insurance Premium	\$ 33,345.30
BNKDFT	BayBridge	Payroll deductions/403(b)/Roth Contributions & MATC match	\$ 13,062.84
BNKDFT	Aflac	Remit Payroll deductions - PR 08.30.16	\$ 59.72
BNKDFT	Westar Energy	Utilities	\$ 7,567.11
BNKDFT	KPERS	Remit payroll deductions - PR 08.30.16	\$ 9,169.29
BNKDFT	Commerce Bank	municipal lease/interest	\$ 3,508.94
BNKDFT	KS Dept of Revenue	Remit payroll deductions - PR 09.15.16	\$ 4,613.56
BNKDFT	KPERS	Remit payroll deductions - PR 09.15.16	\$ 8,929.75

October 25, 2016

Attachment 2

To: MATC Board of Directors
From: Carmela Jacobs, Chief Financial Officer
Re: September 2016 Check Register

Check No.	Payee / Vendor	Item(s) or Service Description	Amount
BNKDFT	IRS	Remit federal tax payment - PR 09.15.16	\$ 37,583.49
BNKDFT	Commerce Bank	municipal lease/interest	\$ 2,292.29
BNKDFT	KPERS	Remit payroll deductions - PR 09.30.16	\$ 8,965.72
BNKDFT	KS Dept of Revenue	Remit payroll deductions - PR 09.30.16	\$ 4,843.51
BNKDFT	IRS	Remit federal tax payment - PR 09.30.16	\$ 40,464.98

Total September Disbursements

\$ 987,239.49

October 25, 2016

Attachment 3

To: MATC Board of Directors
 From: Carmela Jacobs, Chief Financial Officer
 Re: September 2016 Threshold Expenditures > \$5,000

Vendor Name	Item(s) Purchased	Department	Cost	Funding	Ck. No
All-Star Services	August Custodial Services	All School	6,100.00	general fund	35361
Bentley Systems Inc	Bently MicroStation Software Renewal	CAD	5,000.00	general fund	35366
Carpet Plus	Flooring - BT House	BT	6,665.69	general fund	35370
Charlson & Wilson Insurance Agency	Insurance policies - director & officers, worker's comp, crime, auto	All School	54,927.00	general fund	35372
KBS Constructors, Inc	Bell Knott Services	All School	12,328.03	general fund	35394
Mercer Consumer	Liability Insurance - Student	Allied Health	5,083.00	general fund	35409
Pitney Bowes	Facility postage refill	All School	5,000.00	general fund	35417
Sterling Computers Corp	Nursing Computers	Nursing	7,625.00	student fees	35424
All-Star Services	September Custodial Services	All School	6,100.00	general fund	35553
KBS Constructors, Inc	Bio Science Training MODS	All School	140,504.00	general fund	35589
NAPA Auto Parts	AMT and ACR Student tool kits	AMT, ACR	102,846.32	student fees	35603
Patterson Dental Supply	Student DH kit items	DH	13,009.75	DH Student Fees	35605
A Book Company, Inc	Student Fall Book Vouchers	Students	15,999.19	student fees	35618
K-Scrubs	Student Uniform Shirts (HVAC, Auto, ACR)	Students	5,873.03	student fees	35647
Matheson Tri-Gas	Welding Student Tools/Gas	WE	11,563.17	student fees	35649
IRS	Federal Tax Payment/Remit PR Deductions	All School	37,583.49	general fund	BNKDFT
IRS	Federal Tax Payment/Remit PR Deductions	All School	40,464.98	general fund	BNKDFT
Blue Cross Blue Shield	Health Insurance Coverage	All School	33,345.30	general fund	BNKDFT
Westar	Utilities	All School	7,567.11	general fund	BNKDFT
Bay Bridge Admin LLC	403(b)/Roth contributions & MATC match	All School	7,155.53	general fund	BNKDFT

TOTAL SEPTEMBER DISBURSEMENTS EXCEEDING THRESHOLD:

\$ 524,740.59



Jim Genandt
President

3136 Dickens Ave., Manhattan, KS 66503-2499

Phone: 785-587-2800, FAX 785-587-2804

MEMORANDUM

TO: MATC Board of Directors
RE: Organizational Update

DATE: October 21, 2016

Consent Agenda:

Organizational Update

1. Revisions to organizational structure/positions:

- Addition of the Title III Project Director

2. Personnel changes

- Resignation of Dawn Krause; Director of CE & Corporate Training (previous);
Title III Project Director (current).

3. Advertised positions

- a. Director of Nursing and Allied Health
- b. Risk Reduction Training Instructor
- c. Title III Project Director
- d. Title III Distance Learning Specialist

October 25, 2016

To: MATC Board of Directors
From: Keith Zachariasen, Vice President of Administrative Services
Carmela Jacobs, Chief Financial Officer
Re: Report of Independent Auditors

Background Information

The College retained Varney & Associates, CPAs, LLC for the purpose of conducting an audit of the College's annual financial statements. In accordance with accounting standards, the financial statements were prepared on an accrual basis. Varney & Associates, CPAs, LLC issued an unqualified opinion on the financial statements for the fiscal years ended June 30, 2016 and 2015. An unqualified opinion indicates that the financial statements are a fair representation of the College's financial position when taken as a whole.

In accordance with government accounting standards, the auditors are also required to report on the College's internal controls. The purpose of the report is to describe the scope of testing of internal controls for the year ended June 30, 2016, and not to provide an opinion on the internal controls. No material weaknesses in internal control were detected or reported.

The auditors are also required to issue an OMB Circular A-133 compliance report for the College's major federal programs. The purpose of this report is to express an opinion regarding the College's compliance with laws and regulations for each major federal program for the year ended June 30, 2016. No issues of noncompliance were detected or reported.

Fiscal Implications

The Change in Net Position reported in the College financial statements for the year ended June 30, 2016, is \$229,136. Specific note is necessary to identify a significant portion of this change is due to the \$150,000 grant received from Delta Dental that was invested in a capital asset in compliance with the terms of the grant. In addition, the overall cash balance from July 1, 2015, to June 30, 2016, decreased \$37,217.

Recommendation

The Administration respectfully requests the attached audited financial statements for the years ended June 30, 2016 and 2015, be accepted by the Board of Directors as presented.



October 19, 2016

Board of Directors
Manhattan Area Technical College
3136 Dickens Ave.
Manhattan, KS 66502

We have audited the financial statements of Manhattan Area Technical College (the College) as of and for the year ended June 30, 2016, and have issued our report thereon dated October 19, 2016. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the College solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the College is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies during 2016.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

1. *Allowance for Doubtful Accounts.* Management has reviewed the accounts which are receivable at the reporting date and has established a valuation of accounts which are in doubt as to collectability. This estimate has been disclosed in Note 3 of the financial statements.
2. *Depreciation Expense.* Management has computed a charge to depreciation expense which is based, in part, on the estimated useful lives of each of the assets which are owned and operated by the College. These useful lives are intended as an estimate of the benefit period of each asset, of which the actual benefit period could be significantly different depending on the utilization level and durability of the assets over time.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We did not identify any such disclosures.

Identified or Suspected Fraud

We did not identify any actual or suspected fraud as a result of our audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has posted each of the entries identified by us as part of the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any material misstatements as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the College's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

October 19, 2016
Manhattan Area Technical College
Page three

Representations Requested from Management

We have requested certain written representations from management, which principally affirm (1) that management acknowledges its responsibility for the fair presentation of the financial statements and (2) that management has provided us with all information that they are aware of and which is necessary and relevant to the fair presentation of the financial statements.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Management's Consultations with Us

In the normal course of our professional association with the College, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the College, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the College's auditors.

Limitation on the Use of This Report

This report is intended solely for the information and use of the board of directors and management of Manhattan Area Technical College and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Vainey & Associates, CPAs, LLC

Certified Public Accountants

MANHATTAN AREA TECHNICAL COLLEGE

Manhattan, Kansas

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

June 30, 2016 and 2015

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
TABLE OF CONTENTS
June 30, 2016 and 2015

	<u>Pages</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 8
Financial Statements	
Statements of Net Position	9
Statements of Revenues, Expenses, and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements	12 - 22
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23 - 24
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance With the Uniform Guidance	25 - 26
Schedule of Findings and Questioned Costs	27
Schedule of Expenditures of Federal Awards	28
Schedule of Prior Audit Findings	29



October 19, 2016

Board of Directors
Manhattan Area Technical College
Manhattan, Kansas

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Manhattan Area Technical College (the College) as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

October 19, 2016
Manhattan Area Technical College
(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 8 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.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2016 on our consideration of the College's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Vanney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2016 and 2015

Introduction

Manhattan Area Technical College (the College) is a public two-year technical college offering 14 programs of study, as well as numerous general education courses. Most programs offer both a certificate (1-year) and an associate degree (2-year) option. The College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, coordinated by the Kansas Board of Regents, and governed by the nine member Board of Directors.

The College has served the community of northeast Kansas for 50 years. Though the primary service area is the 10 counties contiguous to the College's location in Riley County, the College serves individuals from all locations in Kansas, other states, and other countries.

Overview

This financial report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board ("GASB") Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.

This section of Manhattan Area Technical College's financial report presents management's discussion and analysis of the College's financial activities during the fiscal year ended June 30, 2016, with selected comparative information for the year ended June 30, 2015. This discussion should be read in conjunction with the College's annual financial statements, report of independent auditors, notes to the financial statements, and supplementary information.

As required by GASB, this report includes the following three basic financial statements that provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. Each of these statements will be discussed.

Statement of Net Position

The statement of net position presents the financial position of the College at the end of the fiscal year and includes all the College's assets and liabilities. The difference between total assets and total liabilities is net position and is an indicator of the College's current financial condition. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

	2016	2015	Increase (Decrease)
Assets			
Current assets	\$ 1,019,349	\$ 932,171	\$ 87,178
Non-current assets	2,937,252	2,752,192	185,060
TOTAL ASSETS	\$ 3,956,601	\$ 3,684,363	\$ 272,238
Liabilities			
Current liabilities	\$ 560,874	\$ 476,514	\$ 84,360
Non-current liabilities	363,783	405,041	(41,258)
Total Liabilities	\$ 924,657	\$ 881,555	\$ 43,102
Net Position			
Net investment in capital assets	\$ 2,432,854	\$ 2,198,305	\$ 234,549
Unrestricted	599,090	604,503	(5,413)
Total Net Position	\$ 3,031,944	\$ 2,802,808	\$ 229,136
TOTAL LIABILITIES AND NET POSITION	\$ 3,956,601	\$ 3,684,363	\$ 272,238

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
 June 30, 2016 and 2015

Statement of Net Position (Continued)

Current liabilities consist principally of the current portion of long-term debt and accrued liabilities, which resulted from the normal course of operations. Amounts due to employees for salaries and related benefits earned but not yet paid as of June 30, 2016 totaled approximately \$254,000. The current portion of long-term debt totaled approximately \$141,000.

Long-term liabilities at year end are comprised of three items. The largest outstanding debt is the municipal lease purchase obtained to finance the purchase of three modular buildings and construction of a new parking lot. Additionally, the College borrowed from the State PEI fund for the purposes of facility renovation. Financed by Kansas bonds, the loan is interest free to the institution and is amortized over 8 years. The only cost to the College is an annual 0.25% processing fee. Interest on the bonds is paid by the State of Kansas. The final payment on this loan was made in December 2015.

During the 2010-2011 academic year, the College was awarded economic development funds from the City of Manhattan. The agreement provides funding for two projects; a new parking lot and the purchase and installation of three modular buildings. Structured as a municipal lease purchase agreement in accordance with K.S.A. 10-116b, the agreement provides a \$75,000 conventional loan for the parking lot construction and a \$291,000 forgivable loan for the modular buildings.

The rental payments for the forgivable loan may be deemed forgiven annually based on compliance with performance requirements. Compliance factors consist of capital investments, workforce development and local retention of students. The contract was amended on January 8, 2013 delaying the local retention compliance factor. In June 2016, the College submitted the required annual report to the City of Manhattan. Based on the report submitted, the College successfully met 71% of the performance requirements during the current year, therefore 70% of the rental payment (\$20,370) was forgiven. In addition, the fifth installment on the conventional loan was remitted to the City of Manhattan, leaving a principal balance of \$21,500.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as other non-operating revenues and expenses and the resulting effect on net position.

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Operating revenues	\$ 4,053,890	\$ 3,939,767	\$ 114,123
Operating expenses	<u>6,269,721</u>	<u>6,468,105</u>	<u>(198,384)</u>
Operating Loss	\$ (2,215,831)	\$ (2,528,338)	\$ 312,507
Net non-operating revenues	<u>2,444,967</u>	<u>2,569,034</u>	<u>(124,067)</u>
Increase (Decrease) in Net Position	\$ 229,136	\$ 40,696	\$ 188,440
Net Position - Beginning of Year	<u>2,802,808</u>	<u>2,762,112</u>	<u>40,696</u>
Net Position - End of Year	<u>\$ 3,031,944</u>	<u>\$ 2,802,808</u>	<u>\$ 229,136</u>

Operating expenses exceeded operating revenues for FY 2016, resulting in an operating loss. State appropriations, at \$2,337,634, continue to be the largest source of revenue for the College and are expended largely for the cost of operations. The GASB reporting model however, regards state appropriations as non-operating revenues or subsidies even though they support operating activities. Operating losses will be typical for colleges and universities that rely heavily on state appropriations for their support.

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
 June 30, 2016 and 2015

Statement of Revenues, Expenses, and Changes in Net Assets (Continued)

Student tuition and fees (net of allowances) increased \$117,318. The increase is attributable to a increase in the tuition rate charged that exceeded the reduction in credit hours generated. The tuition rate increased twenty percent on a weighted average basis from the previous year while enrollment decreased three percent.

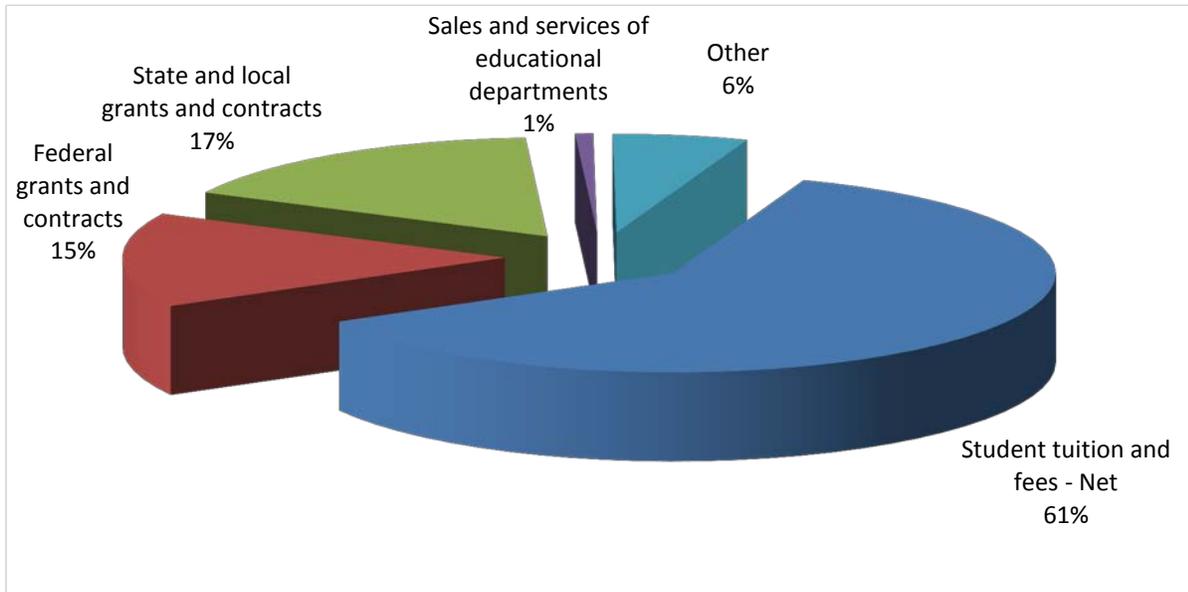
Capital grants and appropriations are generally those for which the resource provider restricts the recipient's use to capital acquisitions. During FY 2016, the College received \$140,880 in capital grants and appropriations from the State of Kansas. This amount represents an increase of \$4,756 (3.5%) over the prior year.

Operating Revenues

Operating revenues include activities having characteristics of exchange transactions (the payer/sponsor receives a benefit approximately equal in value to the payment or award) whereas non-operating revenues include those activities having characteristics of non-exchange transactions (the payer/sponsor makes a voluntary transfer without directly receiving equal value in return).

- Student tuition for technical and general education courses increased \$3 per credit hour; from \$97 to \$100 per credit hour. Tuition rates for higher cost programs such as Nursing and Electric Power & Distribution courses increased from \$125 to \$150 per credit hour. Dental Hygiene tuition increased from \$250 to \$350 per credit hour for program courses. Tuition and fees (net of allowances) comprise 38% of total revenues and 61% of operating revenues.
- The credit hour fee increased from \$28 to \$30 per credit hour.
- Federal and state grants are an important source for funding the development and implementation of new programs as well as the modernization of existing programs. Grants and contracts comprise 32% of operating revenue.
- Sales by educational departments comprised only 1% of revenues compared to 12% in the previous year. The sale of the house constructed by the building trades program is the largest contributor to this revenue stream. During the 2015-2016 fiscal year, no program houses were sold compared to the prior year when two houses were sold. The College has a program house for sale as of June 30, 2016.

The following is a graphic illustration of operating revenues by source:



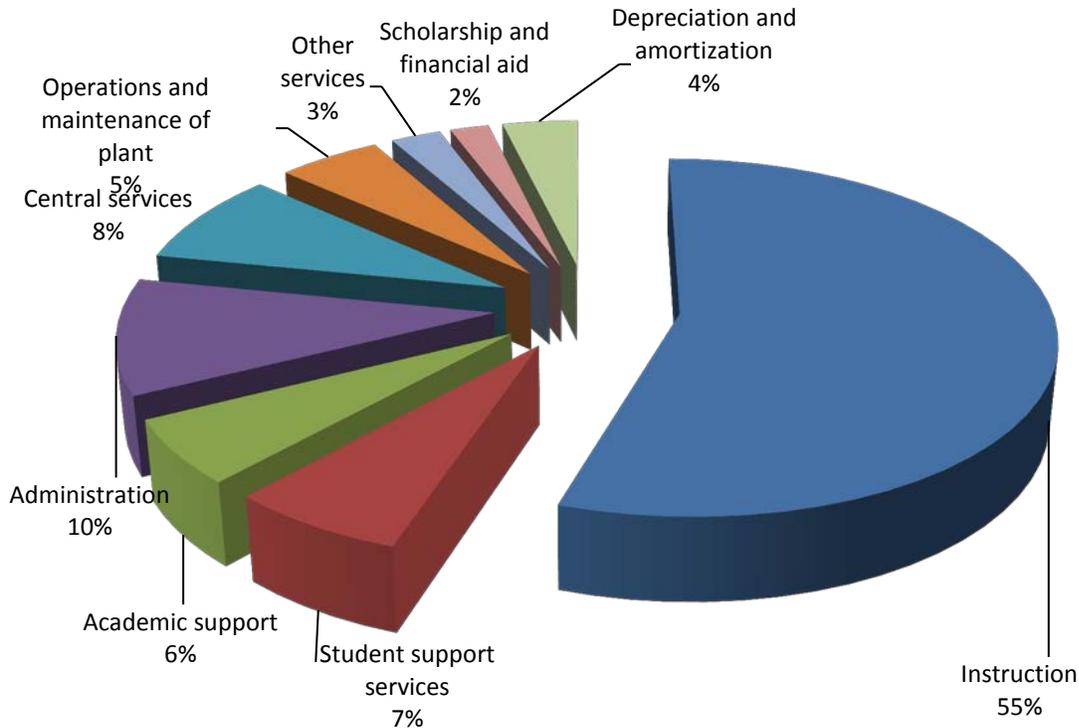
MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
 June 30, 2016 and 2015

Operating Expenses

Operating expenses are the ordinary and necessary costs associated with the day-to-day operation, maintenance, and management of the College. Operating expenses for the fiscal year ended June 30, 2016, consisted of the following:

Instruction	\$ 3,455,350
Student support services	418,180
Academic support	366,383
Administration	658,309
Central services	530,817
Operations and maintenance of plant	324,535
Other services	157,827
Scholarship and financial aid	121,770
Depreciation and amortization	236,550
Total	<u><u>\$ 6,269,721</u></u>

The following is a graphic illustration of operating expenses by category:



Non-Operating Revenues

The College has three sources of non-operating income; state aid, federal grants and investment income and losses. The State of Kansas provided state aid in the amount of \$2,337,634 which is two percent more than the previous year. Federal grants of \$113,119 consist entirely of Pell grant funds and SEOG awards net of allowances. Pell grants decreased approximately \$173,000 from the 2014-2015 fiscal year.

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
 June 30, 2016 and 2015

Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement also helps assess the College's ability to generate net cash flows and its ability to meet its obligations as they come due.

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Cash provided by (used in)			
Operating activities	\$ (2,030,774)	\$ (2,215,521)	\$ 184,747
Non-capital financing activities	2,450,753	2,577,305	(126,552)
Capital and related financing activities	(462,910)	(296,565)	(166,345)
Investing activities	5,714	3,628	2,086
Net Increase (Decrease) in Cash and Equivalents	\$ (37,217)	\$ 68,847	\$ (106,064)
Cash and Equivalents - Beginning of Year	695,173	626,326	68,847
Cash and Equivalents - End of Year	<u>\$ 657,956</u>	<u>\$ 695,173</u>	<u>\$ (37,217)</u>

Overall the College's year-end cash position decreased by \$37,217, or approximately 5%.

Economic Factors that Could Affect the Future

The College is largely dependent upon ongoing financial and political support from state government. The College's state appropriations and capital appropriations comprised over 38% of total revenues for FY 2016. This clearly indicates the economic position and future of the College is closely tied to that of the State of Kansas.

Economic conditions, recent changes in income tax laws and changes in priorities have affected both state revenues and funding for state agencies including institutions of higher education. Most postsecondary educational institutions, including technical colleges, received restored flat funding from the state during the fiscal year. The 2015-2016 postsecondary aid allocation of \$2,337,634 represents a two percent increase to restore the previous year decrease following four years of flat funding. Decreased or flat funding has been especially difficult due to the increased enrollment experienced over the last several years. During the 2009-2010 fiscal year, 479 full-time equivalent students were enrolled. During the 2015-2016 fiscal year, full-time equivalent students had increased to 596. This represents a 24% increase in student enrollment over the previous six years. This financial strain is not limited to the College, but rather, is being experienced by all two-year colleges in Kansas. The College allocation from the state was reduced four percent for the 2016-2017 fiscal year.

The implementation of a BioScience program has been an important part of the strategic plan for the College. Significant funds were invested in modular buildings and equipment for this emerging field. However, the delayed relocation of the National Bio-Agriculture Defense Facility (NBAF) delayed the expected growth of the program during its early years. During May 2015, the general contract for construction of the NBAF laboratory facility became official with full funding from government commitments through completion of the project. This action is expected to increase the College's enrollment in the program and related fields of study, as well as provide opportunities for development of ancillary support service programs.

Kansas Senate Bill No. 155 (SB155) was enacted into law effective July 1, 2012. This important piece of legislation is intended to promote technical education in the State of Kansas. The law requires that a statewide articulation agreement for career technical education be developed among high schools, community colleges and technical colleges. Colleges are prohibited from charging tuition to high school students enrolled in qualifying technical courses. However, the State does provide limited funding for qualified high school enrollments. During the current year, the College received \$330,000 in funding for high school students as a result of this legislation.

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2016 and 2015

Economic Factors that Could Affect the Future (Continued)

College management believes the College is positioned to maintain its current financial condition and continue to provide excellent service to its students and the community. Management will continue to maintain a close watch over its resources and expenses to ensure the College finances are sustainable, and that it can plan for and react to future internal and external opportunities.

Request for Information

These financial statements and discussions are designed to provide a general overview of the College's finances for all those with an interest in the entity's finances. Questions concerning any information provided in this report should be addressed to James Genandt, President, 3136 Dickens Avenue, Manhattan, Kansas 66503.

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
STATEMENTS OF NET POSITION
 June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 657,956	\$ 695,173
Student receivable - Net of allowance of \$87,212 and \$79,430 at June 30, 2016 and 2015, respectively	180,587	139,163
Other receivables	717	30,093
Due from (to) activity funds	3,606	643
Prepaid expenses and other assets	176,483	67,099
Total Current Assets	<u>\$ 1,019,349</u>	<u>\$ 932,171</u>
Non-Current Assets		
Property, plant, and equipment	\$ 5,635,552	\$ 5,213,942
Less: Accumulated depreciation	(2,698,300)	(2,461,750)
Total Non-Current Assets	<u>\$ 2,937,252</u>	<u>\$ 2,752,192</u>
TOTAL ASSETS	<u><u>\$ 3,956,601</u></u>	<u><u>\$ 3,684,363</u></u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 92,402	\$ 3,410
Payroll and other related liabilities	254,727	277,596
Deposits	40,115	18,800
Funds held for others - Activity funds	13,070	9,243
Notes payable - Current portion	140,615	148,846
Other liabilities	19,945	18,619
Total Current Liabilities	<u>\$ 560,874</u>	<u>\$ 476,514</u>
Non-Current Liabilities		
Notes payable - Non-current portion	<u>\$ 363,783</u>	<u>\$ 405,041</u>
Total Liabilities	<u>\$ 924,657</u>	<u>\$ 881,555</u>
Net Position		
Net investment in capital assets	\$ 2,432,854	\$ 2,198,305
Unrestricted	599,090	604,503
Total Net Position	<u>\$ 3,031,944</u>	<u>\$ 2,802,808</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 3,956,601</u></u>	<u><u>\$ 3,684,363</u></u>

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For the Years Ended June 30,

	2016	2015
OPERATING REVENUES		
Student tuition and fees - Net	\$ 2,486,092	\$ 2,368,774
Federal grants and contracts	626,198	492,222
State and local grants and contracts	678,962	489,611
Sales and services of educational departments	31,029	491,373
Other	231,609	97,787
Total Operating Revenues	\$ 4,053,890	\$ 3,939,767
OPERATING EXPENSES		
Salaries	\$ 3,667,190	\$ 3,601,127
Benefits	671,439	602,245
Contractual services	495,833	305,476
Supplies and other operating expenses	942,943	1,260,676
Utilities	86,876	99,395
Repairs and maintenance	47,120	33,660
Scholarship and financial aid	121,770	328,672
Depreciation and amortization	236,550	236,854
Total Operating Expenses	\$ 6,269,721	\$ 6,468,105
OPERATING INCOME (LOSS)	\$ (2,215,831)	\$ (2,528,338)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	\$ 2,337,634	\$ 2,290,881
Interest income	5,714	3,628
Federal grants	113,119	286,424
Interest expense	(11,500)	(11,899)
Total Non-Operating Revenues (Expenses)	\$ 2,444,967	\$ 2,569,034
CHANGE IN NET POSITION	\$ 229,136	\$ 40,696
NET POSITION - BEGINNING OF YEAR	2,802,808	2,762,112
NET POSITION - END OF YEAR	\$ 3,031,944	\$ 2,802,808

Financial Statements

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
STATEMENTS OF CASH FLOWS
 For the Years Ended June 30,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 3,100,242	\$ 2,347,858
Grants and contracts	678,962	1,018,634
Sales and services of educational activities	31,029	491,373
Other sources	235,425	88,773
Vendors, suppliers, and contractors	(1,593,164)	(1,620,257)
Employee salaries and benefits	(4,361,498)	(4,213,230)
Students for scholarships and financial aid	(121,770)	(328,672)
Net Cash Provided by (Used in) Operating Activities	\$ (2,030,774)	\$ (2,215,521)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	\$ 2,337,634	\$ 2,290,881
Federal grants	113,119	286,424
Net Cash Provided by (Used in) Non-Capital Financing Activities	\$ 2,450,753	\$ 2,577,305
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of property, plant, and equipment	\$ (421,610)	\$ (151,457)
Proceeds on sales of property, plant, and equipment	-	475
Principal on notes payable	(151,459)	(132,216)
Interest on notes payable	(12,181)	(13,367)
Proceeds on notes payable	122,340	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	\$ (462,910)	\$ (296,565)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	\$ 5,714	\$ 3,628
Net Cash Provided by (Used in) Capital and Related Financing Activities	\$ 5,714	\$ 3,628
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (37,217)	\$ 68,847
CASH - BEGINNING OF YEAR	695,173	626,326
CASH - END OF YEAR	\$ 657,956	\$ 695,173
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (2,215,831)	\$ (2,528,338)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation expense	236,550	236,854
(Gain) loss on disposal of assets	-	2,937
Principal forgiveness of economic development loan	(20,370)	(29,100)
Accrued interest expense	681	1,468
Changes in operating assets and liabilities		
Student receivable, net	(41,424)	(20,916)
Other receivable	29,376	36,801
Due from (to) activity funds	(2,963)	(718)
Prepaid expenses	(109,384)	150,293
Accounts payable	88,992	(71,343)
Payroll liabilities	(22,869)	(9,858)
Deposits	21,315	2,608
Funds held for others - Activity funds	3,827	3,090
Other liabilities	1,326	10,701
Net Cash Provided by (Used in) Operating Activities	\$ (2,030,774)	\$ (2,215,521)

Financial Statements

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016 and 2015

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Manhattan Area Technical College (the College) is a public technical college governed by an appointed board of directors under the governance plan approved of the Kansas Board of Regents on March 17, 2004. The College provides technical education serving a ten-county area of Northeast Kansas. Included in the range of programs are 14 full-time programs for which an applied science degree is awarded. In addition, the College offers short-term continuing education courses.

Reporting Entity

The Board of Directors has the authority to make decisions, appoint administration and managers, and significantly effect operations. It also has the primary accountability for fiscal matters. Therefore, the College is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) 14.

The Manhattan Area Technical College Foundation (the Foundation) is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the College for support of college programs. Although the College does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by or for the benefit of the College. Consequently, the Foundation is considered a component unit of the College.

Based on evaluation of the component unit, the financial information of the Foundation was not deemed necessary to include in the College's financial statements at June 30, 2016 and 2015. Accordingly, these financial statements present only the activities of the College.

Financial Statements

The financial statements are presented in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB 34 and 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows that replaces the fund-group perspective previously required.

Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The College has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The College has elected to not apply FASB pronouncements issued after the applicable date.

Cash and Cash Equivalents

The College considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents.

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2016 and 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable are recorded net of estimated uncollectible amounts. The allowance is calculated as 100% of the accounts receivable balance outstanding greater than 360 days, 40% of the balance that has been sent to the collection agency but less than 360 days outstanding and 10% of the remaining balance outstanding.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at date of gift. The College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 5 to 13 years for equipment, 5 years for vehicles and 3 years for software.

Compensated Absences

Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. The liability for compensated absences was \$61,953 and \$42,718 as of June 30, 2016 and 2015, respectively. These liabilities are reported as part of the balance of payroll and other related liabilities on the statement of financial position.

Net Position

Net Investment in Capital Assets

This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Unrestricted

Unrestricted net position represents resources derived from student fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the College, and may be used to meet current expenses for any lawful purposes and in accordance with board policy.

When an expense is incurred that can be paid using either restricted or unrestricted resources, expense allocation decisions are made on a program-by-program basis. The College does not have a policy regarding the preferred first usage of unrestricted or restricted net assets.

Income Taxes

The College, as a political subdivision of the state of Kansas, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2016 and 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Revenues

Operating Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most federal, state, and local grants and contracts and federal appropriations.

Non-Operating Revenues

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue resources that are defined as non-operating revenues by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third-parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or non-governmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a scholarship discount and allowance.

Bad Debt Estimates

Tuition and fees are reported net of any increases in allowance for bad debt.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through October 19, 2016, the date the financial statements are available for release.

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2016 and 2015

Note 2: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the College. The statute requires banks eligible to hold the College's funds have a main or branch bank in the county in which the College is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The College has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the College's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The College has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the College may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The College held no investments as of June 30, 2016 and 2015.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the state of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The College had no designated "peak periods." All deposits were legally secured at June 30, 2016 and 2015.

As of June 30, 2016, the College held deposits with a carrying balance of \$657,956 with a corresponding bank balance of \$1,001,780. Of the bank balance, \$250,000 was secured by FDIC insurance with the remaining \$751,780 secured by pledged securities with a fair market value of \$2,553,174.

As of June 30, 2015, the College held deposits with a carrying balance of \$695,173 with a corresponding bank balance of \$783,248. Of the bank balance, \$250,000 was secured by FDIC insurance with the remaining \$533,248 secured by pledged securities with a fair market value of \$1,941,918.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The College held no investments as of June 30, 2016 and 2015.

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2016 and 2015

Note 3: Accounts Receivable

Accounts receivable and unbilled charges consisted of the following at June 30, 2016:

Student receivable	\$ 267,799
Other receivable	717
Total Accounts Receivable	<u>\$ 268,516</u>
Less: Allowance for uncollectible student receivable	(87,212)
Total Accounts Receivable - Net	<u><u>\$ 181,304</u></u>

Accounts receivable and unbilled charges consisted of the following at June 30, 2015:

Student receivable	\$ 218,593
Other receivable	30,093
Total Accounts Receivable	<u>\$ 248,686</u>
Less: Allowance for uncollectible student receivable	(79,430)
Total Accounts Receivable - Net	<u><u>\$ 169,256</u></u>

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2016 and 2015

Note 4: Property, Plant, and Equipment

Following are the changes in property, plant, and equipment for the year ended June 30, 2016:

	<u>Balance at June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2016</u>
Property, Plant, and Equipment Not Being Depreciated				
Land	\$ 133,739	\$ -	\$ -	\$ 133,739
Other Property, Plant, and Equipment				
Buildings and improvements	\$ 2,902,288	\$ 197,618	\$ -	\$ 3,099,906
Furniture, fixtures, and equipment	1,380,761	81,753	-	1,462,514
Vehicles	451,150	19,899	-	471,049
Software and hardware	346,004	122,340	-	468,344
Total Other Property, Plant, and Equipment	<u>\$ 5,080,203</u>	<u>\$ 421,610</u>	<u>\$ -</u>	<u>\$ 5,501,813</u>
Less: Accumulated Depreciation				
Buildings and improvements	\$ 908,015	\$ 56,636	\$ -	\$ 964,651
Furniture, fixtures, and equipment	858,218	135,815	-	994,033
Vehicles	445,311	5,366	-	450,677
Software and hardware	250,206	38,733	-	288,939
Total Accumulated Depreciation	<u>\$ 2,461,750</u>	<u>\$ 236,550</u>	<u>\$ -</u>	<u>\$ 2,698,300</u>
Other Property, Plant, and Equipment - Net of Accumulated Depreciation	<u>\$ 2,618,453</u>	<u>\$ 185,060</u>	<u>\$ -</u>	<u>\$ 2,803,513</u>
PROPERTY, PLANT, AND EQUIPMENT - NET	<u>\$ 2,752,192</u>	<u>\$ 185,060</u>	<u>\$ -</u>	<u>\$ 2,937,252</u>

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2016 and 2015

Note 4: Property, Plant, and Equipment (Continued)

Following are the changes in property, plant, and equipment for the year ended June 30, 2015:

	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2015</u>
Property, Plant, and Equipment Not Being Depreciated				
Land	\$ 128,517	\$ 63,265	\$ (58,043)	\$ 133,739
Other Property, Plant, and Equipment				
Buildings and improvements	\$ 2,833,692	\$ 68,596	\$ -	\$ 2,902,288
Furniture, fixtures, and equipment	1,310,307	77,639	(7,185)	1,380,761
Vehicles	451,150	-	-	451,150
Software and hardware	346,004	-	-	346,004
Total Other Property, Plant, and Equipment	<u>\$ 4,941,153</u>	<u>\$ 146,235</u>	<u>\$ (7,185)</u>	<u>\$ 5,080,203</u>
Less: Accumulated Depreciation				
Buildings and improvements	\$ 850,589	\$ 57,426	\$ -	\$ 908,015
Furniture, fixtures, and equipment	735,173	126,818	(3,773)	858,218
Vehicles	435,873	9,438	-	445,311
Software and hardware	207,034	43,172	-	250,206
Total Accumulated Depreciation	<u>\$ 2,228,669</u>	<u>\$ 236,854</u>	<u>\$ (3,773)</u>	<u>\$ 2,461,750</u>
Other Property, Plant, and Equipment - Net of Accumulated Depreciation	<u>\$ 2,712,484</u>	<u>\$ (90,619)</u>	<u>\$ (3,412)</u>	<u>\$ 2,618,453</u>
PROPERTY, PLANT, AND EQUIPMENT - NET	<u>\$ 2,841,001</u>	<u>\$ (27,354)</u>	<u>\$ (61,455)</u>	<u>\$ 2,752,192</u>

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2016 and 2015

Note 5: Notes Payable and Related Deferred Revenue

Changes in notes payable and related deferred revenue for the College for the year ended June 30, 2016 were as follows:

<u>Creditor</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance at End of Year</u>	<u>Interest Paid In 2016</u>
Kansas Board of Regents	PEI Infrastructure	0.00%	03/31/08	\$ 107,511	12/01/15	\$ 50,677	\$ -	\$ 50,677	\$ -	\$ -
Landmark National Bank	HVAC for main building	4.10%	12/13/05	457,932	12/13/20	218,867	-	32,381	186,486	9,095
City of Manhattan - Forgivable	Modular units and buildings	0.00%	09/21/10	291,000	07/01/21	174,600	-	29,100	145,500	-
City of Manhattan - Conventional	Parking lot construction	0.00%	09/21/10	75,000	07/01/16	21,500	-	10,700	10,800	-
Commerce Bank	Avamar backup system	2.26%	10/25/13	129,936	10/25/18	88,243	-	25,779	62,464	1,716
Commerce Bank	Data center equipment	2.09%	11/13/15	122,340	11/13/18	-	122,340	23,192	99,148	1,370
TOTAL NOTES PAYABLE						<u>\$ 553,887</u>	<u>\$ 122,340</u>	<u>\$ 171,829</u>	<u>\$ 504,398</u>	<u>\$ 12,181</u>

Changes in notes payable and related deferred revenue for the College for the year ended June 30, 2015 were as follows:

<u>Creditor</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance at End of Year</u>	<u>Interest Paid In 2015</u>
Kansas Board of Regents	PEI Infrastructure	3.25%	03/31/08	\$ 107,511	12/01/15	\$ 101,354	\$ -	\$ 50,677	\$ 50,677	\$ 1,536
Landmark National Bank	HVAC for main building	4.10%	12/13/05	457,932	12/13/20	249,952	-	31,085	218,867	9,527
City of Manhattan - Forgivable	Modular units and buildings	0.00%	09/21/10	291,000	07/01/21	218,250	-	43,650	174,600	-
City of Manhattan - Conventional	Parking lot construction	0.00%	09/21/10	75,000	07/01/16	32,200	-	10,700	21,500	-
Commerce Bank	Avamar backup system	2.26%	10/25/13	129,936	10/25/18	113,447	-	25,204	88,243	2,304
TOTAL NOTES PAYABLE						<u>\$ 715,203</u>	<u>\$ -</u>	<u>\$ 161,316</u>	<u>\$ 553,887</u>	<u>\$ 13,367</u>

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2016 and 2015

Note 5: Notes Payable and Related Deferred Revenue (Continued)

Debt service for notes payable in future years through maturity are as follows:

PRINCIPAL	2017	2018	2019	2020	2021	Total
Note Payable						
Landmark National Bank	\$ 33,926	\$ 35,317	\$ 36,765	\$ 38,273	\$ 42,205	\$ 186,486
City of Manhattan - Forgivable	29,100	29,100	29,100	29,100	29,100	145,500
City of Manhattan - Conventional	10,800	-	-	-	-	10,800
Commerce Bank - Avamar Backup System	26,368	29,245	6,851	-	-	62,464
Commerce Bank - Data Center Equipment	40,421	41,274	17,453	-	-	99,148
TOTAL PRINCIPAL	\$ 140,615	\$ 134,936	\$ 90,169	\$ 67,373	\$ 71,305	\$ 504,398
INTEREST						
Note Payable						
Landmark National Bank	\$ 7,549	\$ 6,158	\$ 4,710	\$ 3,203	\$ 1,633	\$ 23,253
Commerce Bank - Avamar Backup System	1,140	555	26	-	-	1,721
Commerce Bank - Data Center Equipment	1,686	834	91	-	-	2,611
TOTAL INTEREST	\$ 10,375	\$ 7,547	\$ 4,827	\$ 3,203	\$ 1,633	\$ 27,585
TOTAL PRINCIPAL AND INTEREST	\$ 150,990	\$ 142,483	\$ 94,996	\$ 70,576	\$ 72,938	\$ 531,983

For 2016, the only change to the required debt service schedule as listed above is the inclusion of the Commerce Bank - Data Center Equipment note. The required debt service levels for each of the other notes payable is unchanged from the presentation in the previously issued 2015 financial statements of the College.

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2016 and 2015

Note 6: Defined Benefit Pension Plan

Plan Description

The College participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publically available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

Net Pension Liability

The most recent two years of data for the net pension liability of the KPERs plan are as of June 30, 2015 and 2014 and were rolled forward to that date from the previous December 31. As of June 30, 2015 the net pension liability for KPERs was \$8,978,950,317 of which the College was allocated \$5,028,612. As of June 30, 2014, the net pension liability for KPERs was \$8,291,794,910 of which the College was allocated \$4,721,115.

As per the terms of the funding agreement between the Kansas Board of Regents (KBOR) and the College, KBOR is responsible for funding the net pension liability related to the College's employees. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERs collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 7: State Appropriations

State funds for the Kansas state education institutions are appropriated to the Kansas Board of Regents (the Board). The Board allocates funds budgeted for technical colleges. Appropriations are recognized as revenue when received and available. Amounts that are not expensed by fiscal year-end do not have to be returned.

Note 8: Early Retirement Payments

Former employees of the College that retired under a negotiated agreement are awarded an annual stipend equal to 10% of the last annual contracted salary not including summer school, overload, or hourly assignments. In addition to the retirement stipend, the retiree will continue to be provided with single health insurance coverage at no cost. For the years ended June 30, 2016 and 2015, the College paid \$2,580 and \$7,488, respectively, for these early retirement benefits.

Note 9: Advertising Expense

Advertising is expensed when incurred. Advertising expense at June 30, 2016 and 2015 was \$31,277 and \$12,313, respectively.

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2016 and 2015

Note 10: Activity Funds

The following are the cash balances for each activity fund for 2016 and 2015:

	Balance at June 30, 2016	Balance at June 30, 2015
MATC 650	\$ 1,229	\$ (175)
Student Government Organization	2,394	2,002
Air Conditioning Club	635	475
Electric Power Club	3,443	3,368
Building Trades Club	984	984
Welding Club	418	398
Auto Collision Club	781	781
Skills USA	732	158
Phi Theta Kappa	2,454	1,252
TOTAL ACTIVITY FUNDS	\$ 13,070	\$ 9,243

Note 11: Tuition and Fees

Student tuition and fees consisted of the following for the years ended June 30,:

	2016	2015
Student tuition and fees	\$ 2,493,874	\$ 2,386,314
Less: Increase in bad debt estimate	(7,782)	(17,540)
TOTAL TUITION AND FEES - NET	\$ 2,486,092	\$ 2,368,774

Note 12: Federal Stafford Loans

The College receives Federal Stafford Loan funds on behalf of students to pay for tuition and fees. All funds received are disbursed during the fiscal year. Federal Stafford Loan funds received and disbursed for the years ended June 30, 2016 and 2015 were \$2,174,023 and \$2,666,135, respectively.

Note 13: Related Party Transactions

During 2016, the Foundation was awarded a \$150,000 grant by Delta Dental of Kansas for the purpose of expanding the dental hygiene program facility. The Foundation passed this grant through to the College which used the funds in accordance with the grant agreement.

Note 14: Purchase Commitment and Insurance Claim

The College was made aware that a house constructed by the building trades program may have structural defects. In response, the College (1) signed an agreement in August of 2016 to purchase the home back from the homeowner for \$286,272 and (2) has filed a claim with its insurance company to remediate the costs of correcting the defects.

Upon filing the claim, the insurance company contracted an engineer to perform an assessment of the defects and to determine the cause thereof. As of October 19, 2016, the engineer's report is in process and the financial results of the claim are not readily determinable.



October 19, 2016

Board of Directors
Manhattan Area Technical College
Manhattan, Kansas

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities of Manhattan Area Technical College (the College), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 19, 2016.

Internal Control over Financial Reporting

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

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

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

October 19, 2016
Manhattan Area Technical College
(Continued)

Compliance and Other Matters

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

Purpose of this Report

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

Vannoy & Associates, CPAs, LLC

Certified Public Accountants



October 19, 2016

Board of Directors
Manhattan Area Technical College
Manhattan, Kansas

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control Over
Compliance In Accordance With the Uniform Guidance**

Report on Compliance for Each Major Federal Program

We have audited the compliance of Manhattan Area Technical College's (the College) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2016. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

Opinion on Each Major Federal Program

In our opinion, Manhattan Area Technical College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Independent Auditor's Report

Report on Internal Control Over Compliance

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

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

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

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

Vannoy & Associates, CPAs, LLC

Certified Public Accountants

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:
 Material weaknesses identified? Yes None
 Significant deficiencies identified not considered
 to be material weaknesses? Yes None reported
 Noncompliance material to financial statements noted? Yes None

Federal Awards

Internal controls over major programs:
 Material weaknesses identified? Yes No
 Significant deficiencies identified not considered
 to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for
 major programs: Unqualified

Any audit findings disclosed that are required to be
 reported in accordance with Title 2 U.S. Code of
 Federal Regulations (CFR) Part 200.516(a) Yes No

Identification of major programs:

Name of Federal Program	CFDA Number
Student Financial Aid Cluster	84.XXX

Dollar threshold used to distinguish between Type A
 and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.

Supplemental Information

MANHATTAN AREA TECHNICAL COLLEGE
 Manhattan, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Department of Education				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant				
	84.007	N/A	\$ 22,741	\$ -
	84.033	N/A	15,979	-
	84.063	N/A	1,026,838	-
	84.268	N/A	2,174,023	-
			<u>* \$ 3,239,581</u>	<u>\$ -</u>
Passed through Kansas Board of Regents Career and Technical Education - Formula Grants				
	84.048	MATC	<u>\$ 209,422</u>	<u>\$ -</u>
			<u><u>\$ 3,449,003</u></u>	<u><u>\$ -</u></u>

* Major Program

Note 1: Basis of Accounting

The balances reported above are presented on the cash basis of accounting by which expenditures are reported only when cash is disbursed in accordance with the requirements of the grant program.

Note 2: Non-Cash Federal Assistance

The College did not receive any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2016.

Note 3: Indirect Cost Rate

The College has not elected to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414 for reporting costs charged to federal award programs.

Note 4: Subrecipient Expenditures

The College did not pass through federal awards to subrecipients during 2016.

Supplemental Information

MANHATTAN AREA TECHNICAL COLLEGE
Manhattan, Kansas
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2016

There were no audit findings for the prior year ended June 30, 2015.

Supplemental Information



Mike Solida, Business Manager
Westar Energy

October 21, 2016

Mr. Solida,

On behalf of the Board of Directors of Manhattan Area Technical College, I am providing this letter of support for the substation project to be located on the west side of Manhattan. I can vouch that this project has been designed to cast a wide net of benefit for the residents of the city, for USD 383, and for Manhattan Area Technical College.

For the community, I know the project is designed to enhance stability and capacity of electrical power, improve efficiency of operations for Westar by using newer and more effective technologies, and to allow for growth options already impacting the city. Specifically, for Manhattan Area Technical College, the project brings benefit in several aspects:

- There is a direct educational benefit to the College and its Electrical Power & Distribution (EPD) program. This program trains students for excellent career opportunities in energy, emphasizing electrical lineman options. Our data indicates that by their 4th year of employment the average annual salary of these workers exceeds \$75,000 per year, thus offering a good high-skilled, high-paying occupation, more taxpayers for our public economies, and a stable pool of workers for a much needed career track that often safeguards our homes and communities. The substation will be a value-added “tool” for this program increasing the students’ learning objectives due to the substation’s location on campus.
- Manhattan Area Technical College will also receive benefit from resources due to the transaction of the project. These resources are critical for the College as the institution has no taxing authority and its only traditional revenue resources are a decreasing allocation from the state and tuition/fee payments from students. The resources received for this project will allow the College to enhance facilities and equipment for many programs, including EPD.
- The land being proposed for the substation use is an area of the campus that the College could not afford to develop for facility use due to its slope.
- Finally, Manhattan Area Technical College considers this project an example of how businesses and the institution can work together to meet critical objectives of workforce training, resource development, and advancing business capacities that benefit the city and region.

Thank you for working with the College to develop and advocate for this project.

A handwritten signature in black ink, appearing to read "James D. Genandt", with a long horizontal flourish extending to the right.

James D. Genandt, President/CEO

October 25, 2016

To: MATC Board of Directors
From: Keith Zachariasen, Vice President of Administrative Services
Re: Recommendation – Optional Life Insurance Benefit

Background Information

Manhattan Area Technical College employs 69 personnel in permanent positions and 35 personnel in temporary/adjunct positions. The College provides a comprehensive benefit package, including health insurance, life insurance, vacation/sick/personal leave/holiday paid time off, dental, vision, flexible spending accounts and a 403b retirement program. In addition, permanent College employees are required to participate in the KPERS retirement program.

Current and Future Considerations

The College regularly reviews the employee benefit offerings to ensure a comprehensive package is provided. Costs associated with the benefits, both from the employee and College perspective, are a key consideration when determining which benefits to offer.

Fiscal Implications

KPERS administers an Optional Group Life Insurance program for KPERS organizations that elect to affiliate for this benefit offering. The premium cost is paid 100 percent by the employee electing this benefit through the payroll deduction process. A Board resolution is required as part of the application to affiliate by December 1, 2016. Employee enrollment would occur during April 2017 with coverage effective on July 1, 2017.

Recommendation

Administration respectfully requests the Board adopt a resolution to affiliate and approve this new Optional Group Life Insurance benefit for employee insurance coverage to be effective July 1, 2017.



INTERNAL MONITORING REPORT
BUDGETING/FINANCIAL PLANNING/FORECASTING
OCTOBER 2016

I hereby present my monitoring report on your Executive Limitations policy “Budgeting/Financial Planning/Forecasting” according to the annual schedule of reports. I certify that the information contained in this report is true.

BROADEST POLICY PROVISION:

Budgeting shall not deviate significantly from Board ends priorities, or risk financial jeopardy.

Accordingly, the President shall not cause or allow budgeting which:

1. Contains too little information to enable accurate financial planning projections;

The Board receives quarterly financial updates and monthly expenditure reports detailing institutional bills and has access to all financial data used by the College.

2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period;

The MATC operating budget is compiled by adding Tiered and Non-tiered State Post-secondary aid, Perkins funds, and Capital Outlay funds identified by the Kansas Board of Regents. In addition, the institution applies for and receives various private, state, and federal grants annually. The remainder of the budget comes from projection of revenue obtained through student tuition and fees based on the prior year’s enrollment. These sources of revenue, combined with several other estimated sources, provide the basis for the annual budget. In order to provide for the welfare of the institution, the budget is developed by estimating revenues slightly lower than expected and expenses slightly higher than expected.

3. Does not provide a prioritized menu of Capital Outlay Funds;

The use of the Capital Outlay funds is determined by several factors. First, the amount of funds received by the College must be matched 2:1 from other institutional funds. During fiscal year 2017, MATC will receive \$142,770 in Capital Outlay funds to use toward the areas identified above. The College is required to match a minimum of \$71,385. Secondly, the use of the funds is determined by the program and College needs as identified through internal self-study of the programs, the facilities, and the mission. MATC will continue to pursue funds from contributors to enhance programs on campus and to create additional instructional space for future growth.

4. Does not provide the annual operating funds for Board prerogatives, such as costs of fiscal audit, Board development, Board and committee meetings, and Board professional fees.

The MATC BOD projected total budget for 2016 - 2017 is

- Financial statement audit - \$8,000
- Legal fees - \$5,000
- Board development - \$2,000

The operating budget includes appropriations for the annual financial statement audit, legal and professional fees and miscellaneous Board related expenditures.

5. CEO's INTERPRETATION:

I report that none of the limitations listed above have been compromised or deviated from during my tenure. I therefore report compliance.



Signed _____ President/CEO
James Genandt

Date October 25, 2016

Title III - Project AIMS: Accessible Instructional Modalities and Services

Component A: Expanding Access to Certificate, Degree, and Transfer Options

- Convert/Revise courses in Accounting, CyberSecurity/INT, Biotechnology
- Broaden access to General Education and key electives for Associate's Degrees
- Annual professional development in best practices, strategies, tools for online/hybrid instruction
- Teaching/Learning Center (TLC) faculty studio with tools to support course conversions/revisions

Year 1 (2016-2017)

Renovate/Establish TLC faculty studio

Convert 11 Accounting certificate/core AAS courses and 1 General Education Course

Component B: Developing Comprehensive and Accessible Student Services

- New Tutoring System with face-to-face and online options; Tutoring space in TLC
- Comprehensive Advising System, delivered through both face-to-face and online modalities
- Online Degree Audit, Early Academic Alert/Referral

Year 1 (2016-2017)

Renovate/Establish TLC tutoring space

Develop Tutoring System (face-to-face, online)

Technology Infrastructure to support comprehensive course conversion/revision and student services:

- New Learning Management System (Canvas)
- Increased bandwidth (from 70 mbs to 100 mbs)
- Increased Storage/Server capacity
- Wireless access points

Year 1 Budget (2016-2017)

Personnel and Travel	\$	198,444	44%
Equipment and Supplies	\$	118,546	26%
Renovation	\$	66,180	15%
Contractual - Design, Evaluation, LMS	\$	66,816	15%
Total Budget - Year 1	\$	449,986	

President's Report/College Progress October, 2016

Here is a summary of key information since our last meeting and report:

Owner Expectations:

- I attended the USD 383 board meeting on September 21 and summarized the value of the Westar proposal for MATC. That board subsequently approved the proposal at their October 5 meeting.
- I attended the meeting of technical college presidents in Topeka on Oct. 22, and then had the chance to give an overview of MATC to the Technical Education Authority (TEA) of the Kansas Board of Regents later that day.
- I had a phone conference call on September 29 with Matt Schwab regarding the Ft. Riley Economic Impact Study. We discussed how MATC can work with military members and their families to provide short- and long-term educational and training needs. We also discussed how to make the civilian workforce at the installation more aware of our opportunities.
- Dawn Krause successfully submitted our grant proposal to the National Science Foundation for our Critical Environmental Engineering Technology project, and with her assistance, we have had several Title III meetings to move that project forward to meet the Year One goals and objectives.
- I met with our auditor for the required session to get an overview of their review and to discuss any issues that should be part of their report to the Board and our stakeholders.
- I participated in a meeting October 10 hosted by the Manhattan Chamber of Commerce about makerspace options and ideas for the community.
- I attended the MHS site council meeting on October 10.
- Justin Meuli, Marilyn Mahan, two of our EPD students, and I attended the City Commission meeting on October 11 to receive a proclamation for Energy Education Week.
- We have created a process improvement team (PIT CREW) with staff to review and support continuous improvement related to processes and procedures, with subsequent policy revisions, to enhance institutional effectiveness and efficiency. Carmela Jacobs and Josh Gfeller are leading the group, and members will change depending on the topic under review.
- We have been selected as a site for the installation of a set of the *You Are Here: Flint Hills Map & Education Program* funded through the Flint Hills Discovery Center Foundation.
- I did my regular interview with KMAN (October 19).

Employer Needs and Response:

- I visited the EPD lab near Keats while they had their line school going on with other colleges and several power companies in attendance. Hot weather, but the company representatives I visited with were very complimentary about the strength of our EPD program and the education our students receive to simulate real-world situations.
- Barb Wenger and I, in collaboration with David Alexander of KBS, attended the International Institute for Sustainable Laboratories (I2SL) in Kansas City September 26-28. With KBS, we had a booth in the exhibit area and were able to meet and discuss our critical environment and biotechnology programs with many employers (and potential customers of training). We are actively following up with several of the companies as we move forward with these programs.
- Tracy and I met with Dennis Beson of the Junction City Chamber of Commerce and Allen Dinkel (City Manager) to discuss workforce training needs to meet economic development objectives of that community, and options on facilities and local support.

- I met with Mike Dodson, Gary LaGrange, David Alexander, and Steve Spade concerning Mr. LaGrange's SAVE project for military personnel and training in agriculture and related needs on October 4. We are pursuing ideas of collaboration, primarily related to welding.
- MATC hosted a successful Business After Hours on October 12, co-sponsored and co-hosted by KBS. Thanks to Tracy for making it a great environment. Many faculty and staff provided support and hospitality for the event. Thanks to all the board members and foundation trustees who could attend. It was great networking and is always good to get community folks on campus to see what we do and what we need help with so we can do more.
- KSU Entrepreneurship has reached out to us to have some discussions on collaboration to extend opportunities to our students.
- I will be visiting with the Manhattan Inventors Club and with members of The Fellows about projects and goals MATC has that relate to their organizations.
- I visited extensively with Steve Black of CRB (Kansas City). Mr. Black chaired the I2SL conference recently held in Kansas City, and is very interested in our work in bioscience and critical environment training. He will be coming to Manhattan for a visit and to provide his insights into facility design for training needs as well as potential business clients and potential supporters of the project.

Resource Development:

- I have worked with staff from Westar several times since our last meeting to continue to advance the substation proposal as well as to get their assistance with power issues related to the new modular units coming to campus. I also attended the Westar merger meeting on October 14 in Manhattan. MATC hosted the neighborhood meeting on Oct. 18 for Westar concerning the substation expansion project. 5 area neighbors came to the meeting and visited with Westar representatives. I answered questions about what MATC is doing to advance our mission. The USD 383 Superintendent and Assistant Superintendent also attended the session for a while.
- Tracy and I have participated in several meetings and calls with staff of Opportunity Funding as we work to complete the Feasibility Study. KBS has also provided assistance with names and helping arrange connections for this project.
- With the assistance of KBS, I have met with representatives of CBIZ from Kansas City. This agency helps with business expansion and relocation by assisting with incentive negotiations and agreement management. We made them aware of our work with biotechnology, biosafety, and critical environment technology because of the significance of that sector through the I-70 corridor.
- MATC and our critical environment project has been invited to provide the program for the Kansas City chapter of the I2SL group on November 10 at CRB in KC. This is a direct result of our presence at the I2SL conference in Kansas City in late September.