

**City of Manchester, Missouri**

**Comprehensive Annual Financial Report**

**For the year ended December 31, 2016**

Report Prepared and Submitted by the Finance Department



**City of Manchester, Missouri**  
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**For the year ended December 31, 2016**

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## **Introductory Section**



City of Manchester  
14318 Manchester Road  
Manchester, Missouri 63011  
(636) 227-1385

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May 5, 2017

The Honorable Mayor Willson, Board of Aldermen and Citizens of Manchester:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Stopp & VanHoy, CPAs and Business Advisors, LLC, have issued an unmodified (“clean”) opinion on the Manchester financial statements for the year ended December 31, 2016. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provided a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Community Profile**

The City of Manchester is located in western St. Louis County approximately 15 miles west of the City of St. Louis. The City is within a Metropolitan Statistical Area (MSA) that, at the time of the 2010 census, was comprised of the City of St. Louis and St. Louis County, and parts of the counties of St. Charles, Franklin, and Jefferson in Missouri and parts of the counties of Jersey, Madison, St. Clair, Clinton, and Monroe in Illinois. The MSA now also includes portions of Lincoln and Warren counties in Missouri.

The community known as Manchester is over 200 years old and was incorporated as a Village in 1950. The City was reincorporated as a fourth class City in 1959. When incorporated, the City encompassed two square miles. As a result of several annexations, the City of Manchester now encompasses approximately five square miles. Major annexations occurred in 1997 and in 1999. The 1997 annexation increased the City’s population by an estimated 3,309 residents and the 1999 annexation by an estimated 8,813 residents. As a result of these annexations and normal growth, the current population as of the 2010 census is 18,094.

The City is divided into three wards, with two aldermen elected to represent each ward. Each alderman serves a two-year term, one half of which expires annually. The Mayor, elected at large to serve a two-year term, is the presiding officer of the Board of Aldermen.

The office of City Administrator/Clerk was established by ordinance in March 1974 in accordance with Section 77.042 of the Statutes of the State of Missouri. The Mayor, with the advice and consent of the Board of Aldermen, appoints the City Administrator. The City Administrator serves as the chief assistant to the Mayor and is responsible for the daily management of the City's activities and staff.

Of particular historic significance in the community is The Lyceum, which was constructed in 1894. During its life, the building has been utilized for many business purposes, including the following: a tin shop, an auditorium used for a variety of community purposes, a hardware store and produce shop, a soda fountain, a postal facility, and a gasoline filling station. In 1977, the Lyceum was restored as office space. The City of Manchester purchased the building in 1979 as the location of its City Hall. Because of the structure's historical significance to the community, the City of Manchester has incorporated The Lyceum into its logo.

The City's progressive outlook coupled with its appreciation of its historical heritage is in keeping with the City's motto, "A Proud Past, A Bright Future."

### **Community Services**

City services and functions are divided into the following departments: Administration, Finance, Police, Aquatic Center, Parks and Recreation, Public Works, Planning & Zoning, and Legal/Municipal Court. These services are provided by 74 full-time, 5 part-time employees, and approximately 60 seasonal employees.

Storm water drainage and sewage collection and disposal within the City are provided by the Metropolitan St. Louis Sewer District, a separate taxing authority. Natural gas is provided by Laclede Gas Company and electricity is provided by AmerenUE. Water is provided by Missouri-American Water Company.

Telecommunication services are provided by Southwestern Bell Telephone Company, a subsidiary of AT&T. The City receives all St. Louis radio stations and television channels. Local newspapers include the St. Louis Post-Dispatch, the Suburban Journal, the West County Newsmagazine, and the St. Louis Countian. The City receives cable television services from Charter Communications.

Two fire protection districts serve the City of Manchester. West County EMS and Fire Protection District serves the majority of the City, with the remainder being served by the Valley Park Fire Protection District. These districts are independent of the City, having their own officials, budgets, and powers of taxation.

### **Education**

Primary and secondary education within the City is provided by the Parkway School District, with a small portion of the City being served by the Valley Park School District. These districts are independent of the City, having their own elected or appointed officials, budgets, and administrators. The districts are empowered to levy taxes, separate and distinct from those levied by the City.

Higher education is provided by the St. Louis Community College District, which is part of the tax supported Missouri junior college system. The College operates four campuses, with the nearest campus to Manchester being in the City of Kirkwood, approximately three miles from the Manchester corporate limits. In addition to the Community College District, there are numerous other institutions of higher education in the St. Louis metropolitan area. These include St. Louis University, Washington University, the University of Missouri—St. Louis, Maryville University, and Missouri Baptist College.

## **Recreation and Cultural Facilities**

The City owns six parks and two as yet undeveloped parcels encompassing 63 acres. The largest is Paul A. Schroeder Park, with a land area of 44 acres. Facilities at this park include the departmental office for the parks and recreation department, aquatic center, tennis courts, ball diamonds, nature path, playground, soccer field, disc golf course, and picnic pavilions. The City's other four parks offer pavilions, picnic sites, and playgrounds.

Manchester residents are also within easy commuting distance of the numerous St. Louis City and St. Louis County attractions. These attractions include the St. Louis Zoological Park, the Missouri Botanical Garden, and the St. Louis Symphony.

## **Commerce, Industry, and Employment**

The City of Manchester is a suburban residential community with an economic base represented primarily by commercial and service businesses. Commercial enterprises are concentrated along Manchester Road, which is the City's major thoroughfare. There are approximately 270 businesses in the City.

The majority of businesses in Manchester are commercial enterprises with less than 50 employees. A list of the largest employers located within the City is found in the statistical section.

## **Major Initiatives**

In November, 2002, City residents approved Proposition P, authorizing the City to issue \$6.5 million general obligation bonds to finance the land acquisition, design and construction of a new centralized Police facility with public meeting Space. These bonds were structured so that retirement of the bonds would be serviced through a dedicated property tax over a period of twenty years. In April 2003, the bonds were issued. The dedicated property tax was levied for the 2003 year, and collected beginning in November 2003, with bond repayments beginning in 2004. Construction of the Police facility was completed in 2009 and the facility was placed in service. In 2012, the outstanding bonds were refinanced with a more favorable interest rate. The final retirement payment is expected to be in 2018, six years ahead of the original schedule.

In 2004 the City determined that it may be in the community's best interest to consider redevelopment of a particular area of the City. A tax increment financing (TIF) district was established. A commercial district now known as the Manchester Highlands was established and constructed at the northeast corner of Manchester Road and Highway 141. It is now the home of a thriving shopping center which includes Walmart, Costco, Best Buy, and several other retail establishments. The terms of the TIF redevelopment agreement call for a portion of the sales tax and property taxes raised within that area be used for the debt service on the bonds issued to finance the development.

Manchester Arts began in 2012 with a grass-roots effort from Manchester residents interested in promoting the Arts in the Manchester Area. A new City Fund was established in 2013 with a transfer from the General Fund of \$10,000 to support the initial activities of the Manchester Arts Council. In 2016, the City transferred \$21,000 from the General Fund to Manchester Arts.

## **Financial Information**

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of government are protected from loss, theft, or misuse. Management is also responsible for ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control

should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues, and expenditures or expenses. The various funds are grouped by type in the general purpose financial statements. Accounting records for the City’s general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when measurable and available, and expenditures being recorded when the liability is incurred.

Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Aldermen. Activities of the General Fund and Special Revenue Funds are included in the appropriated budget. The level of budgetary control is at the fund level.

**Summary Financial Results**

The City’s financial activities for fiscal year 2016 were accounted for through seven governmental funds. The General Fund supports the day-to-day activities of the City, such as police protection, street and park maintenance, and general administration of the City; all operational revenues and expenditures are accounted for in the General Fund. The Capital Projects Fund was established to track activity related to the one-half cent capital improvement sales tax. The Park & Storm Water Fund accounts for the one-half cent sales tax levied for the construction on the Aquatic Center and storm water projects. The Tax Increment Financing (TIF) Fund was established in 2004 in order to insure a full accounting of all TIF related activities. The Debt Service Fund recognizes the dedicated property tax levy to retire the general obligation bond debt, along with the respective bond re-payments. The Sewer Lateral Fund accounts for revenues generated from the \$28 annual household assessment and for projects financed through this program. The Manchester Arts Fund accounts for revenues and expenditures related to the activities of the Manchester Art Council. In compliance with promulgations by the *Governmental Accounting Standards Board* each of these first five funds are presented discreetly in the financial statements. Due to the non-major impact of the remaining two funds, they have been consolidated in the financial reports, but are hereby itemized for the edification of the reader.

**Changes in Fund Balances**

Fund	Fund Balance		Operating Transfers		Fund Balance
	December 31, 2015	Revenues	Expenditures	In (Out)	
General Fund	\$ 2,601,356	\$ 8,727,011	\$ 8,794,313	\$ (27,292)	\$ 2,506,762
Park & Storm	2,771,661	1,593,480	744,633	-	3,620,508
Capital Fund	111,603	1,617,420	1,260,981	(300,000)	168,042
Debt Service	785,879	629,935	569,265	-	846,549
TIF Fund	8,634,284	6,295,206	6,501,497	306,292	8,734,285
Sewer	404,341	196,768	314,090	-	287,019
Manchester Arts	2,519	6,644	22,724	21,000	7,439

The total General Fund balance as of December 31, 2016 was \$2,506,762. This is a decrease of \$(94,594) from the prior year balance. The City recognizes the need for a fund balance that can adequately absorb any economic downturn to avoid changes and reductions in service levels. The Board of Aldermen is committed to maintaining a fund balance of at least 20 percent of expenditures for the General Fund. The December 31, 2016 year end fund balance equals approximately 28.5 percent of actual 2016 expenditures.

The Capital Projects Fund ended the year with a fund balance of \$168,042. Revenues are primarily proceeds of the Capital Sales Tax. Expenditures are the purchase or construction of municipal buildings, vehicles, equipment, and infrastructure.

Revenue of the Park and Storm Water Projects Fund are proceeds of the Park and Storm Water Tax. Expenditures are the purchase or construction of Municipal Park buildings, vehicles and equipment and the construction of storm water channels throughout the City. At the end of the year, the fund balance was \$3,620,508.

The Debt Service Fund was established in FY 2003 as a result of the passage of Proposition P on November 5, 2002. The Debt Service Fund is used to account for revenues from the dedicated property tax levied to pay for the \$6.5 million in general obligation bonds issued for the design and construction of a new police facility. Fund expenditures include the principal and interest payments on the bonds.

In August 2002, the residents of the City approved the passage of an annual property assessment to support the Sanitary Sewer Repair Fund. This restricted revenue source required the creation of a fund to track the proceeds from the annual assessment, as well as the cost of projects financed through the sewer lateral repair program. City residents began paying the \$28 annual household assessment in fiscal year 2000. Applications for assistance were accepted as of January 1, 2001. The fund ended the year with a balance of \$287,019.

Since the TIF District was created in 2004, construction of the Manchester Highlands shopping district has been completed and retailers opened between 2008 and 2010. In 2010, Tax Increment Revenue Bonds were issued to refund the construction debt. The function of the TIF Fund is now repayment of the bonds with the tax increment revenue received from the project. In 2016, \$3,230,000 in bonds were retired. The fund balance at the end of 2016 was \$8,734,285 and included a \$5,302,611 reserve for debt service as required by the bond funding agreement.

Manchester Arts activities in 2016 were supported through a \$21,000 transfer from the City’s General Fund. The fund balance at the end of 2016 was \$7,439.

**Revenue by Source – All Governmental Fund Types**

<i>Source</i>	<i>Fiscal Year Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) Over Fiscal 2015</i>	<i>Percentage Increase (Decrease)</i>
Property taxes	\$ 2,007,106	10.5%	\$ (46,071)	-2.2%
Taxes - other	15,502,445	81.4%	203,883	1.3%
Grants	367,746	1.9%	157,311	74.8%
Licenses and Permits	332,961	1.7%	7,551	2.3%
Fines and Court Costs	329,219	1.7%	(84,442)	-20.4%
Charges for Services	416,326	2.2%	5,358	1.3%
Investment Income	37,253	0.2%	(65,029)	-63.6%
Other	58,608	0.3%	(115,627)	-66.4%
<b>Total Revenues</b>	<b>\$ 19,051,664</b>	<b>100.0%</b>	<b>\$ 62,934</b>	<b>-72.9%</b>

The City’s largest recurring source of revenue is from taxes. Taxes account for approximately 92 percent of total routine governmental revenues. Revenues from taxes include proceeds from the following: general and local option sales

taxes, the one-half cent capital improvement sales tax, the one-half cent park and storm water sales tax, the sewer lateral assessment, utility gross receipts taxes, property taxes, and intergovernmental taxes. The two major tax sources are sales taxes and utility gross receipts taxes.

Proceeds from the City’s various sales taxes provide the majority of City revenues. Combined, the one-cent sales tax, the one-quarter cent local option sales tax, the one-half cent capital improvements sales tax, the one-half cent parks and storm water sales tax, and all sales taxes from the TIF district totaled \$12,505,512 in fiscal year 2016, or 65.6 percent of all routine revenues.

Utility gross receipts taxes constitute the second largest tax source. The City levies a five percent tax on gross receipts for all utilities. Revenues for the year totaled \$1,726,116, or 9.1 percent of total routine revenues.

Intergovernmental revenues are the next largest routine source of tax revenue for the City, accounting for approximately 5.8 percent of total recurring governmental revenues. The State of Missouri collects certain taxes for the purpose of maintaining roads and bridges; these taxes are distributed to the City on a per capita basis based on the most recent census information. The motor fuel, or gasoline tax, is levied on a per gallon basis; the City receives a share of the proceeds on a per capita basis. Also distributed on a per capita basis are motor vehicle registration fees and sales tax on vehicle purchases.

St. Louis County levies and distributes a road and bridge property tax of \$0.105 per \$100 of assessed valuation on real and personal property for the purpose of maintaining City streets. The County also levies a tax on cigarette sales within its boundaries; the City receives a share of the proceeds on a per capita basis based on the most recent census.

Businesses within the corporate boundaries of the City pay a merchant’s license fee based on the amount of their gross receipts. Fees are also collected from service occupational businesses and for the granting of liquor licenses, vending machine permits, and excavating permits. Revenues generated from these licenses and permits totaled \$332,961 in fiscal year 2015.

The Manchester Municipal Court has jurisdiction in all cases related to alleged violations of the Code of Ordinances of the City of Manchester. Revenues from fines and court costs accounted for approximately 1.7 percent of all routine revenues in fiscal year 2016.

Investment earnings are derived from long-term investments of City cash. Investment earnings totaled approximately \$37,253 for the year and account for less than one percent of the City’s overall recurring revenue base.

The City’s Department of Parks and Recreation operates the Aquatic Center and also sponsors a number of recreational programs. Revenues from these programs totaled \$347,392. Recreation revenues were included in the total charges for services of \$415,508 which accounted for an additional 2.2 percent of all regular City revenues.

Miscellaneous revenues are derived from several sources. These sources include payments for police reports and zoning application and filing fees.

**Expenditure by Function – All Governmental Fund Types**

<i>Source</i>	<i>Fiscal Year Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) Over Prior Year</i>	<i>Percentage Fund Change From Prior Year</i>
General Government	\$ 1,575,335	8.65%	\$ 83,723	5.6%
Police	3,380,083	18.56%	197,860	6.2%
Public Works	2,762,099	15.17%	26,113	1.0%

Community development	262,418	1.44%	39,788	17.9%
Aquatic center	307,569	1.69%	(29,831)	-8.8%
Recreation	766,980	4.21%	78,823	11.5%
Legal/ Court	212,173	1.17%	6,645	3.2%
Capital Outlay	2,242,414	12.32%	3,721	0.2%
Debt Service	6,698,432	36.79%	(226,649)	-3.3%
Total Expenditures	\$ 18,207,503	100.00%	\$ 180,193	1.0%

The most significant change in expenditure is in debt service. As the outstanding debt balance of both issues declines from repayment, interest will decline. The TIF district was able to pay over \$6.1 million in principal and interest. Increases in other government functions is primarily a result of the ongoing increase in the cost of personnel.

### **Debt Administration**

In 2002, voters of Manchester authorized the issuance of \$6.5 million in General Obligation Bonds for the design and construction of a new Police Facility and public meeting space. The City closed on the bonds in 2003 and began paying principal in 2005. As of December 31, 2016, the City had \$1,120,000 of outstanding general obligation bonds. The bonds were structured such that a dedicated property tax assessment will be levied over a twenty year period for their retirement. The outstanding balance was refinanced in 2012 with a more favorable interest rate and earlier retirement. Principal of \$540,000 was paid in 2016. The bonds will be fully retired in 2018.

In 2010, tax increment revenue bonds were issued. The bonds are special limited obligations of the City, with debt payment contingent upon revenues collected from incremental sales and property taxes. In 2016, the TIF District retired bonds in the amount of \$3,230,000.

### **Cash Management**

The City of Manchester's idle funds are invested in accordance with the Investment Policy adopted by the Board of Aldermen on December 7, 1998. The City invests funds based on those that provide the highest rate of return with the least amount of risk while meeting the City's daily cash flow requirements and conforming to all applicable laws governing the investment of public funds.

The City's investments consist primarily of short-term United States Treasury and agency securities and certificates of deposit. The City is authorized to invest funds not immediately needed for their designated purpose in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, Banker's Acceptance, and Commercial Paper.

The City may pool cash balances from all funds for investment purposes.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) for its comprehensive annual financial report (CAFR) issued for the fiscal year ended December 31, 2015. This satisfies both generally accepted accounting principles and applicable legal requirements, is easily readable and efficiently organized. The City resumed participation in this prestigious award program with the 2014 report.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR meets the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to evaluate its eligibility for another Certificate of Achievement.

### **Risk Management**

The City is a member of the St. Louis Area Insurance Trust (SLAIT). SLAIT is a not-for-profit corporation that addresses the insurance needs of governmental entities in the St. Louis metropolitan area.

SLAIT was formed in August 1986 to operate as a group self-insurer of worker's compensation. In addition to insurance protection, the pool provides risk management services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims. As of December 31, 2016, 19 municipalities were members of the worker's compensation pool.

The City also receives general and auto liability coverage through SLAIT. The trust employs an outside service company to process these claims as well. As of December 31, 2016, 19 municipalities participated in the general and auto liability pool.

The trusts require an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro-rata share of any deficit incurred by the trusts should the trusts cease operation at some future date. The City's 2016 premium payments to the trusts totaled \$158,919.

The City also purchases commercial insurance to cover risks related to building and other City property, crimes, business, public official liability, earthquakes, and employee blanket bonds.

### **Independent Audit**

City policy requires an annual audit to be made of the financial statements of the various funds and account groups. This audit is performed by an independent certified public accounting firm selected by the Board of Aldermen. The City's auditor is Stopp & VanHoy, CPAs and Business Advisors, LLC.

### **Acknowledgements**

This preparation of this report was accomplished through the efforts of the staff of the Finance Department in cooperation with the City's auditors. Special thanks to Accountant Chris Sweeney for her assistance in compiling this report.

Respectfully submitted



David L. Tuberty, CPA  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Manchester  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**CITY OF MANCHESTER, MISSOURI**  
**CITY OFFICIALS**

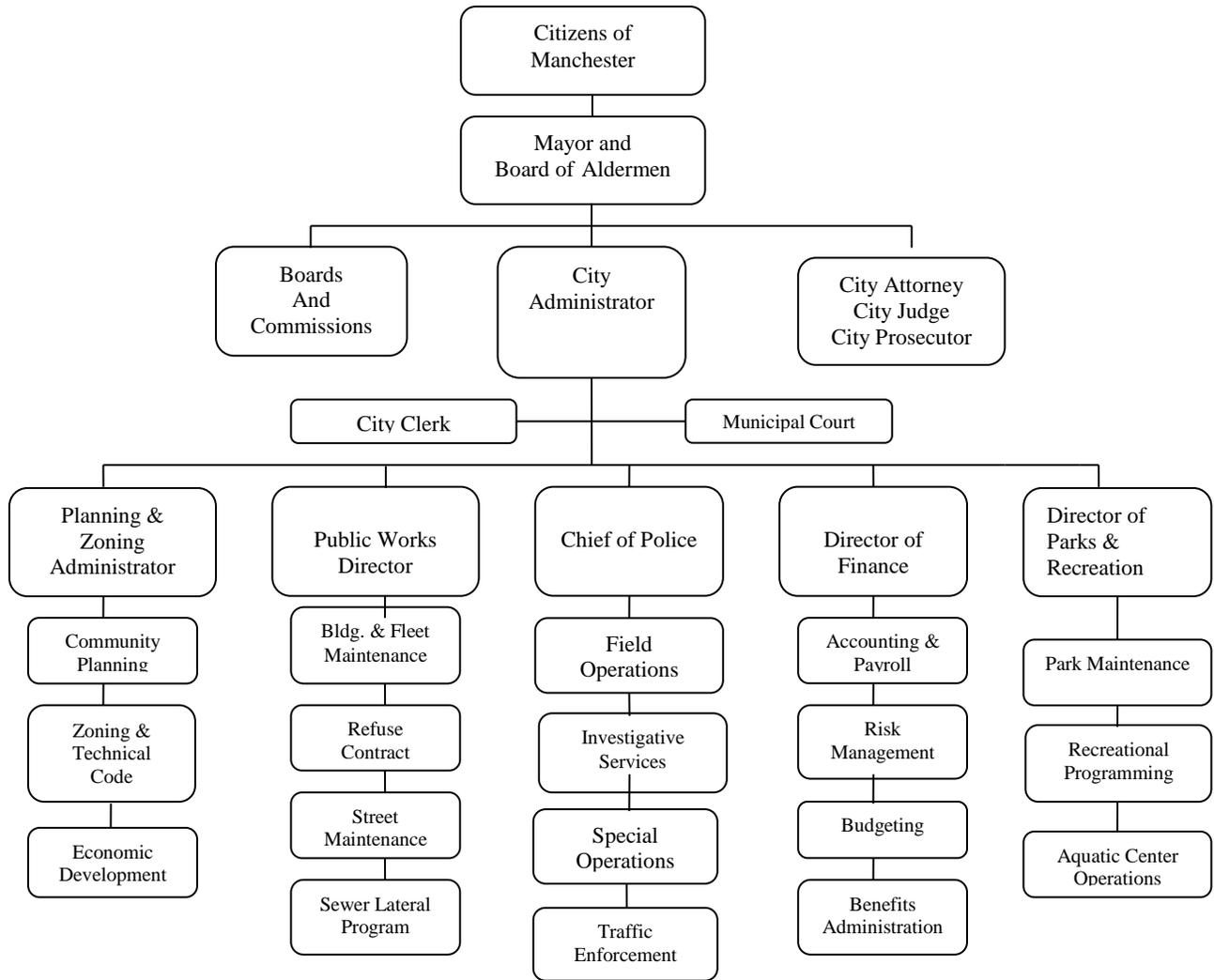
**Elected Officials:**

	<b>Title</b>	<b>First Elected</b>	<b>Current Term Ends</b>
David Willson	Mayor	2008	April 2018
Marilyn Ottenad	Alderman, Ward 2	1998	April 2018
Michael Clement	Alderman, Ward 2	2001	April 2017
John Diehl	Alderman, Ward 3	2006	April 2018
Paul Hamill	Alderman, Ward 1	2011	April 2017
Barbara Stevens	Alderman, Ward 1	2012	April 2018
Richard Baumann	Alderman, Ward 3	2015	April 2017

**Appointed Officials:**

	<b>Title</b>	<b>Appointed</b>
Andy Hixson	City Administrator	2012
Patrick Gunn	City Attorney	1976
Michael Gunn	Municipal Judge	1997
Mark Levitt	Prosecuting Attorney	1997
Bob Ruck	Director of Public Works	2008
Tim Walsh	Chief of Police	2011
Ruth Baker	City Clerk	2005
Eileen Collins	Director of Parks and Recreation	2008
David Tuberty	Director of Finance	2010
Melanie Rippetoe	Director of Planning & Zoning and Economic Development	2016

**ORGANIZATIONAL CHART of the CITY of MANCHESTER,  
MISSOURI**



## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of  
the Board of Aldermen  
City of Manchester, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Manchester, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Manchester, Missouri, as of December 31, 2016, and the

respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-12 and 31-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2017, on our consideration of the City of Manchester, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Manchester, Missouri's internal control over financial reporting and compliance.

Stopp & Vanehey

Creve Coeur, Missouri  
May 9, 2017

## **Management Discussion & Analysis (Unaudited)**

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

The discussion and analysis of the City of Manchester's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2016. It should be read in conjunction with the accompanying basic financial statement.

- The City's total net position increased by \$4,968,602 in 2016. The current year increase brings the year-end net asset value of the City to \$516,494. Of this amount \$26,670,821 is invested in capital assets, \$13,663,842 represents restricted amounts, \$(41,316,353) represents special limited obligation bonds and the remaining \$1,498,184 represents unrestricted amounts that can be used to meet the City's ongoing operations.
- As of December 31, 2016, the City's governmental funds reported a combined ending fund balance of \$16,170,604, an increase of \$858,961 in comparison with the year ended December 31, 2015.
- At the end of the year, unassigned fund balance for the General Fund was \$653,614 or 7.43% of the General Fund appropriations for the 2016 year.
- The City made total debt service payments of \$6,698,432, of which \$3,770,000 represents principal.
- The general fund reported a net decrease in fund balance of \$(94,594).

**REPORT LAYOUT**

The report consists of management's discussion and analysis (MD&A), government-wide statements, fund financial statements, notes to the financial statements, and required supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, parks and recreation, community development, legal and courts and general government administration. The City currently does not have any business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

**CITY OF MANCHESTER, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2016**

**Basic Financial Statements**

- The Statement of Net Position focuses on resources available for future operation. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. The Statement of Revenues, Expenses, and Change in Net Position focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Non-major Funds". Budgetary comparisons for the General Fund and major special revenue funds are presented as supplementary information. A budgetary comparison is presented for the Capital Projects Fund, Debt Service Fund, TIF Fund, and the Parks and Storm Water Projects Fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

**THE CITY AS A WHOLE**

**Government-wide Financial Analysis**

The City's combined net position was \$516,494 as of December 31, 2016. This analysis focuses on the net assets (table 1), and changes in general revenues and significant expenses (Table 2) of the City's governmental activities.

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

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

**Table 1**

	2016	2015	Increase (Decrease)
<b>Assets:</b>			
Current and other assets	\$ 17,035,052	\$ 15,945,124	\$ 1,089,928
Capital Assets	27,825,688	27,526,521	299,167
Total Assets	<u>44,860,740</u>	<u>43,471,645</u>	<u>1,389,095</u>
<b>Liabilities:</b>			
Current and other liabilities	1,866,586	1,715,221	151,365
Noncurrent liabilities	42,477,660	46,208,262	(3,730,602)
Total liabilities	<u>44,344,246</u>	<u>47,923,483</u>	<u>(3,579,237)</u>
<b>Net position:</b>			
Invested in capital assets net of related debt	26,670,821	25,815,291	855,530
Restricted	13,663,842	12,710,287	953,555
Unrestricted	(39,818,169)	(42,977,686)	3,159,517
Total net position	<u>\$ 516,494</u>	<u>\$ (4,452,108)</u>	<u>\$ 4,968,602</u>

Net position may serve over time as an indicator of the City's financial position. The City's net position increased \$4,968,602 to \$516,494 as of December 31, 2016. This increase is due primarily to a reduction in outstanding debt in 2016. \$3,230,000 of tax increment financing (TIF) bonds were redeemed in 2016 and paid out of TIF revenue. The TIF debt is not a general obligation of the City, and the City does not own the related property. \$540,000 of the General Obligation Bonds were redeemed bringing the total of our long-term obligation to \$1,120,000.

A portion of the City's net position reflects its investment in capital assets, net of related debt and unrestricted balances, which total \$26,670,821 and \$25,815,291 in 2016 and 2015, respectively. The City uses capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Unrestricted amounts apart from the TIF obligation are, as noted above \$1,498,184. Unrestricted amounts may be used to meet the City's ongoing obligations to citizens and creditors.

Restricted amounts totaled \$13,663,842 as of December 31, 2016. Restricted amounts are subject to external restrictions on how they may be used. Of restricted, \$3,620,508 is restricted for parks projects, \$8,734,285 is restricted TIF fund, \$846,549 is restricted for

**CITY OF MANCHESTER, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2016**

debt service, \$7,439 is restricted for Manchester Arts, \$287,019 is restricted for sewer repairs, and \$168,042 is restricted for capital projects.

**Table 2**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Revenue			
Program revenues			
Charges for services	\$ 654,527	\$ 779,638	\$(125,111)
Operating grants and contributions	189,345	219,352	(30,007)
Capital grants and contributions	241,413	-	241,413
General revenues			
Taxes	17,558,299	17,309,325	248,974
Licenses and permits	361,012	361,964	(952)
Investment return	37,253	102,282	(65,029)
Gain (loss) on sale of assets	(12,104)	1,858	(13,962)
Miscellaneous	58,563	174,437	(115,874)
Total revenues	<u>19,088,308</u>	<u>18,948,856</u>	<u>139,452</u>
Expenses:			
General government	1,652,795	1,560,101	92,694
Police department	3,680,947	3,540,967	139,980
Public works	3,906,863	3,699,603	207,260
Community development	265,525	223,100	42,425
Aquatic center	505,548	530,027	(24,479)
Recreation	968,111	880,688	87,423
Legal and court	214,385	207,195	7,190
Interest and fiscal charges	2,925,532	3,146,848	(221,316)
Total expenses	<u>14,119,706</u>	<u>13,788,529</u>	<u>331,177</u>
Increase (decrease) in net position	4,968,602	5,160,327	(191,725)
Net position, beginning of year	<u>(4,452,108)</u>	<u>(9,612,435)</u>	<u>5,160,327</u>
Net position, end of year	<u>\$ 516,494</u>	<u>\$ (4,452,108)</u>	<u>\$4,968,602</u>

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

The increase in total revenues of \$139,452 represents an increase of 0.7%. This increase in revenues is lower than the national growth of 2.1% at the end of 2016. The shopping area in the City has maintained the City's sales tax revenue as well as provided for the repayment of the TIF Bonds. The remaining sales tax producers in the City continue to recover from stagnant economy which had produced lower than expected sales tax revenue around the City. Since the City relies heavily on sales tax revenue, Manchester is susceptible to income fluctuations and must continue to closely monitor economic indicators.

In 2016 sales tax increased \$239,959. Of that increase, about \$118,000 is in the general fund. The remainder is due primarily to the increase in TIF Fund revenues. Utility tax decreased approximately \$(79,600). Property tax increased \$45,000 from 2015. Investment income decreased \$(65,000) due to continued reduction in 2016 in the fair market value of funds invested by the City for future debt service. Police fines and court costs decreased \$(138,303) in 2016 from the amount collected in 2015.

The City's 2016 total expenses increased \$331,177. This can be compared with the 2015 total expenses under the same basis of \$13,788,529.

**Governmental Funds**

The following table presents the amount of revenues from various sources on the modified accrual basis of accounting in the governmental funds.

**Table 3**

	Fiscal Year Ending 2016	Fiscal Year Ending 2015	Increase (Decrease)	Percentage Change
Property taxes	\$ 2,007,106	\$ 2,053,177	\$ (46,071)	-2.2%
Taxes-other	15,502,445	15,298,562	203,883	1.3%
Grants	367,746	210,435	157,311	74.8%
Licenses and permits	332,961	325,410	7,551	2.3%
Fines and forfeitures	329,219	413,661	(84,442)	-20.4%
Charges for services	416,326	410,968	5,358	1.3%
Investment income	37,253	102,282	(65,029)	-63.6%
Other	58,608	174,235	(115,627)	-66.4%
	<u>\$ 19,051,664</u>	<u>\$ 18,988,730</u>	<u>\$ 62,934</u>	

Total revenues in 2016 exceed 2015 by \$62,934. This increase in revenue is a combination of several factors. Three major types of taxes are imposed by the City. Those taxes are: sales tax, utility use tax, and property tax. Sales tax increases are a result of the increase

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

in sales in the shopping center in the TIF district as well as other areas throughout the City. Increased sales taxes were directed to the City’s general revenues, to the payment of the TIF bonds and to capital project funds. The properties in the TIF district generated property taxes that are also directed toward the payment of the bonds.

Intergovernmental revenues are made up of taxes imposed and collected by other taxing jurisdictions, which are shared on a proportional basis with other entities such as the City. These taxes include gasoline, vehicle sales, cigarette, and vehicle fees. These sources of revenue increased by approximately \$10,500 from 2015 to 2016.

One of the City’s most unpredictable revenue streams is in the fines and forfeitures category. The City of Manchester’s Police Department participates in a regional Drug Task Force. As a member of this Task Force, the City periodically receives a prorata share of asset forfeiture money which can only be spent to support police related activities. Asset forfeiture payments to the City only occur when major drug cases are settled and the court orders the defendant’s assets seized. In 2016, the City received \$70,676 from asset forfeitures. In 2015, the City experienced a decrease of approximately \$84,000 from the City’s fines and court costs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year 2016, the City had \$39,525,788 invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, roads, and water and sewer lines. (See Table 4 below.) This amount represents a net increase (including additions and deductions) of \$1,773,199 or 4.7% over the prior year.

**Table 4**

	2016	2015
Land	\$ 1,580,963	\$ 1,580,963
Buildings and improvements	18,538,314	18,485,848
Machinery and equipment	2,049,988	1,948,415
Vehicles	1,963,509	1,787,926
Infrastructure	14,808,571	11,359,791
Construction in progress	584,443	2,589,646
	\$ 39,525,788	\$ 37,752,589

The most significant addition to capital assets this fiscal year was the addition of infrastructure. In 2016, approximately \$795,000 was added for street and sidewalk replacement; approximately \$2,650,000 was added for storm channel improvements. Construction in progress is for street and storm channel improvements to be completed at

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

various times in the future. Additional information on the City's capital assets is presented in the notes to the financial statements.

**DEBT**

At year-end, the City had \$42,780,000 in outstanding debt compared to \$46,550,000 at the end of the prior fiscal year, a decrease of \$3,770,000.

**Table 5**

	2016	2015
General Obligation Bonds	\$ 1,120,000	\$ 1,660,000
TIF Bonds	41,660,000	44,890,000
	\$ 42,780,000	\$ 46,550,000

During the fiscal year, the City made principal payments totaling \$3,770,000 during the year. More detailed information on the City's long-term liabilities is presented in the notes to the financial statements.

**THE CITY'S FUNDS**

At the close of the City's fiscal year on December 31, 2016, the governmental funds of the City reported a combined fund balance of \$16,170,604. This ending balance includes an increase in fund balance of \$858,961. The excess (deficiency) of revenues over expenditures in the General Fund of \$(67,302) was reduced further by transfers to other funds in the amount of \$327,292, but increased by a recovery of funds transferred in prior year of \$300,000.

The fund balance increased by \$848,847 in the Parks and Storm Water Projects Fund. During 2016 the City used assets available in this fund to pay capital outlay expenditures.

The fund balance in the Capital Projects Fund increased by \$56,439. During 2016 the City used assets available in this fund to pay capital outlay expenditures.

The fund balance increased by \$60,670 in the Debt Service fund.

The fund balance in the TIF Fund increased by \$100,001 and included a transfer of \$306,292 from the General Fund. The primary activity in this fund is the payment of bond obligations, \$3,230,000 in 2016.

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

**General Fund Budgetary Highlights**

For 2016, actual revenues in the General Fund were \$8,727,011 compared to the final budget amount of \$9,172,700. Sales tax revenue was budgeted with a minimal increase for 2016. The Fines and Court Costs revenue budget had been established to reflect the consistently flat revenue, which in 2015 actually began to drop, which continued through 2016. Licenses and permits revenue was short of expectation by 33.65%. Charges for services, primarily recreation, were less than budgeted due to inclement weather.

For 2016, actual expenditures were \$8,794,313 compared to the final budget amount of \$9,048,099. When the 2016 budget was prepared, late in 2015, there was an expectation of stability in the work force. The Police Department has had experienced staff retire or leave to be replaced by newer recruits at less salary expense. Staffing shortages in several departments caused expenditures to be below budget for most of the City's departments.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In 2005 the City established a fund to account for the pre-development costs associated with the consideration of redeveloping a section of the City. In order for the area to be redeveloped, it was recognized that a developer would require Tax Increment Financing. As of 2010, that development is completed, Bonds have been issued to finance the cost of construction and the shopping area is active and generating revenue. The TIF Fund insures that the City captures its costs associated with this development and that TIF revenues are collected and transferred to the Bond Trustee.

In 2001, the citizens of Manchester approved the imposition of a Parks & Storm Water Projects sales tax. Anticipating sales tax revenue to stabilize, the City projected a 0.0% increase in revenues for the 2016 budget over the anticipated 2015 year performance at budget time.

In preparing the General Fund's operating budgets, department heads were directed to contain costs for 2016 to an increase based on the expected increases in payroll and insurance as well as specific needs for operation. The departmental budget requests were submitted with the discretionary spending budget being requested with an overall 2.11% increase from the 2015 authorized level.

The City's 2017 anticipated revenue is budgeted at \$20,881,500; the appropriated expenditure level is \$21,504,819, which will result in an excess of current year expenditures over revenues of \$(623,310). An excess of expenditure over revenue will occur in the Park and Storm Water Fund in the amount of \$(723,825) as a result of the construction of a new Park building. The other areas of excess expenditure over revenue are the Capital Projects Fund in the amount of \$(127,700) and the Sanitary Sewer Repair Fund in the amount of \$(86,530). The budgeted figures are based on prior year results and refunding is not determined by the City.

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2016**

The City has established a minimum designated fund balance policy for the General Fund in the amount of 20% of the General Fund appropriation. The 2017 budget continues to exceed this minimum.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

David L Tuberty, CPA  
Director of Finance  
City of Manchester, Missouri  
14318 Manchester Road  
Manchester Missouri 63011

## **Basic Financial Statements**

**City of Manchester, Missouri**  
**Statement of Net Position**  
**December 31, 2016**

	Governmental Activities
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 3,949,034
Investments	2,254,110
Restricted cash and equivalents	1,125,025
Restricted investments	5,302,611
Receivables, net:	
Taxes	4,402,075
Interest	2,197
Other	-
Total Current Assets	17,035,052
Noncurrent Assets:	
Land and construction in progress	2,165,406
Other capital assets, net	25,660,282
Total Noncurrent Assets	27,825,688
Total Assets	44,860,740
<b>Deferred Outflows of Resources</b>	-
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	528,215
Accrued wages	185,232
Accrued compensated absences	98,050
Escrow payable	32,366
Court bonds payable	3,192
Accrued interest payable	469,531
Current portion of General Obligation Bonds payable	550,000
Total Current Liabilities	1,866,586
Noncurrent Liabilities:	
General Obligation Bonds payable, net	1,154,867
Less: current portion	(550,000)
Tax Increment Revenue Bonds payable, net	41,316,353
Postretirement benefits	556,440
Total Noncurrent Liabilities	42,477,660
Total Liabilities	44,344,246
<b>Deferred Inflows of Resources</b>	-
<b>Net Position</b>	
Net investment in capital assets	26,670,821
Restricted:	
Enabling legislation	13,663,842
Unrestricted	(39,818,169)
Total Net Position	\$ 516,494

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Statement of Activities**  
**For the year ended December 31, 2016**

<b>Functions/Programs</b>	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 1,652,795	\$ -	\$ 107,658	\$ -	\$ (1,545,137)
Police department	3,680,947	269,610	70,695	-	(3,340,642)
Public works	3,906,863	30,287	-	241,413	(3,635,163)
Community development	265,525	-	-	-	(265,525)
Aquatic center	505,548	281,183	-	-	(224,365)
Recreation	968,111	73,447	10,992	-	(883,672)
Legal and court	214,385	-	-	-	(214,385)
Interest and fiscal charges	2,925,532	-	-	-	(2,925,532)
	<u>\$ 14,119,706</u>	<u>\$ 654,527</u>	<u>\$ 189,345</u>	<u>\$ 241,413</u>	<u>\$ (13,034,421)</u>
			<b>General Revenues:</b>		
			Taxes:		
			Sales	\$ 13,776,329	
			Utility	1,439,416	
			Property	2,055,854	
			Franchise	286,700	
			Licenses and permits	361,012	
			Investment income	37,253	
			Gain (loss) on disposal of assets	(12,104)	
			Other miscellaneous revenue	58,563	
			Total General Revenues	<u>\$ 18,003,023</u>	
			Change in Net Position	\$ 4,968,602	
			Net Position - Beginning of Year	<u>(4,452,108)</u>	
			Net Position - End of Year	<u>\$ 516,494</u>	

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Balance Sheet - Governmental Funds**  
**December 31, 2016**

	General Fund	Parks and Storm Water Projects Fund	Capital Projects Fund	Debt Service Fund	TIF Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 427,739	\$ 2,216,387	\$ 97,338	\$ 635,627	\$ 297,245	\$ 274,698	\$ 3,949,034
Investments	2,254,110	-	-	-	-	-	2,254,110
Restricted cash and cash equivalents	-	-	-	-	1,125,025	-	1,125,025
Restricted investments	-	-	-	-	5,302,611	-	5,302,611
Receivables, net:							
Taxes	1,496,658	290,830	254,976	282,939	2,036,860	39,812	4,402,075
Interest	2,197	-	-	-	-	-	2,197
Other	-	-	-	-	-	-	-
Due from other funds	-	1,244,473	-	-	-	-	1,244,473
Total Assets	<u>4,180,704</u>	<u>3,751,690</u>	<u>352,314</u>	<u>918,566</u>	<u>8,761,741</u>	<u>314,510</u>	<u>18,279,525</u>
<b>Deferred Outflows of Resources</b>							
	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 4,180,704</u>	<u>\$ 3,751,690</u>	<u>\$ 352,314</u>	<u>\$ 918,566</u>	<u>\$ 8,761,741</u>	<u>\$ 314,510</u>	<u>\$ 18,279,525</u>
<b>Liabilities</b>							
Accounts payable	\$ 192,689	\$ 131,182	\$ 184,272	\$ -	\$ 20	\$ 20,052	\$ 528,215
Accrued wages	185,232	-	-	-	-	-	185,232
Escrow payable	32,366	-	-	-	-	-	32,366
Due to other funds	1,244,473	-	-	-	-	-	1,244,473
Court bonds payable	3,192	-	-	-	-	-	3,192
Total Liabilities	<u>1,657,952</u>	<u>131,182</u>	<u>184,272</u>	<u>-</u>	<u>20</u>	<u>20,052</u>	<u>1,993,478</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	15,990	-	-	72,017	27,436	-	115,443
<b>Fund Balances</b>							
Restricted:							
Special revenue fund	-	3,620,508	168,042	846,549	8,734,285	294,458	13,663,842
Committed:							
Contingency	1,853,148	-	-	-	-	-	1,853,148
Unassigned	653,614	-	-	-	-	-	653,614
Total Fund Balances	<u>2,506,762</u>	<u>3,620,508</u>	<u>168,042</u>	<u>846,549</u>	<u>8,734,285</u>	<u>294,458</u>	<u>16,170,604</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,180,704</u>	<u>\$ 3,751,690</u>	<u>\$ 352,314</u>	<u>\$ 918,566</u>	<u>\$ 8,761,741</u>	<u>\$ 314,510</u>	<u>\$ 18,279,525</u>

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2016**

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Total Governmental Fund Balances	\$	16,170,604
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		27,825,688
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are not reported in the funds		115,443
Interest payable recorded in the Statement of Net Position does not require the use of current financial resources and, therefore, is not reported in the funds		(469,531)
Long-term liabilities, including bonds payable, compensated absences and postretirement benefits, are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds		(1,154,867)
Tax Increment Revenue Bonds		(41,316,353)
Compensated absences		(98,050)
Postretirement benefits		(556,440)
		(556,440)
Total Net Position of Governmental Activities	\$	516,494

**City of Manchester, Missouri**  
**Combined Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended December 31, 2016**

	General Fund	Parks and Storm Water Projects Fund	Capital Projects Fund	Debt Service Fund	Tax Increment Financing Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>							
Property taxes	\$ 154,184	\$ -	\$ -	\$ 629,935	\$ 1,222,987	\$ -	\$ 2,007,106
Taxes - other	7,367,957	1,592,289	1,361,207	-	5,014,511	166,481	15,502,445
Grants	119,678	1,191	241,413	-	-	5,464	367,746
Licenses and permits	332,961	-	-	-	-	-	332,961
Fines and forfeitures	329,219	-	-	-	-	-	329,219
Charges for services	385,221	-	-	-	-	31,105	416,326
Investment income	(20,455)	-	-	-	57,708	-	37,253
Other	58,246	-	-	-	-	362	58,608
	<u>\$ 8,727,011</u>	<u>\$ 1,593,480</u>	<u>\$ 1,602,620</u>	<u>\$ 629,935</u>	<u>\$ 6,295,206</u>	<u>\$ 203,412</u>	<u>\$ 19,051,664</u>
<b>Expenditures</b>							
Current:							
General government	\$ 1,222,625	\$ -	\$ -	\$ 1,465	\$ 351,245	\$ -	\$ 1,575,335
Police department	3,380,083	-	-	-	-	-	3,380,083
Public works	2,684,809	-	-	-	-	77,290	2,762,099
Community development	242,798	-	-	-	19,620	-	262,418
Aquatic center	307,569	-	-	-	-	-	307,569
Recreation	744,256	-	-	-	-	22,724	766,980
Legal/court	212,173	-	-	-	-	-	212,173
Capital outlay	-	744,633	1,260,981	-	-	236,800	2,242,414
Debt service:							
Principal	-	-	-	540,000	3,230,000	-	3,770,000
Interest and fiscal charges	-	-	-	27,800	2,900,632	-	2,928,432
	<u>\$ 8,794,313</u>	<u>\$ 744,633</u>	<u>\$ 1,260,981</u>	<u>\$ 569,265</u>	<u>\$ 6,501,497</u>	<u>\$ 336,814</u>	<u>\$ 18,207,503</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(67,302)	848,847	341,639	60,670	(206,291)	(133,402)	844,161
<b>Other Financing Sources (Uses)</b>							
Proceeds from sale of capital assets	\$ -	\$ -	\$ 14,800	\$ -	\$ -	\$ -	\$ 14,800
Transfers in	300,000	-	-	-	306,292	21,000	627,292
Transfers out	(327,292)	-	(300,000)	-	-	-	(627,292)
	<u>\$ (27,292)</u>	<u>\$ -</u>	<u>\$ (285,200)</u>	<u>\$ -</u>	<u>\$ 306,292</u>	<u>\$ 21,000</u>	<u>\$ 14,800</u>
<b>Net Change in Fund Balance</b>	(94,594)	848,847	56,439	60,670	100,001	(112,402)	858,961
<b>Fund Balance (Deficit), January 1</b>	<u>2,601,356</u>	<u>2,771,661</u>	<u>111,603</u>	<u>785,879</u>	<u>8,634,284</u>	<u>406,860</u>	<u>15,311,643</u>
<b>Fund Balance (Deficit), December 31</b>	<u>\$ 2,506,762</u>	<u>\$ 3,620,508</u>	<u>\$ 168,042</u>	<u>\$ 846,549</u>	<u>\$ 8,734,285</u>	<u>\$ 294,458</u>	<u>\$ 16,170,604</u>

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Reconciliation of the Combined Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances - Governmental Funds to the Statement of Activities**  
**For the year ended December 31, 2016**

Change in fund balance-total governmental funds	\$	858,961
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that do not provide current financial resources are not included in the fund financial statements.		48,748
The acquisition of capital assets requires the use of current financial resources but has no effect on net position		1,889,901
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities		(1,563,560)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources.		(26,904)
The increase in interest payable and the amortization of bond premium/discount do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds		2,900
Repayment of bonds principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		3,770,000
Increase in compensated absences and accumulated post retirement benefits are recorded when earned in the statement of activities		(11,444)
Change in net position of governmental activities	\$	<u>4,968,602</u>

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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

The City of Manchester, Missouri (the City) was incorporated as a city within St. Louis County, Missouri on August 17, 1959. The residents voted to approve the Village of Manchester becoming a fourth class city as provided by Missouri state statutes, and established a Mayor/City Administrator/Board of Alderman form of government. The City's major operations include police protection, street maintenance and improvements, parks and recreation, community development and general administrative services. The basic financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental agencies. The significant accounting policies applied by the City in the preparation of the accompanying financial statements are summarized below:

**Reporting Entity**

The City applies the criteria set forth in Statement No. 61 of the Governmental Accounting Standards Board, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The City presently has no component units included within its reporting entity.

**Basic Financial Statements**

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, and reports information on all of the activities of the Primary Government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges that would distort direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated based on the annual cost allocation plan. Program revenue includes: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, the Parks and Storm Water Projects Fund, the Capital Projects Fund, the Debt Service Fund, and the Tax Increment Financing (TIF) Fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

For the governmental fund financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

**The General Fund** - The City's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

**The Parks and Storm Water Projects Fund** - The City uses this fund to account for sales tax revenue restricted for parks and storm water projects.

**The Capital Projects Fund** - The City uses this fund to account for sales tax revenue and proceeds from the issuance of debt restricted for capital improvements.

**The Debt Service Fund** - The City uses this fund to account for the resources accumulated and payments made for the principal and interest on long-term general obligation debt of governmental funds.

**The TIF Fund** - The City uses this fund to account for the activity from the Tax Increment Financing Commission for the Manchester Highlands.

The other governmental funds of the City are considered nonmajor. They are special revenue funds, which account for specific revenue sources that are legally restricted to expenditures for specific purposes.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**Capital Assets**

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic lights, street lights, sewer lines and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$2,000 or more and an estimated useful life in excess of one year. Infrastructure assets with an initial cost of \$50,000 or more are also capitalized and depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	5 - 40 years
Machinery and equipment	5 - 20 years
Vehicles	5 years
Infrastructure	10 - 50 years

The government-wide financial statements do not reflect those infrastructure assets completed prior to January 1, 2004. From that point forward, new infrastructure is added to the records, while the retroactive historical value of the City's infrastructure assets has not been added.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

**Restricted Cash and Investments**

Certain cash and investments are restricted for the construction or purchase of assets, the repayment of special revenue bonds, and the activities of special revenue funds.

**Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

**Compensated Absences**

The policy for vacation pay allows employees to take time off with pay. The policy allows employees to carry forward up to one-half of the days earned in that particular year. Any days carried forward must be used in the following year. Since all days carried forward must be used in the following year, it is reflected as a current liability. Sick leave is accumulated based upon hours worked and is available only to provide compensation during periods of illness or injury. Also, the City instituted a Catastrophic Leave Policy during the year ended December 31, 2008, which provides employees the opportunity to donate sick leave, vacation and/or compensatory time so that other employees may remain in paid status, and thus partially reduce the financial impact of a serious illness or injury. No portion of sick or catastrophic leave is payable to the employee upon termination of employment. Therefore, no liability for sick or catastrophic leave has been accrued by the City. Liabilities for compensated absences are generally liquidated by the General Fund.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium, discount, or deferred amount on refunding. Bond issuance costs, including underwriters' discount, are included as an expense. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

Also recorded in long-term liabilities is the City's severance package liability. The City pays to each employee with 20 years of service upon retirement an amount equal to three months salary. The City records in long-term liabilities an amount equal to the estimated liability at year end based on the length of service of each employee. The change in this liability is recorded in the government-wide statements to match the expense of providing this benefit to the period it is earned by the employee.

**Net Position and Fund Balance/Equity**

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents amounts restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. All remaining net position is considered unrestricted.

When both restricted and unrestricted sources are available for use, it is the City's policy to use restricted first, then unrestricted resources as they are needed. The government-wide Statement of Net Position reports a restricted portion of \$13,663,842, which is restricted by enabling legislation.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

**Restricted** - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - Resources which are subject to limitations the government imposes upon itself passing a resolution by the Board of Aldermen, and that remain binding unless removed in the same manner. The City currently has a policy which requires commitment of General Fund Balance equal to twenty percent of the future year expenditures.

**Assigned** - Resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Aldermen or an official to which the Board of Aldermen has delegated the authority to assign amounts for specific purposes.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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**Note 1 - Summary of Significant Accounting Policies (continued)**

**Net Position and Fund Balance/Equity (continued)**

**Unassigned** - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City would typically use Restricted fund balances first, followed by Committed resources and Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first.

**Investments**

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. The City's investments are carried at fair value. Interest income earned on pooled cash and investments is allocated to the various funds. Interest income on restricted cash and investments is credited directly to the related fund.

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, Banker's Acceptance and Commercial Paper.

**Budgets and Budgetary Accounting**

The Board of Alderman adopts an annual budget on the modified accrual basis of accounting for its general, debt service, capital projects and special revenue funds. The procedures outlined below are followed in establishing the budgetary data reflected in the general purpose financial statements:

1. The Director of Finance, with the assistance of the various department heads, prepares a budget of estimated revenues and expenditures for the forthcoming year and delivers to the City Administrator.
2. The City Administrator reviews the proposed expenditures with the Director of Finance and the department heads, and, after the necessary revisions have been made, submits the budget to the Mayor and the Board of Aldermen in September of each year.
3. The Board of Aldermen will then hold budget work sessions with the City Administrator and staff to make final revisions to the proposed budget.
4. The budget is legally enacted by ordinance prior to January 1 of the year to which it applies.
5. The City Administrator is authorized to transfer within a fund any unexpended balances. The Board of Aldermen must approve all fund transfers.
6. The Board of Aldermen may make supplemental appropriations for revenues in excess of original budget estimates or reduce appropriations should revenues be insufficient to meet the amount appropriated.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Budgets and Budgetary Accounting (continued)**

7. At the end of each budget period, all appropriated balances lapse and may be reappropriated in the next budget period.

The legal level of budgetary control for the City is at the fund level.

**Note 2 - Cash and Investments**

Deposits and investments held by at the City at December 31, 2016 consisted of the following:

<u>Type</u>	<u>Maturities</u>	<u>2016 FMV</u>	<u>2016 Bank Balances</u>
Unrestricted Deposits:			
Petty cash	n/a	\$ 750	\$ 750
Demand deposits	n/a	3,948,284	4,016,828
Total Unrestricted Deposits		<u>\$ 3,949,034</u>	<u>\$ 4,017,578</u>
Restricted Deposits:			
Money market funds	n/a	<u>\$ 1,125,025</u>	<u>\$ 1,125,025</u>
Total Restricted Deposits		<u>\$ 1,125,025</u>	<u>\$ 1,125,025</u>
Unrestricted Investments:			
Government sponsored enterprise (GSE) bond	03/31/17	\$ 200,791	
Government sponsored enterprise (GSE) bond	12/30/19	293,521	
Government sponsored enterprise (GSE) bond	03/30/20	293,284	
Government sponsored enterprise (GSE) bond	11/25/20	194,708	
Government sponsored enterprise (GSE) bond	05/07/21	294,692	
Government sponsored enterprise (GSE) bond	05/17/21	488,807	
Government sponsored enterprise (GSE) bond	06/30/21	488,307	
Total Unrestricted Investments		<u>\$ 2,254,110</u>	
Restricted Investments:			
Government and GSE bonds	Various	\$ 4,515,562	
Corporate bonds	Various	520,711	
Money market funds	n/a	266,338	
Total Restricted Investments		<u>\$ 5,302,611</u>	

At December 31, 2016, all unrestricted deposits were covered by the Federal Deposit Insurance Corporation (FDIC), the Securities Insurance Protection Corporation (SIPC), or pledged securities. Of the \$1,125,025 of restricted deposits invested in money market funds, \$875,025 is uninsured.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

**Note 2 - Cash and Investments (continued)**

Restricted Investment Type	Fair Value	Maturity			Rating
		0-3 Years	3-6 Years	6+ Years	
Government and GSE bonds	\$ 4,515,562	\$ 318,588	\$ 664,158	\$ 3,532,816	AA
Corporate bonds	520,711	63,070	-	457,641	AA
Money market funds	266,338	266,338	-	-	N/A
Total Restricted Investments	<u>\$ 5,302,611</u>	<u>\$ 647,996</u>	<u>\$ 664,158</u>	<u>\$ 3,990,457</u>	

**Credit Risk**

The City has no formal policy regarding credit risk. In general, the City invests only in instruments with a minimum AA rating.

**Interest Rate Risk**

The City has no formal policy in regards to interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City limits its exposure to investments with maturities greater than one year.

**Concentration of Credit Risk**

The City places no limit on the amount that the City may invest in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Portfolio
FNMA	GSE agency bonds	\$ 3,588,158	47.48%
FHLMC	GSE agency bonds	1,260,890	16.69%
FFCB	GSE agency bonds	488,807	6.47%
FHLB	GSE agency bonds	488,307	6.46%

**Custodial Credit Risk**

For deposits and investments, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments of the City are either insured, collateralized, or invested in securities of the United States or its agencies.

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2016:

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

**Note 2 - Cash and Investments (continued)**

**Fair Value Measurements (continued)**

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Government and GSE bonds	\$ 6,769,672	\$ -	\$ 6,769,672	\$ -
Corporate bonds	520,711	-	520,711	-
Money market funds	266,338	266,338	-	-
	<u>\$ 7,556,721</u>	<u>\$ 266,338</u>	<u>\$ 7,290,383</u>	<u>\$ -</u>

**Note 3 - Property Taxes**

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2016, upon which the 2016 levy was based for real, personal and public utility property, was \$357,672,363. The City's tax rate was levied at \$.045 (residential real estate), \$.045 (commercial real estate), and \$0.050 (personal property) per \$100 of assessed valuation for the General Fund, and \$.193 per \$100 of assessed valuation of all property types for the Debt Service Fund.

**Note 4 - Interfund Transactions**

Interfund receivables/payables at December 31, 2016 consists of the following:

	Due From:	Due To:
General Fund	\$ -	\$ 1,244,473
Parks and Storm Water Fund	1,244,473	-
	<u>\$ 1,244,473</u>	<u>\$ 1,244,473</u>

The following transfers were made during the fiscal year ending December 31, 2016:

	Transfers In	Transfers Out
General Fund	\$ 300,000	\$ 327,292
Capital Projects Fund	-	300,000
TIF Fund	306,292	-
Nonmajor Fund: Manchester Arts Fund	21,000	-
	<u>\$ 627,292</u>	<u>\$ 627,292</u>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use restricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

**Note 5 - Capital Assets**

Capital asset activity for the primary government for the year ended December 31, 2016 is as follows:

	<u>Balance at 12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/16</u>
<b><u>Governmental activities:</u></b>				
Non-depreciable capital assets				
Land	\$ 1,580,963	\$ -	\$ -	\$ 1,580,963
Construction in process	2,589,646	691,178	(2,696,381)	584,443
Total non-depreciable capital assets	<u>\$ 4,170,609</u>	<u>\$ 691,178</u>	<u>\$ (2,696,381)</u>	<u>\$ 2,165,406</u>
Depreciable capital assets				
Buildings and improvements	\$ 18,485,848	\$ 98,917	\$ (46,451)	\$ 18,538,314
Machinery and equipment	1,948,415	101,573	-	2,049,988
Infrastructure	11,359,791	3,448,780	-	14,808,571
Vehicles	<u>1,787,926</u>	<u>245,833</u>	<u>(70,250)</u>	<u>1,963,509</u>
Total depreciable capital assets	33,581,980	3,895,103	(116,701)	37,360,382
Less: accumulated depreciation				
Buildings and improvements	\$ (5,047,765)	\$ (573,435)	\$ 30,284	\$ (5,590,916)
Machinery and equipment	(1,181,190)	(166,849)	-	(1,348,039)
Infrastructure	(2,663,373)	(654,212)	-	(3,317,585)
Vehicles	<u>(1,334,010)</u>	<u>(169,063)</u>	<u>59,514</u>	<u>(1,443,560)</u>
Total accumulated depreciation	(10,226,338)	(1,563,559)	89,798	(11,700,100)
Total depreciable capital assets, net	<u>\$ 23,355,642</u>	<u>\$ 2,331,544</u>	<u>\$ (26,903)</u>	<u>\$ 25,660,282</u>

Depreciation expense was charged to functions/programs of the Primary Government for the year ended December 31, 2016 as follows:

General government	\$ 71,522
Police department	311,225
Public works	813,371
Aquatic center	183,140
Recreation	183,922
Legal/court	380
	<u>\$ 1,563,560</u>

**Note 6 - Long-Term Debt**

**General Obligation Bonds**

The City issued general obligation bonds for the purpose of acquiring land and constructing, furnishing and equipping a new police station, including public meeting space therein. Funds from a dedicated property tax are accumulated in the Debt Service Fund to make future principal and interest payments. The original amount of general obligation bonds issued in prior years was \$6,500,000. During 2012, general obligation bonds of \$3,185,000 were issued to refund the outstanding balance. The refunding bonds bear interest at 2.0% and mature March 2018.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

**Note 6 - Long-Term Debt (continued)**

**Special Revenue Bonds**

The bonds were issued in March 2010 for the Highway 141/Manchester Road Project. The bonds are special, limited obligations of the City, payable solely from the incremental sales and property taxes generated by the development along with the revenues pledged by the Manchester Highlands Transportation Development District. The annual debt service payments are contingent upon the revenues collected. The bonds bear interest at 6.0% on balances due November 1, 2025 and 6.875% on balances due November 1, 2039. The obligations of the City and the District to transfer payments for the repayment of the bonds expires in accordance with State statute whether or not the principal and interest thereon have been paid in full. These bonds are only required to make principal payments when excess funds are available after the payment of interest.

**Post Retirement Benefits**

As a benefit to employees who have served the City for an extended period of time, the City provides certain benefits upon retirement. Upon retirement full time employees who have been employed by the City for 20 years or more are entitled to receive three months of salary. At December 31, 2016, there were 75 employees eligible to receive benefits upon meeting the service requirements. The City has accrued this liability in the government-wide statements as a noncurrent liability. The balance at December 31, 2016 totaled \$556,440. The amount recorded as expense for the year ended December 31, 2016 was \$16,398. Benefits of \$0 were paid during the year ended December 31, 2016.

	Balance at 12/31/15	Additions	Reductions	Balance at 12/31/16	Due Within One Year
General obligation bonds	\$ 1,660,000	\$ -	\$ (540,000)	\$ 1,120,000	\$ 550,000
Add: Issuance premiums	50,960	-	(16,093)	34,867	-
Tax Increment Revenue Bonds	44,890,000	-	(3,230,000)	41,660,000	-
Less: Issuance discounts	(392,740)	-	49,093	(343,647)	-
Postretirement benefits	540,042	16,398	-	556,440	-
Total Long-Term Debt	<u>\$ 46,748,262</u>	<u>\$ 16,398</u>	<u>\$ (3,737,000)</u>	<u>\$ 43,027,660</u>	<u>\$ 550,000</u>

Annual debt-service payments for long-term debt with scheduled payments are as follows:

Year ended,	Principal	Interest	Total
2017	\$ 550,000	\$ 16,900	\$ 566,900
2018	570,000	5,700	575,700
	<u>\$ 1,120,000</u>	<u>\$ 22,600</u>	<u>\$ 1,142,600</u>

**Note 7 - Retirement Plan**

The City of Manchester, Missouri Profit Sharing Plan and Trust (a single-employer defined contribution retirement plan currently administered by ICMA Retirement Corp.) became effective October 1, 1990 upon the passage of an ordinance by the Board of Aldermen. The City pays for the full cost of the Plan by contributing up to 5% of eligible participating employees' annual compensation. All employees are eligible to participate in the Plan when they have been credited with at least 1,000 hours of service during the period of 6 consecutive months measured from the anniversary date of their employment.

Employees vest at a graduated rate over a five year period. The City contributed \$195,842 to the Plan during the year ended December 31, 2016.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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**Note 8 - Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City makes no contribution to the Plan.

ICMA Retirement Corporation administers the City's Deferred Compensation Plan. The City does not have significant administrative involvement in the Plan. With the adoption of Governmental Accounting Standards Board (GASB) No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City's Deferred Compensation Plan is not included in the general purpose financial statements. The City's Plan does not meet the criteria for reporting the Deferred Compensation Plan in a fiduciary fund.

**Note 9 - Risk Management**

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the St. Louis Area Insurance Trust (SLAIT), a non-for-profit, self insurance risk pool, formed by various St. Louis County municipalities.

In order to operate as a group self-insurer of workers' compensation, SLAIT was formed in August 1986. In addition to insurance protection, the program provides risk management services with emphasis on loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

Coverage is provided by the trust for general and auto liability subject to a \$500 deductible per occurrence for third party property damage and for law enforcement liability subject to a \$2,500 deductible per occurrence. Any damage to city property carries a \$5,000 deductible. This trust also employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operation at some future date. The City's 2016 premium payments to the trust totaled \$158,919.

The City also purchases commercial insurance to cover risks related to building and other City property, crimes, business, travel, public official liability, earthquakes, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

**Note 10 - Commitments**

In 2013, the City signed a contract for single-family residential household trash, recycle and yard waste collection service. The contract is for 5 years and increases for each subsequent year are equal to the consumer price index. During the year ended December 31, 2016, expenditures for waste removal totaled \$1,292,304.

**City of Manchester, Missouri**  
**Notes to Financial Statements**  
**For the year ended December 31, 2016**

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**Note 11 - Claims and Contingencies**

Litigation

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. At this time, a reasonable estimate as to the amount or range of potential loss and/or gain cannot be provided.

Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

**Note 12 - Missouri Legislation**

House Bill 103 amending Section 302.341.2 RSMo became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations. The City was not required to and did not account for the fines and court costs for traffic violations separately from the total fines and court costs prior to August 28, 2013. In 2015, total fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, summed to \$257,418. “Annual general operating revenue of the city” is not defined in the amended statute and may or may not include various sources of the City’s revenues. However, the City’s general revenue fund tax revenue alone totaled \$7,522,141. Using general fund tax revenue and total fines and court costs as the “annual general operating revenue”, the City’s total fines and court costs revenues are only 3.31% of this total “annual general operating revenue”, which is substantially below the 30% threshold requirement of the amended statute. This clearly demonstrates at a minimum that the City in no way exceeded the percentage requirement regardless of how “annual general operating revenue” is calculated.

**Note 13 - Tax Abatements**

During the year ended December 31, 2016, the City adopted GASB Statement No. 77, *Tax Abatement Disclosure* which seeks to assist users of the financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The City has determined that there are no tax abatement agreements which require disclosure for the year ended December 31, 2016.

**Note 14 - Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 9, 2017, the date the financial statements were available to be issued.

## **Required Supplementary Information**

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues</b>				Over (Under)
Property taxes	\$ 174,000	\$ 174,000	\$ 154,184	\$ (19,816)
Taxes - other	7,613,000	7,613,000	7,367,957	(245,043)
Grants	89,000	89,000	119,678	30,678
Licenses and permits	355,700	355,700	332,961	(22,739)
Fines and forfeitures	440,000	440,000	329,219	(110,781)
Charges for services	424,000	424,000	385,221	(38,779)
Investment income	26,000	26,000	(20,455)	(46,455)
Other	51,000	51,000	58,246	7,246
Total Revenues	<u>\$ 9,172,700</u>	<u>\$ 9,172,700</u>	<u>\$ 8,727,011</u>	<u>\$ (445,689)</u>
<b>Expenditures</b>				
Current:				
General government	\$ 1,265,299	\$ 1,265,299	\$ 1,222,625	\$ (42,674)
Police department	3,407,401	3,407,401	3,380,083	(27,318)
Public works	2,742,975	2,742,975	2,684,809	(58,166)
Community development	263,800	263,800	242,798	(21,002)
Aquatic center	350,380	350,380	307,569	(42,811)
Recreation	796,024	796,024	744,256	(51,768)
Legal/court	222,220	222,220	212,173	(10,047)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 9,048,099</u>	<u>\$ 9,048,099</u>	<u>\$ 8,794,313</u>	<u>\$ (253,786)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	124,601	124,601	(67,302)	(191,903)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Transfers in	300,000	300,000	300,000	-
Transfers out	(351,000)	(351,000)	(327,292)	(23,708)
Total Other Financing Sources (Uses)	<u>\$ (51,000)</u>	<u>\$ (51,000)</u>	<u>\$ (27,292)</u>	<u>\$ (23,708)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 73,601</u>	<u>\$ 73,601</u>	\$ (94,594)	<u>\$ (168,195)</u>
<b>Fund Balance, January 1</b>			<u>2,601,356</u>	
<b>Fund Balance, December 31</b>			<u>\$ 2,506,762</u>	

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Parks and Storm Water Projects Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues</b>				Over (Under)
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	1,500,000	1,500,000	1,592,289	92,289
Grants	-	-	1,191	1,191
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,593,480</u>	<u>\$ 93,480</u>
<b>Expenditures</b>				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	2,281,200	2,281,200	744,633	(1,536,567)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 2,281,200</u>	<u>\$ 2,281,200</u>	<u>\$ 744,633</u>	<u>\$ (1,536,567)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(781,200)	(781,200)	848,847	1,630,047
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ (781,200)</u>	<u>\$ (781,200)</u>	\$ 848,847	<u>\$ 1,630,047</u>
<b>Fund Balance, January 1</b>			<u>2,771,661</u>	
<b>Fund Balance, December 31</b>			<u>\$ 3,620,508</u>	

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Tax Increment Financing Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,210,000	\$ 1,210,000	\$ 1,222,987	\$ 12,987
Taxes - other	5,100,000	5,100,000	5,014,511	(85,489)
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	100,000	100,000	57,708	(42,292)
Other	-	-	-	-
Total Revenues	<u>\$ 6,410,000</u>	<u>\$ 6,410,000</u>	<u>\$ 6,295,206</u>	<u>\$ (114,794)</u>
<b>Expenditures</b>				
Current:				
General government	\$ 335,000	\$ 335,000	\$ 351,245	\$ 16,245
Police department	-	-	-	-
Public works	-	-	-	-
Community development	16,860	16,860	19,620	2,760
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	3,500,000	3,500,000	3,230,000	(270,000)
Interest and fiscal charges	3,200,000	3,200,000	2,900,632	(299,368)
Total Expenditures	<u>\$ 7,051,860</u>	<u>\$ 7,051,860</u>	<u>\$ 6,501,497</u>	<u>\$ (550,363)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(641,860)	(641,860)	(206,291)	435,569
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Transfers in	330,000	330,000	306,292	(23,708)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 306,292</u>	<u>\$ (23,708)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (311,860)</u>	<u>\$ (311,860)</u>	\$ 100,001	<u>\$ 411,861</u>
<b>Fund Balance, January 1</b>			<u>8,634,284</u>	
<b>Fund Balance, December 31</b>			<u>\$ 8,734,285</u>	

**City of Manchester, Missouri**  
**Notes to the Required Supplementary Information**  
**For the year ended December 31, 2016**

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**Note 1 - Explanation of Budgetary Process**

The City prepares its budget on a basis consistent with generally accepted accounting principles. The budget process is detailed in Note 1 of the notes to the financial statements.

## **Supplementary Information**

**City of Manchester, Missouri**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**December 31, 2016**

	Sewer Fund	Manchester Arts Fund	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 266,182	\$ 8,516	\$ 274,698
Investments	-	-	-
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	-	-
Receivables, net:			
Taxes	39,812	-	39,812
Interest	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Total Assets	<u>305,994</u>	<u>8,516</u>	<u>314,510</u>
<b>Deferred Outflows of Resources</b>	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 305,994</u>	<u>\$ 8,516</u>	<u>\$ 314,510</u>
<b>Liabilities</b>			
Accounts payable	\$ 18,975	\$ 1,077	\$ 20,052
Accrued wages	-	-	-
Escrow payable	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Court bonds payable	-	-	-
Total liabilities	<u>18,975</u>	<u>1,077</u>	<u>20,052</u>
<b>Deferred Inflows of Resources</b>	-	-	-
<b>Fund Balance</b>			
Restricted:			
Special revenue fund	287,019	7,439	294,458
Committed:			
Contingency	-	-	-
Assigned:			
Special revenue fund	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>287,019</u>	<u>7,439</u>	<u>294,458</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 305,994</u>	<u>\$ 8,516</u>	<u>\$ 314,510</u>

**City of Manchester, Missouri**  
**Combining Schedule of Revenue, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended December 31, 2016**

	Sewer Fund	Manchester Arts Fund	Totals
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Taxes - other	166,481	-	166,481
Grants	-	5,464	5,464
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	30,287	818	31,105
Investment income	-	-	-
Other	-	362	362
Total Revenues	<u>\$ 196,768</u>	<u>\$ 6,644</u>	<u>\$ 203,412</u>
<b>Expenditures</b>			
Current:			
General government	\$ -	\$ -	\$ -
Police department	-	-	-
Public works	77,290	-	77,290
Community development	-	-	-
Aquatic center	-	-	-
Recreation	-	22,724	22,724
Legal/court	-	-	-
Capital outlay	236,800	-	236,800
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>\$ 314,090</u>	<u>\$ 22,724</u>	<u>\$ 336,814</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(117,322)	(16,080)	(133,402)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	\$ -	\$ -	\$ -
Transfers in	-	21,000	21,000
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ 21,000</u>
<b>Net Change in Fund Balance</b>	(117,322)	4,920	(112,402)
<b>Fund Balance (Deficit), January 1</b>	<u>404,341</u>	<u>2,519</u>	<u>406,860</u>
<b>Fund Balance (Deficit), December 31</b>	<u>\$ 287,019</u>	<u>\$ 7,439</u>	<u>\$ 294,458</u>

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Capital Projects Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues</b>				Over (Under)
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	1,360,000	1,360,000	1,361,207	1,207
Grants	401,000	401,000	241,413	(159,587)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	10,000	10,000	-	(10,000)
Total Revenues	<u>\$ 1,771,000</u>	<u>\$ 1,771,000</u>	<u>\$ 1,602,620</u>	<u>\$ (168,380)</u>
<b>Expenditures</b>				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	1,516,500	1,516,500	1,260,981	(255,519)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 1,516,500</u>	<u>\$ 1,516,500</u>	<u>\$ 1,260,981</u>	<u>\$ (255,519)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	254,500	254,500	341,639	87,139
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 14,800	\$ 14,800
Transfers in	-	-	-	-
Transfers out	(300,000)	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (285,200)</u>	<u>\$ 14,800</u>
<b>Net Change in Fund Balance</b>	<u>\$ (45,500)</u>	<u>\$ (45,500)</u>	\$ 56,439	<u>\$ 101,939</u>
<b>Fund Balance, January 1</b>			<u>111,603</u>	
<b>Fund Balance, December 31</b>			<u>\$ 168,042</u>	

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Debt Service Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues</b>				Over (Under)
Property taxes	\$ 650,000	\$ 650,000	\$ 629,935	\$ (20,065)
Taxes - other	-	-	-	-
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 629,935</u>	<u>\$ (20,065)</u>
<b>Expenditures</b>				
Current:				
General government	\$ 4,100	\$ 4,100	\$ 1,465	\$ (2,635)
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	540,000	540,000	540,000	-
Interest and fiscal charges	27,800	27,800	27,800	-
Total Expenditures	<u>\$ 571,900</u>	<u>\$ 571,900</u>	<u>\$ 569,265</u>	<u>\$ (2,635)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	78,100	78,100	60,670	(17,430)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ 78,100</u>	<u>\$ 78,100</u>	\$ 60,670	<u>\$ (17,430)</u>
<b>Fund Balance, January 1</b>			<u>785,879</u>	
<b>Fund Balance, December 31</b>			<u>\$ 846,549</u>	

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Sewer Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues</b>				Over (Under)
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	170,000	170,000	166,481	(3,519)
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	20,000	20,000	30,287	10,287
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ 196,768</u>	<u>\$ 6,768</u>
<b>Expenditures</b>				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Police department	-	-	-	-
Public works	69,300	69,300	77,290	7,990
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	200,000	225,000	236,800	11,800
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 269,300</u>	<u>\$ 294,300</u>	<u>\$ 314,090</u>	<u>\$ 19,790</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(79,300)	(104,300)	(117,322)	(13,022)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ (79,300)</u>	<u>\$ (104,300)</u>	\$ (117,322)	<u>\$ (13,022)</u>
<b>Fund Balance, January 1</b>			<u>404,341</u>	
<b>Fund Balance, December 31</b>			<u>\$ 287,019</u>	

**City of Manchester, Missouri**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Manchester Arts Fund**  
**For the year ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Revenues</b>				Over (Under)
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Grants	-	-	5,464	5,464
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	818	818
Investment income	-	-	-	-
Other	-	-	362	362
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,644</u>	<u>\$ 6,644</u>
<b>Expenditures</b>				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	27,700	27,700	22,724	(4,976)
Legal/court	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>\$ 27,700</u>	<u>\$ 27,700</u>	<u>\$ 22,724</u>	<u>\$ (4,976)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(27,700)	(27,700)	(16,080)	11,620
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ -	\$ -
Transfers in	21,000	21,000	21,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>21,000</u>	<u>21,000</u>	<u>\$ 21,000</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ (6,700)</u>	<u>\$ (6,700)</u>	\$ 4,920	<u>\$ 11,620</u>
<b>Fund Balance, January 1</b>			<u>2,519</u>	
<b>Fund Balance, December 31</b>			<u>\$ 7,439</u>	

## **Other Information**

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*

To the Honorable Mayor and Members of  
the Board of Aldermen  
City of Manchester, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Manchester, Missouri, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Manchester, Missouri's basic financial statements, and have issued our report thereon dated May 9, 2017.

**Internal Control Over Financial Reporting**

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

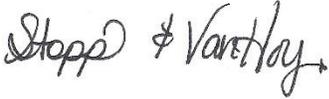
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Manchester, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no disclosed an instance of noncompliance

or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2016-001.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri  
May 9, 2017

**City of Manchester, Missouri**  
**Schedule of Findings and Responses**  
**For the year ended December 31, 2016**

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**Financial Statement Findings**

2016-1    **Condition:** During the year, the actual expenditures of the Sewer Fund exceeded the budgeted expenditures.

**Criteria:** Missouri Statutes requires political subdivisions to prepare an annual budget in which expenditures are not to exceed the budget.

**Cause:** Oversight

**Effect:** The City is in violation of Missouri Revised Statutes.

**Recommendation:** The City should periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

**Management's Response:** The City had planned for and adopted a Budget Adjustment for this Fund in 2016. However, unanticipated activity occurred at the end of the year, after the final Board of Aldermen meeting in 2016. This is an unusual occurrence and will be considered in planning for the 2017 adjustments. The contact person for this finding is David Tuberty, Director of Finance (636) 227-1385 ext. 103.

**City of Manchester, Missouri**  
**Follow-Up on Prior Audit Findings For An Audit of Financial**  
**Statements Performed in Accordance with Government Auditing Standards**

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In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by the City of Manchester, Missouri, on the applicable findings in the prior audit report issued for the year end December 31, 2015.

**Prior Year Financial Statement Findings**

None

## **Statistical Section**

**City of Manchester, Missouri**  
**Statistical Section Overview**

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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	46-49
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	50-56
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	57-59
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	60-62
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	63-65

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

**City of Manchester, Missouri**  
**Net Position by Component - Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 26,670,821	\$ 25,815,291	\$ 24,791,682	\$ 23,852,195	\$ 22,418,334	\$ 21,368,355	\$ 18,815,760	\$ 14,194,002	\$ 10,942,628	\$ 8,539,510
Restricted for:										
Capital projects	168,042	111,603	93,342	199,360	509,802	166,788	162,587	(144,994)	42,924	64,982
Parks and Storm Water projects	3,620,508	2,771,661	1,987,081	1,236,705	1,245,142	523,490	103,228	1,230,990	991,044	1,229,262
Debt service	846,549	785,879	705,820	658,107	698,503	1,004,185	921,967	638,506	435,775	841,853
TIF	8,734,285	8,634,284	8,763,166	10,086,559	9,988,792	9,540,958	8,384,284	12,280	60,123	17,724
Non-Major	294,458	406,860	493,752	592,509	576,819	590,429	511,977	511,430	455,394	425,621
Unrestricted	<u>(39,818,169)</u>	<u>(42,977,686)</u>	<u>(46,447,278)</u>	<u>(51,073,852)</u>	<u>(52,973,416)</u>	<u>(52,405,969)</u>	<u>(50,888,264)</u>	<u>5,882,216</u>	<u>8,084,093</u>	<u>8,758,629</u>
Total Governmental Activities	<u>516,494</u>	<u>(4,452,108)</u>	<u>(9,612,435)</u>	<u>(14,448,417)</u>	<u>(17,536,024)</u>	<u>(19,211,764)</u>	<u>(21,988,461)</u>	<u>22,324,430</u>	<u>21,011,981</u>	<u>19,877,581</u>
<b>Primary Government</b>										
Net investment in capital assets	26,670,821	25,815,291	24,791,682	23,852,195	22,418,334	21,368,355	18,815,760	14,194,002	10,942,628	8,539,510
Restricted	13,663,842	12,710,287	12,043,161	12,773,240	13,019,058	11,825,850	10,084,043	2,248,212	1,985,260	2,579,442
Unrestricted	<u>(39,818,169)</u>	<u>(42,977,686)</u>	<u>(46,447,278)</u>	<u>(51,073,852)</u>	<u>(52,973,416)</u>	<u>(52,405,969)</u>	<u>(50,888,264)</u>	<u>5,882,216</u>	<u>8,084,093</u>	<u>8,758,629</u>
Total Primary Government	<u>\$ 516,494</u>	<u>\$ (4,452,108)</u>	<u>\$ (9,612,435)</u>	<u>\$ (14,448,417)</u>	<u>\$ (17,536,024)</u>	<u>\$ (19,211,764)</u>	<u>\$ (21,988,461)</u>	<u>\$ 22,324,430</u>	<u>\$ 21,011,981</u>	<u>\$ 19,877,581</u>

Source: Basic financial statements

2012 amount was restated for implementation of GASB 63 and 65.

**City of Manchester, Missouri**  
**Changes in Net Position - Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 1,652,795	\$ 1,560,101	\$ 1,560,324	\$ 1,852,779	\$ 1,410,695	\$ 1,258,874	\$ 1,146,060	\$ 908,945	\$ 841,229	\$ 757,582
Police department	3,680,947	3,540,967	3,443,086	3,492,549	3,460,970	3,464,808	3,399,197	3,153,266	3,165,510	3,162,008
Public works	3,906,863	3,699,603	3,649,983	3,511,676	3,535,613	3,572,618	3,477,863	3,461,055	3,949,129	2,672,690
Community development	265,525	223,100	258,237	266,928	253,670	250,119	249,572	301,840	272,623	255,490
Aquatic center	505,548	530,027	523,882	518,331	500,993	476,923	473,981	395,020	449,556	471,485
Recreation	968,111	880,688	833,511	809,965	837,289	811,009	823,704	913,646	701,897	690,309
Legal and Court	214,385	207,195	190,737	333,794	348,497	274,050	271,069	278,635	252,229	290,647
Interest on long-term debt	2,925,532	3,146,848	3,343,531	3,563,794	3,750,063	2,709,322	2,728,925	192,019	322,412	232,004
Special item - transfer to escrow agent of proceeds from TIF bonds	-	-	-	-	-	-	47,688,390	-	-	-
Total Governmental Activities Expenses	<u>14,119,706</u>	<u>13,788,529</u>	<u>13,803,291</u>	<u>14,349,816</u>	<u>14,097,790</u>	<u>12,817,723</u>	<u>60,258,761</u>	<u>9,604,426</u>	<u>9,954,585</u>	<u>8,532,215</u>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for service:										
General government	-	-	39,315	237,455	232,459	212,056	210,790	148,391	160,546	163,584
Police department	269,610	407,913	472,167	479,550	460,612	312,510	335,036	394,749	480,481	590,472
Public works	30,287	23,750	18,495	18,913	21,039	22,529	20,747	32,295	38,923	38,153
Aquatic center	281,183	277,528	289,788	252,269	334,530	331,143	328,003	288,159	304,241	299,683
Recreation	73,447	70,447	64,344	103,466	62,987	53,741	60,509	53,662	60,215	59,870
Operation grants and contributions	189,345	219,352	165,622	89,855	-	-	-	106,607	75,942	179,918
Capital grants and contributions	241,413	-	-	241,900	208,479	842,440	345,001	-	32,992	-
Total Governmental Activities Program Revenue	<u>1,085,285</u>	<u>998,990</u>	<u>1,049,731</u>	<u>1,423,408</u>	<u>1,320,106</u>	<u>1,774,419</u>	<u>1,300,086</u>	<u>1,023,863</u>	<u>1,153,340</u>	<u>1,331,680</u>
<b>Net Revenue (Expenses)</b>										
Governmental Activities	(13,034,421)	(12,789,539)	(12,753,560)	(12,926,408)	(12,777,684)	(11,043,304)	(58,958,675)	(8,580,563)	(8,801,245)	(7,200,535)
Total Primary Government, Net Expenses	<u>\$ (13,034,421)</u>	<u>\$ (12,789,539)</u>	<u>\$ (12,753,560)</u>	<u>\$ (12,926,408)</u>	<u>\$ (12,777,684)</u>	<u>\$ (11,043,304)</u>	<u>\$ (58,958,675)</u>	<u>\$ (8,580,563)</u>	<u>\$ (8,801,245)</u>	<u>\$ (7,200,535)</u>
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Sales tax	\$ 13,776,329	\$ 13,482,370	\$ 12,257,239	\$ 11,735,875	\$ 10,804,917	\$ 9,018,222	\$ 8,680,856	\$ 5,703,888	\$ 5,375,461	\$ 5,829,923
Utility tax	1,439,416	1,519,002	1,606,432	1,314,029	1,289,144	1,335,811	1,311,578	1,663,049	1,624,896	1,361,805
Property tax	2,055,854	2,010,763	2,019,009	1,894,424	2,092,373	2,301,888	2,449,093	1,371,762	1,440,554	1,271,526
Franchise tax	286,700	297,190	287,143	259,387	255,673	215,254	223,656	186,739	185,682	186,697
Other tax	-	-	922,354	706,514	698,261	764,375	789,654	773,536	853,580	801,578
Investment income	37,253	102,282	163,907	36,069	151,523	(50,964)	21,748	116,924	279,374	830,875
Miscellaneous	407,471	538,259	333,458	67,717	234,659	235,415	195,680	77,114	176,098	35,558
Total Governmental Activities General Revenues and Other Changes in Net Position	<u>18,003,023</u>	<u>17,949,866</u>	<u>17,589,542</u>	<u>16,014,015</u>	<u>15,526,550</u>	<u>13,820,001</u>	<u>13,672,265</u>	<u>9,893,012</u>	<u>9,935,645</u>	<u>10,317,962</u>
Total Primary Government Activities General Revenues and Other Changes in Net Position	<u>18,003,023</u>	<u>17,949,866</u>	<u>17,589,542</u>	<u>16,014,015</u>	<u>15,526,550</u>	<u>13,820,001</u>	<u>13,672,265</u>	<u>9,893,012</u>	<u>9,935,645</u>	<u>10,317,962</u>
<b>Changes in Net Position</b>										
Governmental activities	<u>4,968,602</u>	<u>5,160,327</u>	<u>4,835,982</u>	<u>3,087,607</u>	<u>2,748,866</u>	<u>2,776,697</u>	<u>(45,286,410)</u>	<u>1,312,449</u>	<u>1,134,400</u>	<u>3,117,427</u>
Total Primary Government	<u>\$ 4,968,602</u>	<u>\$ 5,160,327</u>	<u>\$ 4,835,982</u>	<u>\$ 3,087,607</u>	<u>\$ 2,748,866</u>	<u>\$ 2,776,697</u>	<u>\$ (45,286,410)</u>	<u>\$ 1,312,449</u>	<u>\$ 1,134,400</u>	<u>\$ 3,117,427</u>

Source: Basic financial statements

**City of Manchester, Missouri**  
**Fund Balances of Governmental Funds - Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Fund</b>										
After GASB 54 Implementation:										
Nonspendable	\$ -	\$ -	\$ -	\$ 74,715	\$ 178,232	\$ 106,624	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	1,853,148	1,800,834	1,763,664	1,760,238	1,794,593	1,785,815	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	653,614	800,522	514,488	(49,117)	(143,273)	615,042	-	-	-	-
Before GASB 54 Implementation:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	3,806,120	6,367,995	8,576,484	8,064,262
<b>Total General Fund</b>	<u>\$ 2,506,762</u>	<u>\$ 2,601,356</u>	<u>\$ 2,278,152</u>	<u>\$ 1,785,836</u>	<u>\$ 1,829,552</u>	<u>\$ 2,507,481</u>	<u>\$ 3,806,120</u>	<u>\$ 6,367,995</u>	<u>\$ 8,576,484</u>	<u>\$ 8,064,262</u>
<b>All Other Governmental Funds</b>										
After GASB 54 Implementation:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	13,663,842	12,710,287	12,043,161	12,773,240	12,954,177	11,785,123	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(42,017)	-	-	-	-	-	-
Before GASB 54 Implementation:										
Reserved	-	-	-	-	-	-	10,019,885	2,248,288	6,556,915	8,858,168
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 13,663,842</u>	<u>\$ 12,710,287</u>	<u>\$ 12,043,161</u>	<u>\$ 12,731,223</u>	<u>\$ 12,954,177</u>	<u>\$ 11,785,123</u>	<u>\$ 10,019,885</u>	<u>\$ 2,248,288</u>	<u>\$ 6,556,915</u>	<u>\$ 8,858,168</u>

Source: Basic financial statements

Note: The City implemented GASB 54 in fiscal year 2011.

**City of Manchester, Missouri**  
**Change in Fund Balances Governmental Funds - Last Ten Fiscal Years**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Property taxes	\$ 2,007,106	\$ 2,053,177	\$ 1,975,207	\$ 1,934,222	\$ 2,092,373	\$ 2,301,888	\$ 2,449,093	\$ 1,371,762	\$ 1,440,554	\$ 1,271,526
Taxes - other	15,502,445	15,298,562	15,073,168	14,015,805	13,012,241	11,352,309	10,948,801	8,327,468	8,040,037	8,255,793
Grants	367,746	210,435	165,622	331,755	208,479	842,440	345,001	106,607	108,934	179,918
Licenses and permits	332,961	325,410	339,383	237,455	233,848	212,745	212,298	149,696	165,309	169,304
Fines and forfeitures	329,219	413,661	467,784	438,464	460,612	312,510	335,035	394,749	480,481	590,472
Changes for services	416,326	410,968	416,325	415,735	417,167	406,724	407,751	372,811	398,616	391,986
Investment income	37,253	102,282	163,907	36,069	151,523	(50,964)	21,748	116,924	279,374	830,875
Other	58,608	174,235	112,394	120,508	250,804	270,209	219,323	144,453	186,856	93,958
Total Revenues	19,051,664	18,988,730	18,713,790	17,530,013	16,827,047	15,647,861	14,939,050	10,984,470	11,100,161	11,783,832
<b>Expenditures</b>										
General government	1,575,335	1,491,612	1,477,496	1,471,161	1,390,365	1,056,486	984,121	843,360	812,818	727,367
Police department	3,380,083	3,182,223	3,120,680	3,156,905	3,136,366	3,140,035	3,081,267	2,956,234	3,002,796	2,945,095
Public works	2,762,099	2,735,986	2,725,106	2,897,733	2,784,077	2,930,793	2,788,913	2,607,110	2,086,677	1,978,411
Community development	262,418	222,630	258,639	260,872	251,639	248,304	247,303	299,655	270,290	260,548
Aquatic center	307,569	337,400	323,732	338,376	343,207	325,649	338,477	315,598	299,700	303,544
Recreation	766,980	688,157	661,918	663,739	674,658	697,973	688,578	615,383	588,124	614,842
Legal/court	212,173	205,528	188,121	330,167	344,378	269,749	266,599	269,528	239,538	274,114
Capital outlay	2,242,414	2,238,693	2,213,763	2,733,819	1,962,669	3,447,044	5,148,083	8,451,628	3,770,356	2,071,098
Debt service:										
Principal	3,770,000	3,790,000	4,585,000	2,455,000	1,780,000	405,000	970,000	945,000	1,485,000	885,000
Interest	2,928,432	3,135,081	3,355,081	3,562,993	3,149,976	2,660,229	2,126,635	198,090	333,893	275,705
Bond issue cost	-	-	-	-	64,173	-	1,341,250	-	-	-
Total Expenditures	18,207,503	18,027,310	18,909,536	17,870,765	15,881,508	15,181,262	17,981,226	17,501,586	12,889,192	10,335,724
<b>Revenues Over (Under) Expenditures</b>	844,161	961,420	(195,746)	(340,752)	945,539	466,599	(3,042,176)	(6,517,116)	(1,789,031)	1,448,108
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of capital assets	14,800	28,910	-	-	-	-	-	-	-	-
Transfers in	627,292	315,049	667,435	694,510	274,328	573,423	1,980,241	2,391,256	385,436	100,528
Transfers out	(627,292)	(315,049)	(667,435)	(694,510)	(274,328)	(573,423)	(1,980,241)	(2,391,256)	(385,436)	(100,528)
Issuance of bonds	-	-	-	-	3,185,000	-	54,786,795	-	-	-
Bond premium	-	-	-	-	115,331	-	-	-	-	-
Payment to escrow agent	-	-	-	-	(3,735,000)	-	(47,688,390)	-	-	-
Total Other Financing Sources (Uses)	14,800	28,910	-	-	(434,669)	-	7,098,405	-	-	-
<b>Net Change In Fund Balance</b>	\$ 858,961	\$ 990,330	\$ (195,746)	\$ (340,752)	\$ 510,870	\$ 466,599	\$ 4,056,229	\$ (6,517,116)	\$ (1,789,031)	\$ 1,448,108
Debt service as a percentage of noncapital expenditures	41.96%	43.86%	47.56%	39.76%	35.88%	26.12%	34.58%	12.63%	19.95%	14.04%
Fines and forfeitures as a percentage of general revenues (1)	3.31%	4.87%	6.24%	5.35%	5.64%	3.91%	4.30%	4.92%	5.89%	7.00%

Source: Basic financial statements

(1) Beginning in 2013 Missouri House Bill (HB) 103 requires cities to report the percentage of fines forfeitures for traffic violations to the annual general operating revenue.

**City of Manchester, Missouri**  
**Program Revenues By Functions/Programs - Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Governmental Activities</b>										
General government	\$ 107,658	\$ 195,544	\$ 203,797	\$ 327,310	\$ 232,459	\$ 212,056	\$ 210,790	\$ 148,391	\$ 160,546	\$ 163,584
Police department	340,505	427,463	472,167	479,550	460,612	312,510	335,036	501,356	556,423	770,390
Public works	271,700	23,750	18,495	71,007	229,518	518,969	357,930	32,295	71,915	38,153
Aquatic center	281,183	277,528	289,788	252,269	334,530	331,143	328,003	288,159	304,241	299,683
Recreation	84,439	74,705	65,484	293,272	62,987	399,741	68,327	53,662	60,215	59,870
Total Governmental Activities	<u>1,085,485</u>	<u>998,990</u>	<u>1,049,731</u>	<u>1,423,408</u>	<u>1,320,106</u>	<u>1,774,419</u>	<u>1,300,086</u>	<u>1,023,863</u>	<u>1,153,340</u>	<u>1,331,680</u>
 Total Primary Government	 <u>\$ 1,085,485</u>	 <u>\$ 998,990</u>	 <u>\$ 1,049,731</u>	 <u>\$ 1,423,408</u>	 <u>\$ 1,320,106</u>	 <u>\$ 1,774,419</u>	 <u>\$ 1,300,086</u>	 <u>\$ 1,023,863</u>	 <u>\$ 1,153,340</u>	 <u>\$ 1,331,680</u>

Source: Basic financial statements

**City of Manchester, Missouri**  
**Tax Revenue by Source, Governmental Funds - Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Sales</b>	<b>Utility</b>	<b>Property</b>	<b>Franchise</b>	<b>Other</b>	<b>Total</b>
2016	\$ 13,776,329	\$ 1,439,416	\$ 2,055,854	\$ 286,700	\$ -	\$ 17,558,299
2015	13,482,370	1,519,002	2,010,763	297,190	-	17,309,325
2014	12,257,239	1,606,432	2,019,009	287,143	922,354	17,092,177
2013	11,735,875	1,314,029	1,894,424	259,387	706,514	15,910,229
2012	10,804,917	1,289,144	2,092,373	255,673	698,261	15,140,368
2011	9,018,222	1,335,811	2,301,888	215,254	764,375	13,635,550
2010	8,680,856	1,311,578	2,449,093	223,656	789,654	13,454,837
2009	5,703,888	1,663,049	1,371,762	186,739	773,536	9,698,974
2008	5,375,461	1,624,896	1,440,554	185,682	853,580	9,480,173
2007	5,829,923	1,361,805	1,271,526	186,697	801,578	9,451,529

Source: Governmental revenues and supplemental information

**City of Manchester, Missouri**  
**Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years**

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<b>Calendar Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate *</b>	<b>Estimated Actual Value</b>	<b>Assessed Value As A Percentage Of Actual Value</b>
2016	\$ 315,383,746	\$ 42,499,347	\$ 357,883,093	\$ 0.2400	\$1,640,310,104	21.8%
2015	314,310,981	41,832,548	356,143,529	0.2370	1,633,825,697	21.8%
2014	301,684,451	42,592,930	344,277,381	0.2380	1,575,513,545	21.9%
2013	300,352,891	41,840,611	342,193,502	0.2380	1,566,069,627	21.9%
2012	309,464,288	42,706,922	352,171,210	0.1190	1,614,189,337	21.8%
2011	309,491,369	40,057,054	349,548,423	0.2060	1,605,882,767	21.8%
2010	316,943,377	39,399,722	356,343,099	0.2380	1,636,491,586	21.8%
2009	306,546,994	41,033,436	347,580,430	0.2430	1,607,606,255	21.6%
2008	324,142,474	43,706,319	367,848,793	0.2430	1,716,008,040	21.4%
2007	324,390,139	43,041,327	367,431,466	0.2430	1,711,388,231	21.5%

Source: St. Louis County Assessor

\* Rate for residential property

**City of Manchester, Missouri**  
**Property Taxes - Direct and All Overlapping Governments - Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
City of Manchester*										
General property tax	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450
Debt service property tax	0.1930	0.1920	0.1930	0.1930	0.0740	0.1610	0.1930	0.1980	0.1980	0.1980
	<u>\$ 0.2380</u>	<u>\$ 0.2370</u>	<u>\$ 0.2380</u>	<u>\$ 0.2380</u>	<u>\$ 0.1190</u>	<u>\$ 0.2060</u>	<u>\$ 0.2380</u>	<u>\$ 0.2430</u>	<u>\$ 0.2430</u>	<u>\$ 0.2430</u>
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
St. Louis County	0.5150	0.5150	0.5230	0.5230	0.5230	0.5230	0.5230	0.5230	0.5580	0.5580
St. Louis Community College	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003
Special School District	1.2409	1.2348	1.2609	1.2400	1.0123	1.0125	0.9950	0.9384	0.9184	0.9084
Metropolitan Zoological Park and Museum District	0.2795	0.2777	0.2797	0.2797	0.2684	0.2671	0.2546	0.2493	0.2344	0.2330
St. Louis County Library	0.2460	0.2460	0.2500	0.2500	0.1730	0.1630	0.1565	0.1400	0.1400	0.1400
Metropolitan St. Louis Sewer District (Extension) #	0.1196	0.0195	0.0197	0.0196	0.0186	0.0185	0.0180	-	-	0.0167
Meramec River Basin Subdistrict	-	-	-	-	-	-	-	-	-	0.0700
Sheltered Workshop	0.0880	0.0880	0.0900	0.0890	0.0840	0.0840	0.0790	0.0740	0.0690	0.0700
Total	<u>\$ 2.9755</u>	<u>\$ 2.8656</u>	<u>\$ 2.9113</u>	<u>\$ 2.8893</u>	<u>\$ 2.4483</u>	<u>\$ 2.5241</u>	<u>\$ 2.5120</u>	<u>\$ 2.4113</u>	<u>\$ 2.3941</u>	<u>\$ 2.4694</u>
School districts (2)										
Parkway School District	\$ 4.2163	\$ 4.4617	\$ 4.0743	\$ 4.0743	\$ 3.9361	\$ 3.6761	\$ 3.5672	\$ 3.4100	\$ 3.2300	\$ 3.2300
Valley Park School District	5.6045	5.5210	5.5910	5.6526	5.0587	4.9435	4.7174	4.5653	4.2722	4.1311
Fire protection districts (3)										
West County EMS Fire District	\$ 1.2710	\$ 1.2740	\$ 0.9620	\$ 0.9610	\$ 0.8960	\$ 0.8980	\$ 0.9130	\$ 0.7190	\$ 0.7260	\$ 0.7730
Valley Park Fire District	1.1640	1.1730	1.2780	1.2780	1.1950	1.1530	1.1310	1.0230	1.0130	1.0040

Source: St. Louis County Assessor (rates stated per \$100 assessed valuation)

\* Rate for residential property

# All Metropolitan St. Louis Sewer District (MSD) district-wide and sub-district taxes were reduced to zero for 2008. This was due to the implementation of a new impervious area storm water rate which was overturned by a court action.

**City of Manchester, Missouri**  
**Principal Taxpayers Current Year and Ten Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
TKG Manchester Highlands Shopping Center, LLC	\$ 11,065,380	1	3.15%	\$ -		
Ameren UE	6,068,875	2	1.59%	4,142,918	1	1.36%
Costco Wholesale Corp	4,701,330	3	1.35%	-		
Caplaco Six, Inc.	3,680,160	4	1.05%	4,072,930	2	1.12%
Big Bend Apartments, LLC	3,567,170	5	1.01%	3,367,540	5	0.93%
Kemp Waterford West, LLC	3,349,700	6	0.95%	-		
A&R Manchester, LLC	3,163,770	7	0.90%	3,727,200	3	1.03%
HDX Acquisition, LLC	3,030,490	8	0.86%	-		
South Hampton Apartments, LLC	2,912,810	9	0.83%	3,554,380	4	0.98%
Suntrup William N, Trustee, Et al	2,090,930	10	0.59%	-		
Pace Highlands Associates, LLC				2,957,940	6	0.82%
Home Depot USA, Inc.				2,845,930	7	0.78%
Sovran Meramec, LLC				2,745,920	8	0.76%
Waterford Associates				2,090,000	9	0.58%
Kir Manchester, LP				2,080,000	10	0.57%
Total	<u>\$ 43,630,615</u>		<u>12.28%</u>	<u>\$ 31,584,758</u>		<u>8.93%</u>

Source: St. Louis County Assessor

**City of Manchester, Missouri**  
**Property Tax Levies And Collections - Last Ten Fiscal Years**

<b>Levy Year</b>	<b>Net Tax Levy (1)</b>	<b>Current Tax Collections</b>	<b>Percent Collected As Current</b>	<b>Delinquent Tax Collections (Settlements)</b>	<b>Total Tax Collections (2)</b>	<b>Total Collections As Percent Of Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Delinquent Taxes As Percent of Levy</b>
2016	\$ 820,269	\$ 730,423	89.0%	\$ 58,743	\$ 789,166	96.2%	\$ 115,442	14.1%
2015	811,820	744,793	91.7%	68,069	812,862	100.1%	66,295	8.2%
2014	788,131	719,074	91.2%	69,948	789,022	100.1%	83,566	10.6%
2013	783,474	716,480	91.4%	15,192	731,672	93.4%	76,433	9.8%
2012	404,758	375,541	92.8%	65,741	441,282	109.0%	39,915	9.9%
2011	693,130	640,770	92.4%	81,270	722,040	104.2%	72,033	10.4%
2010	814,217	732,844	90.0%	72,385	805,229	98.9%	94,751	11.6%
2009	828,361	752,787	90.9%	95,828	848,615	102.4%	92,873	11.2%
2008	894,404	804,095	89.9%	97,043	901,138	100.8%	108,277	12.1%
2007	892,548	797,672	89.4%	39,346	837,018	93.8%	108,353	12.1%

Source: St. Louis County Collector's Office

(1) St. Louis County Board of Equalization after adjustments

**City of Manchester, Missouri**  
**Sales Tax Rates, Direct and Overlapping - Last Ten Fiscal Years**  
(dollars in thousands)

<b>For The Years Ended December 31</b>	<b>City Direct Rate</b>	<b>St. Louis County</b>	<b>State of Missouri</b>	<b>Direct And Overlapping</b>	<b>Taxable Sales (1)</b>
2016	1.000%	3.138%	4.225%	8.363%	\$ 425,996
2015	1.000%	3.138%	4.225%	8.363%	408,212
2014	1.000%	3.138%	4.225%	8.363%	405,231
2013	1.000%	2.888%	4.225%	8.113%	395,444
2012	1.000%	2.700%	4.225%	7.925%	383,021
2011	1.000%	2.700%	4.225%	7.925%	365,416
2010	1.000%	2.700%	4.225%	7.925%	366,744
2009	1.000%	2.100%	4.225%	7.325%	241,154
2008	1.000%	1.850%	4.225%	7.075%	185,912
2007	1.000%	1.850%	4.225%	7.075%	204,591

(1) Taxable sales reported by the Missouri Department of Revenue. State law prohibits the disclosure of specific taxpayer information.

Note: The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

Note: The City's direct rate is made up of the following:

- 0.5000% Capital improvements sales tax
- 0.5000% Park and Storm Water sales tax

**City of Manchester, Missouri**  
**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Total Primary Government</b>	<b>Percentage Of Personal Income (1)(2)</b>	<b>Per Capita (1)</b>
	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Certificates of Participation</b>			
2016	\$ 1,120,000	\$ 41,660,000	\$ -	\$ 42,780,000	6.2%	\$ 2,364
2015	1,660,000	44,890,000	-	46,550,000	6.9%	2,573
2014	2,450,000	48,160,000	-	50,610,000	7.5%	2,797
2013	2,690,000	52,235,000	-	54,925,000	8.3%	3,036
2012	3,185,000	54,195,000	-	57,380,000	8.4%	3,171
2011	3,735,000	55,425,000	-	59,160,000	9.1%	3,270
2010	4,025,000	55,425,000	115,000	59,565,000	9.5%	3,292
2009	4,300,000	-	810,000	5,110,000	n/a	267
2008	4,565,000	-	1,490,000	6,055,000	n/a	316
2007	5,395,000	-	2,145,000	7,540,000	n/a	394

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

(1) See Demographics and Economic Statistics Table

(2) U.S. Bureau of Census Information prior to 2010 is unavailable.

**City of Manchester, Missouri**  
**Direct and Overlapping Governmental Activities Debt**

<b>Name of Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share Of Overlapping Debt</b>
St. Louis County	\$ 101,310,000	1.57%	\$ 1,590,567
Parkway School District	212,795,000	7.50%	15,959,625
Valley Park School District	13,050,000	16.17%	2,110,185
West Count EMS	16,590,000	43.99%	7,297,941
Subtotal:	<u>343,745,000</u>		<u>26,958,318</u>
City of Manchester	<u>42,780,000</u>	100.00%	<u>42,780,000</u>
Total Direct and Overlapping Debt:	<u><u>\$ 386,525,000</u></u>		<u><u>\$ 69,738,318</u></u>

Source: Information was obtained by contacting the taxing jurisdiction and the St. Louis County Collector's office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

**City of Manchester, Missouri**  
**Legal Debt Margin Information - Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 35,767,236	\$ 35,614,353	\$ 34,427,738	\$ 34,219,350	\$ 35,217,121	\$ 34,954,842	\$ 35,634,310	\$ 34,758,043	\$ 36,784,879	\$ 36,743,147
Net debt applicable to limit	1,120,000	1,660,000	2,180,000	2,690,000	3,185,000	3,735,000	4,140,000	5,110,000	6,055,000	7,540,000
Legal Debt Margin	<u>\$ 34,647,236</u>	<u>\$ 33,954,353</u>	<u>\$ 32,247,738</u>	<u>\$ 31,529,350</u>	<u>\$ 32,032,121</u>	<u>\$ 31,219,842</u>	<u>\$ 31,494,310</u>	<u>\$ 29,648,043</u>	<u>\$ 30,729,879</u>	<u>\$ 29,203,147</u>
Total Net Debt Applicable to The Limit as a Percentage of Debt Limit	3.1%	4.7%	6.3%	7.9%	9.0%	10.7%	11.6%	14.7%	16.5%	20.5%

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

**City of Manchester, Missouri**  
**Demographic and Economic Statistics - Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Age (1)</b>	<b>Median Household Income (1)</b>	<b>Personal Income</b>	<b>Per Capita Income (1)</b>	<b>Unemployment Rate (2)</b>
2016	18,094	38.1	\$ 76,395	\$ 693,796,336	\$ 38,344	2.7%
2015	18,094	36.3	81,489	675,955,652	37,358	3.3%
2014	18,094	36.3	81,489	675,955,652	37,358	3.3%
2013	18,094	38.2	78,159	664,683,090	36,735	3.6%
2012	18,094	38.8	76,233	684,821,712	37,848	3.3%
2011	18,094	38.8	74,243	647,819,482	35,803	3.5%
2010	18,094	37.7	71,071	628,296,056	34,724	3.1%
2009	19,161	n/a	n/a	n/a	n/a	5.5%
2008	19,161	n/a	n/a	n/a	n/a	3.7%
2007	19,161	n/a	n/a	n/a	n/a	3.1%

(1) Source: U.S. Bureau of Census Information prior to 2010 is unavailable.

(2) Source: Missouri Department of Economic Development

City of Manchester, Missouri  
Pledged Revenue Coverage - Last Ten Fiscal Years

TIF Refunding Revenue Bonds (1)(2)

Fiscal Year	#	TIF Economic Activity Tax	TIF Payments In Lieu of Tax	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2016	\$	5,014,511	\$ 1,222,987	\$ 370,865	\$ 5,866,633	\$ 3,230,000	\$ 2,900,632	95.7%
2015		4,953,944	1,248,492	355,070	5,847,366	3,270,000	3,096,681	91.8%
2014		4,748,982	1,221,792	354,896	5,615,878	4,075,000	3,306,381	76.1%
2013		4,354,967	1,208,458	304,892	5,258,533	1,960,000	3,503,877	96.2%
2012		4,089,209	1,104,885	307,044	4,887,050	1,230,000	3,592,765	101.3%
2011		2,404,930	1,084,125	268,708	3,220,347	-	2,511,677	128.2%
2010		2,447,898	1,074,863	75,310	3,447,451	-	1,955,244	176.3%
2009		-	-	-	-	-	-	0.0%
2008		-	-	-	-	-	-	0.0%
2007		-	-	-	-	-	-	0.0%

Certificates of Participation (3)(4)

Fiscal Year	Capital Improvement Sales Tax	Park and Storm Water Sales Tax	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
2015	-	-	-	-	-	0.0%
2014	-	-	-	-	-	0.0%
2013	-	-	-	-	-	0.0%
2012	-	-	-	-	-	0.0%
2011	1,190,863	1,391,875	2,582,738	115,000	1,889	2209.6%
2010	1,094,153	1,278,098	2,372,251	695,000	15,193	334.0%
2009	946,350	1,113,883	2,060,233	680,000	37,777	287.0%
2008	838,407	982,553	1,820,960	655,000	59,705	254.8%
2007	949,693	1,117,106	2,066,799	635,000	80,893	288.7%

(1) TIF Refunding Revenue Bonds are backed by economic activity (sales) and payments in lieu of taxes generated at the Manchester Highlands Shopping Center.

(2) TIF Refunding Revenue Bonds were issued in 2010.

(3) Certificates of Participation were backed by the .5% Capital Improvement Sales Tax and the 0.5% Park and Storm Water Sales Tax Revenue.

(4) Certificates of Participation were paid off in 2011

**City of Manchester, Missouri**  
**Principal Employers - Current and Ten Years Ago**

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total City Employment</b>
Parkway School District	415	1	3.9%	548	1	5.2%
Walmart	396	2	3.7%	n/a	n/a	n/a
Costco	228	3	2.1%	n/a	n/a	n/a
Veterinary Specialty Services	137	4	1.3%	n/a	n/a	n/a
Joey B's	135	5	1.3%	n/a	n/a	n/a
Dierbergs	104	6	1.0%	270	2	2.6%
Kohl's	97	7	0.9%	128	4	1.2%
Best Buy	86	8	0.8%	n/a	n/a	n/a
City of Manchester	79	9	0.7%	73	6	0.7%
Academy Sports	68	10	0.6%	n/a	n/a	n/a
<b>Total</b>	<b>1745</b>		<b>16.3%</b>	<b>1019</b>		<b>9.7%</b>

Source: The City's Planning Department

**City of Manchester, Missouri**  
**Full-Time City Government Employees By Functions/Programs\* - Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
General government:										
Administration	4	4	4	3	5	4	4	4	3	2
Finance	2	2	2	2	2	2	2	1	2	2
Municipal court	3	3	2	2	2	2	2	2	2	2
Police:										
Officers	39	36	36	37	38	37	39	39	38	38
Civilians	4	5	3	3	3	5	4	4	2	3
Parks:										
Administration	4	3	3	3	3	3	3	3	3	3
Park maintenance	5	5	5	5	4	5	5	5	4	4
Public works:										
Administration	1	2	1	2	2	2	2	2	2	2
Street maintenance	13	14	14	14	14	14	14	14	12	11
Facility maintenance	1	1	2	2	2	2	2	2	1	1
Community development	3	3	3	3	3	3	3	3	3	3
<b>Total</b>	<b>79</b>	<b>78</b>	<b>75</b>	<b>76</b>	<b>78</b>	<b>79</b>	<b>80</b>	<b>79</b>	<b>72</b>	<b>71</b>

Source: The City's Annual Budget Document

\* Schedule only includes full-time City personnel positions.

**City of Manchester, Missouri**  
**Operating Indicators By Functions/Programs - Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Police/Patrol</b>										
Arrests	412	490	595	713	736	653	561	447	431	416
Traffic citations	3,132	4,501	4,717	4,847	5,569	2,458	2,004	2,309	3,540	4,457
Crime reports	1,116	1,890	1,137	1,305	1,291	1,138	1,159	1,077	1,228	1,143
Accident reports	510	487	503	523	451	489	514	464	468	462
Warrants	389	440	311	364	363	270	259	264	301	347
<b>Public Works</b>										
Concrete slabs replaced	497	552	530	456	394	1,102	1,128	1,081	1,053	1,098
<b>Planning and Building</b>										
Site development/concept plans	11	13	7	3	7	6	11	6	17	14
Rezoning applications	2	-	-	-	-	-	1	-	1	1
Text amendments	7	5	2	3	2	2	2	4	1	5
Building permits issued	351	119	357	310	292	307	296	333	313	457
<b>Finance and Administration</b>										
Merchant licenses issued	270	291	315	314	268	283	274	256	266	266
Payroll checks issued	2,775	2,666	2,685	2,842	2,779	2,777	2,706	2,559	2,516	2,412
Accounts payable processed	2,686	2,498	2,654	2,535	2,582	2,601	2,838	2,880	2,852	2,719
Sunshine Act requests	36	26	35	50	59	59	44	67	38	45

Source: The City's internal department reports

**City of Manchester, Missouri**  
**Capital Assets Statistics By Functions/Programs - Last Ten Fiscal Years**

<b>Functions/Programs</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Police/Patrol</b>										
Stations	1	1	1	1	1	1	1	1	2	2
Marked patrol units	20	19	23	24	22	23	23	24	16	16
Sectors	4	4	4	4	4	4	4	4	4	4
<b>Public Works</b>										
Miles of streets	67	67	67	67	67	65	65	65	65	65
Miles of sidewalks	53	53	53	53	53	52	52	52	52	52
Street lights and signals	939	939	939	939	939	937	937	937	937	937
<b>Parks and Recreation</b>										
Number of parks	6	6	6	6	6	6	6	6	6	6
Acres of parks	63	63	63	63	63	63	63	63	63	63
Pavilions	6	6	5	5	5	5	5	5	5	5
Amphitheater	1	1	1	1	1	1	-	-	-	-
Tennis courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	5	5	4	4	4	4	4	4	4	4

Source: The City's capital assets inventory report