

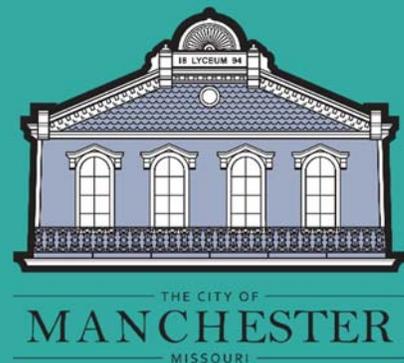


# 2019 CAFR Manchester, MO

## CITY OF MANCHESTER, MISSOURI

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Comprehensive Annual Financial Report  
For the year ending December 31, 2019  
Report prepared and submitted by the  
City of Manchester Finance Department



**City of Manchester, Missouri**  
**Table of Contents**  
**For the year ended December 31, 2019**

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	Page
<b>Section I - Introductory Section</b>	
Letter of Transmittal	i
Certificate of Achievement	x
City Officials	xi
Organization Chart	xii
 <b>Section II - Financial Section</b>	
Independent Auditor's Report.....	1
Management's Discussion & Analysis (Unaudited).....	4
 <u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	15
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Notes to the Financial Statements.....	18
 <u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	32
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Parks and Storm Water Projects Fund.....	33
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - TIF Fund.....	34
Notes to the Required Supplementary Information.....	35
 <u>Supplementary Information</u>	
Combining Balance Sheet - Nonmajor Funds.....	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Funds.....	37
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund.....	38
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Asset Forfeiture Fund.....	39
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sewer Fund.....	40
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund.....	41
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Prop S Capital Improvement Fund.....	42

**City of Manchester, Missouri**  
**Table of Contents**  
**For the year ended December 31, 2019**

---

**Section III - Statistical Section**

Statistical Section Overview.....	43
Net Position by Component - Last Ten Fiscal Years.....	44
Change in Net Position - Last Ten Fiscal Years.....	45
Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	46
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	47
Program Revenues by Functions/Programs - Last Ten Fiscal Years.....	48
Tax Revenue by Source, Governmental Funds - Last Ten Fiscal Years.....	49
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	50
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years.....	51
Principal Taxpayers - Current Year and Ten Years Ago.....	52
Property Tax Levies and Collections - Last Ten Fiscal Years.....	53
Sales Tax Rates, Direct and Overlapping - Last Ten Fiscal Years.....	54
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years.....	55
Direct and Overlapping Governmental Activities Debt.....	56
Legal Debt Margin Information - Last Ten Fiscal Years.....	57
Demographic and Economic Statistics - Last Ten Fiscal Years.....	58
Pledged Revenue Coverage - Last Ten Fiscal Years.....	59
Principal Employers - Current Year and Ten Years Ago.....	60
Full-time City Government Employees by Functions/Programs - Last Ten Fiscal Years.....	61
Operating Indicators by Functions/Programs - Last Ten Fiscal Years.....	62
Capital Assets Statistics by Functions/Programs - Last Ten Fiscal Years.....	63

**Section IV - Other Information**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....	64
Schedule of Audit Findings and Responses.....	66
Schedule of Prior Year Audit Findings.....	67

## **Introductory Section**



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

June 16, 2020

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

State law requires that every 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, 2019.

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 statement for the year ended December 31, 2019. 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 provides 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 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.

### **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 83 full-time, 24 part-time employees, and approximately 46 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 Spire, electricity is provided by Ameren UE, and water is provided by Missouri-American Water Company.

Telecommunication services are provided by AT&T and a variety of cell phone providers. 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 Fontbonne's new West St. Louis County campus in Manchester and carries on the proud tradition of excellence in Catholic education. Also, 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 University.

### **Recreation and Cultural Facilities**

The City owns six parks and two 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, a new meeting space, aquatic center, tennis courts, ball diamonds, nature path, playground, soccer field, disc golf course, and picnic pavilions. The City's other five 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 295 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 in 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 was 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 and 2017, the City transferred \$21,000 and \$20,000 respectively from the General Fund to Manchester Arts. In 2018, the City combined Manchester Arts into the General Fund as a separate division within Parks.

In 2018, City residents approved a \$16 million general obligation bond for the improvement of streets and sidewalks throughout the city. The bonds will be issued in two segments. The first \$9 million bond was issued July 16, 2018, with a term of 20 years to be repaid from a debt service property tax levy that started with the 2018 property tax levy. In 2018 and 2019, the City spent approximately \$5,404,561 of the bond proceeds on concrete street replacement and issuance costs. The City plans to issue the balance of the bonds, \$7 million, in June 2020.

In 2018, the City segregated the Asset Forfeiture activity into a separate fund that was previously included in the General Fund.

In 2019, the City refunded the 2010 Tax Increment Financing (TIF) Bonds by issuing new bonds totaling \$24,195,000 at 3.25% through a private placement with NGH Bank. The combination of TIF Reserves on hand plus the new issue paid off the 2010 TIF Bonds totaling \$34,065,000 and the 6.875% interest associated with the 2010 TIF Bonds.

## 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, Special Revenue Funds, and Capital Projects Fund 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 2019 were accounted for through eight 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 Park & Storm Water Fund accounts for the one-half cent sales tax levied for Parks operating and capital expenses and storm water projects. The Capital Projects Fund was established to track activity related to the one-half cent capital improvement sales tax. The Prop S Fund was established to account for the general obligation bond proceeds and related expenses for concrete streets and issuance costs. 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 accounts for any property tax levy revenue to retire general obligation bond debt. The Asset Forfeiture was established in 2018 to better account for asset seizure revenue received from the federal government and related expenses. The Sewer Lateral Fund accounts for revenues generated from the \$28 annual household assessment and for projects financed through this program. 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 three funds, they have been consolidated in the financial reports, but are hereby itemized for the edification of the reader.

## Changes in Fund Balances

<b>Fund</b>	<b>Fund Balance 31-Dec-18</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Other Financing Sources (Uses)</b>	<b>Operating Transfers In (Out)</b>	<b>Fund Balance 31-Dec-19</b>
General Fund	\$3,057,132	\$10,391,139	\$10,343,158	\$294,625	\$191,275	\$3,591,013
Park & Storm	2,920,219	1,883,130	807,881	-	-	3,995,468
Capital Fund	(22,397)	2,069,098	679,602	-	(500,000)	867,099
Prop S Capital	8,443,028	161,423	4,549,034	-	-	4,055,417
TIF Fund	8,396,562	7,090,524	3,040,649	(9,870,000)	308,725	2,885,162
Debt Service	863,513	1,112,219	911,236	-	-	1,064,496
Asset Forfeiture	16,698	14,577	3,563	-	-	27,712
Sewer Lateral	190,196	217,760	282,483	-	-	125,473

The total General Fund balance as of December 31, 2019 was \$3,591,013. This is an increase of \$533,881 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% of future year budgeted expenditures (2020 Expenditure Budget) or \$2,062,040 for the General Fund. The December 31, 2019 year end fund balance equals approximately 34.8% of future year budgeted expenditures.

Park and Storm Water Projects Fund account for the sales tax proceeds and allowable expenditures. Expenditures include 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 \$3,995,468.

The Capital Projects Fund ended the year with a fund balance of \$867,099. The primary revenues are from the ½ cent Capital Sales Tax and grants. Expenditures include the purchase or construction of municipal buildings, vehicles, equipment, and infrastructure.

In April 2018 the residents voted, approved, and authorized up to \$16 million of general obligation debt to be used to construct concrete streets and sidewalks and a new Prop S Capital Improvement Fund was established in 2018 to account for the \$9 million July 2018 general obligation bond proceeds. In 2018 and 2019 approximately \$5,404,561 of expenditures occurred for concrete street reconstruction and issuance costs. The fund balance at December 31, 2019 was \$4,055,417.

The TIF District was created in 2004 and construction of the Manchester Highlands shopping district has been completed with retailers opening between 2008 and 2010. In 2010, TIF 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 2019 TIF Revenue Refunding Bonds were issued totaling \$24,195,000 and along with Reserve and Operating cash on hand the 2010 TIF Revenue Bond Issue was paid off. The fund balance at December 31, 2019 was \$2,885,162. The new issue does not require a reserve.

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. This bond issue was fully retired in 2018. In April 2018 the residents voted, approved, and authorized up to \$16 million of general obligation debt to be used to construct concrete streets and sidewalk. \$9 million of general obligation bonds were issued in July 2018 and the Debt Service Fund accounts for the related principal and interest debt payments. The fund balance at December 31, 2019 was \$1,064,496.

In 2018, the City segregated the Asset Forfeiture activity into a separate fund that was previously included in the General Fund. This fund accounts for federal asset forfeiture activity that the Manchester Police Department participates in and including allowable expenditures. The fund balance at December 31, 2019 was \$27,712.

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 balance at December 31, 2019 was \$125,473.

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

<b>Source</b>	<b>Fiscal Year Amount 2019</b>	<b>Percent of Total</b>	<b>Increase (Decrease) Over Fiscal 2018</b>	<b>Percentage Increase (Decrease)</b>
Property taxes	\$2,985,605	13.01%	\$231,953	8.42%
Taxes - other	17,505,404	76.31%	1,055,750	6.42%
Grants	632,862	2.76%	200,820	46.48%
Licenses and Permits	404,807	1.76%	26,211	6.92%
Fines and forfeitures	273,336	1.19%	41,652	17.98%
Charges for Services	616,281	2.69%	98,431	19.01%
Investment Income	441,660	1.93%	237,600	116.44%
Other	79,915	0.35%	28,013	53.97%
<b>Total Revenues</b>	<b>\$22,939,870</b>	<b>100.00%</b>	<b>1,340,150</b>	<b>6.38%</b>

The City’s largest recurring source of revenue is from property taxes and taxes-other. 2019 property taxes and taxes-other account for approximately 89.32% of total governmental type revenues. The two major taxes-other sources of revenue are sales taxes and utility gross receipts taxes. Sales tax revenue include the following: one and a quarter cent general and local option sales taxes - a one-half cent capital improvement sales tax, a one-half cent park and storm water sales tax, and a one-half cent Prop P sales tax. Gross receipts are from a tax on utility and cable services. The balance of the revenue is from a sewer lateral assessment fee and intergovernmental taxes.

2019 property taxes totaled \$2,985,605 or 13.01% of revenue and increased by \$231,953 over 2018 and include General, TIF and Debt Service levies. Increased debt service taxes were the cause of the increase.

Proceeds from the City’s various sales taxes totaled \$14,998,762 in fiscal year 2019, or 65.38% of revenues and \$1,251,097 more than 2018. The increase in 2019 is mainly due to increased sales throughout Manchester.

Utility gross receipts is from a five percent tax on gross receipts for all utilities. Gross receipts revenue in 2019 totaled \$1,339,738 or 5.84% of revenue and \$193,189 less than 2018.

Intergovernmental revenues in 2019 totaled \$775,547 or 3.38% of revenue and approximately \$6,074 more than 2018. The State of Missouri collects certain taxes from a motor fuel, or gasoline tax, that 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, sales tax on vehicle purchases, and a county cigarette sales tax.

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. 2019 revenues generated from these licenses and permits totaled \$404,807 or 1.76% of total revenue and approximately \$38,086 more than 2018.

The Manchester Municipal Court has jurisdiction in all cases related to alleged violations of the Code of Ordinances of the City of Manchester. 2019 revenues from fines and court costs totaled \$273,336 or approximately 1.19% of total revenue.

Investment earnings are derived from long-term investments of City cash. Investment earnings totaled approximately \$441,660 for the year and account for less than two percent of the City’s overall recurring revenues.

Charges for services includes numerous aquatics and recreational programs, planning & zoning fees, and sewer lateral residence fees. Planning and zoning fees in 2019 were grouped as charges for services and previously included in licenses and permits. 2019 revenue from charges and services totaled \$616,281 or 2.69% of total revenue and approximately \$98,431 more than 2018.

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

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

Source	Fiscal Year Amount 2019	Percent of Total	Increase (Decrease) Over Prior Year	Percentage Change From Prior Year
General Government	\$ 2,399,150	11.64%	\$ 419,179	21.17%
Police	3,783,882	18.35%	293,863	8.42%
Public Works	2,708,527	13.14%	219,036	8.80%
Community development	326,012	1.58%	15,584	5.02%
Aquatic center	308,315	1.50%	(20,502)	-6.24%
Recreation	1,032,864	5.01%	113,557	12.35%
Legal/ Court	249,412	1.21%	20,427	8.92%
Capital Outlay	6,227,697	30.20%	2,995,942	92.70%
Debt Service	<u>3,581,747</u>	<u>17.37%</u>	<u>(3,621,417)</u>	<u>-50.28%</u>
Total Expenditures	\$ 20,617,606	100.00%	\$ 435,669	2.16%

The most significant changes in expenditure are in capital outlay and debt service. Capital outlay increase of \$2,995,942 is mainly due Prop S concrete streets. Debt service is lower due to refunding the 2020 TIF Bonds through the issuance of a 2019 TIF Refunding Bond issue.

The increase in general government is due to increased legal fees related to litigation, increases in insurance premiums and an insurance settlement payout.

The increase in Police, Community Development, Recreation and Legal/Court is primarily a result of the ongoing increase in the cost of personnel.

The increase in Public Works is from adding a new Assistant Public Works Director position, increased maintenance on streets and buildings, and professional engineering services.

The decrease in Aquatics is from less repairs at the pool.

**Debt Administration**

In 2018, City residents approved a \$16 million general obligation bond for the improvement of streets and sidewalks throughout the city with a maximum debt service levy of \$.28 of taxable assessed value. The bonds will be issued in two segments. The first \$9 million bond was issued July 16, 2018 with a term of 20 years to be repaid from a debt

service property tax levy that started with the 2018 property tax levy. In 2019, Principal in the amount of \$585,000 was retired. The City will issue the remaining \$7 million general obligation bonds in 2020.

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 from the TIF District. In 2019, the City refunded the outstanding 2010 TIF Revenue Bond balance of \$34,065,000 by issuing 2019 TIF refunding bonds totaling \$24,195,000 and using cash and reserve funds on hand. The 2019 TIF Revenue Refunding Bonds do not require a reserve balance. The interest rate on the new bonds are 3.25%.

### **Cash Management**

The City of Manchester's idle funds are invested in accordance with the Investment Policy adopted by the Board of Aldermen on June 7, 2019. 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 and Certificates of Deposit.

The City pools 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, 2018. This satisfies both generally accepted accounting principles and applicable legal requirements and 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, 2019, 26 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, 2019, 26 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 also purchases commercial insurance to cover risks related to building and other City property, crimes, business, public official liability, earthquakes, and employee blanket bonds.

The total for all premiums and claims in 2019 totaled \$570,506 compared to \$324,386 in 2018.

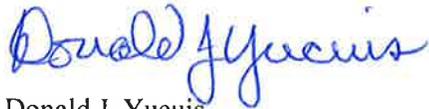
### **Independent Audit**

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.

Respectfully submitted,



Donald J. Yucuis  
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, 2018**

*Christopher P. Morill*

Executive Director/CEO

**Elected Officials:**

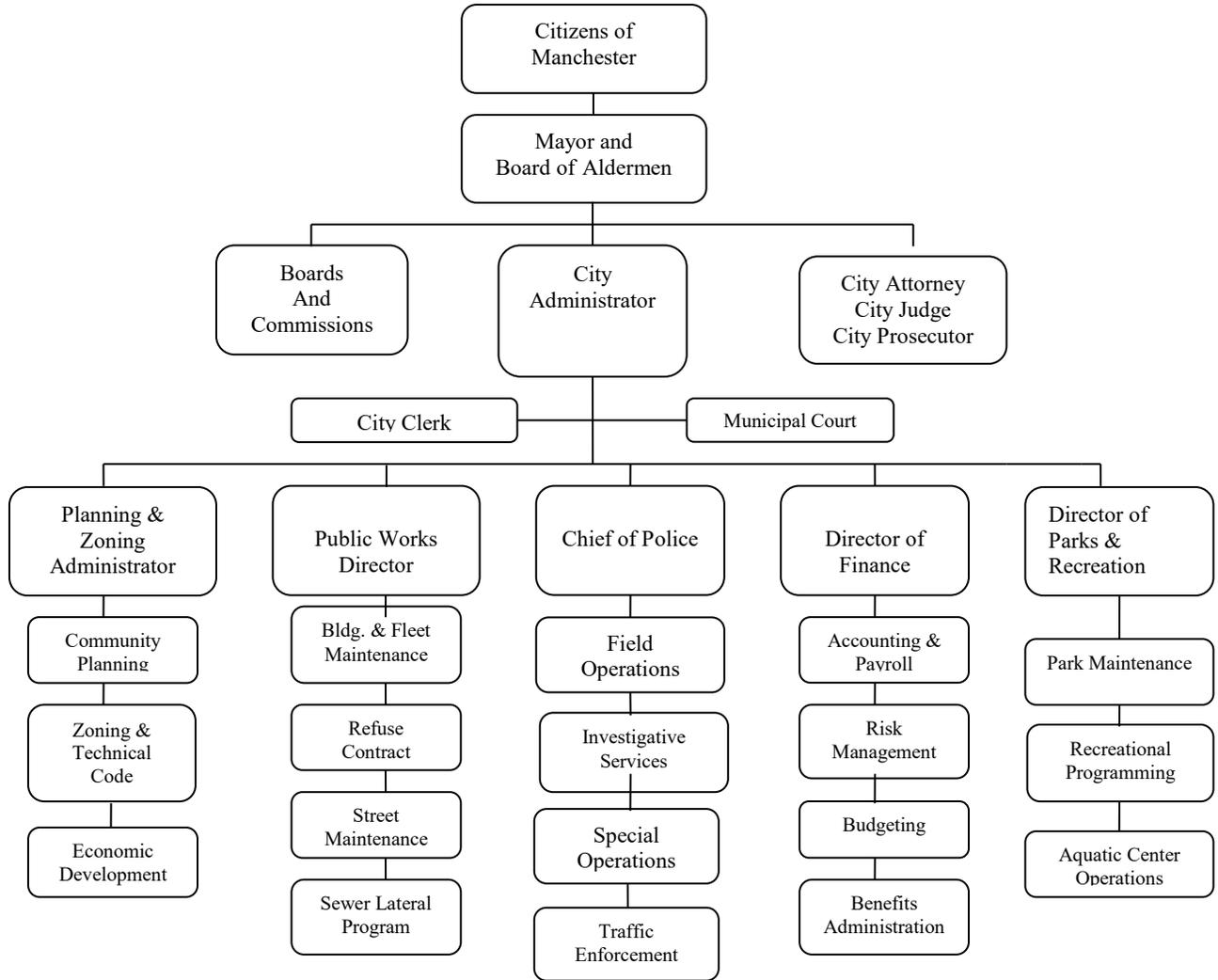
	<b>Title</b>	<b>First Elected</b>	<b>Current Term Ends</b>
Michael Clement	Mayor	2018	*July, 2020
Marilyn Ottenad	Alderman, Ward 2	1998	*July, 2020
Megan Huether	Alderman, Ward 2	2019	April, 2021
Benjamin Toben	Alderman, Ward 3	2018	*July, 2020
Paul Hamill	Alderman, Ward 1	2011	April, 2021
Nelson Nolte	Alderman, Ward 1	2018	*July, 2020
Richard Baumann	Alderman, Ward 3	2015	April, 2021

\*Municipal election moved to June 2020 and term is extended to July 2020.

**Appointed Officials:**

	<b>Title</b>	<b>Appointed</b>
Lawrence Perney	City Administrator	2017
Cunningham, Vogel, & Rost, P.C.	City Attorney	2018
Charles Billings	Municipal Judge	2019
Mark Levitt	Prosecuting Attorney	1997
Bob Ruck	Director of Public Works	2008
Will Scott	Chief of Police	2019
Ruth Baker	City Clerk	2005
Kathryn Schien	Director of Parks and Recreation	2019
Donald Yucuis	Director of Finance	2018
Melanie Rippetoe	Director of Planning & Zoning and Economic Development	2017

**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, 2019, and the related notes to the financial statements, which collectively comprise the City of Manchester, Missouri's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019, 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 4-11 and 32-35 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 16, 2020 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 & Varelay

Creve Coeur, Missouri  
June 16, 2020

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

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2019**

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, 2019. It should be read in conjunction with the accompanying basic financial statement.

- The City's total net position increased by \$7,178,957 in 2019. The current year increase brings the year-end net asset value of the City to \$20,766,732. Of this amount \$31,520,461 is invested in capital assets, \$9,260,668 represents restricted amounts based on enabling legislation, and of the (\$20,014,397) unrestricted net position, (\$24,195,000) is the balance of the TIF bonds, which leaves a positive \$4,180,603 available for use for City operations.
- As of December 31, 2019, the City's governmental funds reported a combined ending fund balance of \$16,611,840 a decrease of \$7,253,111 in comparison with the year ended December 31, 2018.
- At the end of the year, unassigned fund balance for the General Fund was \$1,366,211 or 13.1% of the General Fund 2019 budgeted expenditures.
- The City made total debt service payments of \$3,274,791, of which \$585,000 represents principal.
- The general fund reported a net increase in fund balance of \$533,881.

**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.

**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 Activities 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

**CITY OF MANCHESTER, MISSOURI**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2019**

combined into a column titled “Other Non-major Funds”. Budgetary comparisons for the General Fund, Parks and Storm Water Projects Fund, and TIF Fund are presented as required supplementary information. Budgetary comparisons for the Capital Projects Fund and Prop S Capital Improvement Fund are presented in supplementary information..

- 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 \$20,766,732 as of December 31, 2019. 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 consists 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, 2019**

**Table 1**

	2019	2018	Increase (Decrease)
<b>Assets:</b>			
Current and other assets	\$ 18,626,409	\$ 25,573,661	\$ (6,947,252)
Capital Assets	36,962,372	33,001,734	3,960,638
Total Assets	55,588,781	58,575,395	(2,986,614)
<b>Deferred outflows of resources:</b>			
Deferred loss on refunding	203,068	-	203,068
<b>Liabilities:</b>			
Current and other liabilities	2,336,963	1,996,642	340,321
Noncurrent liabilities	32,688,154	43,008,881	(10,320,727)
Total liabilities	\$ 35,025,117	\$ 45,005,523	\$ (9,980,406)
<b>Net position:</b>			
Net Invested in Capital Assets	\$ 31,520,461	\$ 32,151,101	\$ (630,640)
Restricted			
Enabling legislation	9,260,668	12,364,791	(3,104,123)
Capital Projects	-	8,379,367	(8,379,367)
Unrestricted	(20,014,397)	(39,325,387)	19,310,990
Total net position	\$ 20,766,732	\$ 13,569,872	\$ 7,196,860

Net position may serve over time as an indicator of the City's financial position. The City's net position increased \$7,196,860 to \$20,766,732 as of December 31, 2019. Current assets decreased by \$(6,947,252) and due primarily to restricted cash and investments being utilized to pay off the 2010 TIF bonds and using Prop S Capital Improvement to pay for construction expenses. Capital assets increasing by \$3,960,638 are mainly due to concrete street replacement.

Noncurrent liabilities decreased \$(10,320,727) and is primarily due to refunding the 2010 TIF bonds \$(33,819,539) by issuing new 2020 TIF bonds of \$24,195,000, 2018 General obligation bonds reduced by \$(636,744), and severance liability reduced by \$(59,444). The TIF debt is not a general obligation of the City, and the City does not own the related property.

A portion of the City's net position reflects its investment in capital assets, net of related debt and unrestricted balances, which total \$31,520,461 and \$332,151,101 in 2019 and 2018, 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 \$4,180,603 as noted above. Unrestricted amounts may be used to meet the City's ongoing obligations to citizens and creditors.

Restricted amounts totaled \$9,260,668 as of December 31, 2019. Restricted amounts are subject to external restrictions on how they may be used. Of restricted, \$3,995,468 is restricted for park and storm water projects, \$1,162,357 is restricted for capital projects, \$2,885,162 is restricted for TIF fund, \$1,064,496 is restricted for debt service, \$27,712 is restricted for asset forfeiture, and \$125,473 is restricted for sewer lateral capital projects.

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2019**

**Table 2**

	2019	2018	Increase (Decrease)
<b>Revenue:</b>			
Program revenues			
Charges for services	\$ 898,585	\$ 771,761	\$ 126,824
Operating Grants and contributions	164,759	151,321	13,438
Capital grants/ contributions	128,367	617,300	(488,933)
General revenues			
Taxes	20,495,874	19,271,556	1,224,318
Licenses and permits	403,277	364,546	38,731
Investment return	441,660	204,060	237,600
Gain (loss) on sale of assets	294,625	16,000	278,625
Miscellaneous	79,915	51,902	28,013
Total revenues	<u>22,907,062</u>	<u>21,448,446</u>	<u>1,458,616</u>
<b>Expenses:</b>			
General government	2,483,122	2,066,946	416,176
Police department	4,030,622	3,811,174	219,448
Public works	4,087,659	3,577,146	510,513
Community development	322,468	311,376	11,092
Aquatic center	604,967	714,558	(109,591)
Recreation	1,229,430	1,176,623	52,807
Legal and court	252,404	230,739	21,665
Interest and fiscal charges	2,717,433	2,633,419	84,014
Total expenses	<u>15,728,105</u>	<u>14,521,981</u>	<u>1,206,124</u>
Increase (decrease) in net position	7,178,957	6,926,465	252,492
Prior period adjustment	-	17,903	(17,903)
Net position, beginning of year	13,587,775	6,643,407	6,944,368
Net position, end of year	\$ 20,766,732	\$ 13,587,775	\$ 7,178,957

The increase in total revenues of \$1,458,616 represents an increase of 6.8%. Taxes revenue includes sales tax, gross receipts tax on utilities, property taxes, and intergovernmental revenue.

Sales tax comprises 65.4% of taxes revenue, \$14,998,762, and increased \$1,251,097 or 9.1% over 2018. Since the City relies heavily on sales tax revenue, Manchester is susceptible to income fluctuations and must continue to closely monitor economic indicators.

Gross receipts tax on utilities comprises 5.8%, \$1,339,378 and decreased 12.6% mainly from lower electric and telephone usage.

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2019**

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

Property taxes increased by \$168,568 over 2018 and is primarily due to the tax for the 2018 \$9,000,000 General Obligation Bonds. Capital grant revenue decreased by \$488,933. Investment income increased by \$237,600 due to fair market value change of funds invested by the City for future debt service and Prop S bond proceeds. Charges for services increased \$98,431 and mainly due to additional parks and aquatics program revenue and grouping planning and zoning fees that were previously included in licenses and permits..

The City’s 2019 total expenses increased \$1,206,124. The increase in general government is due to increased legal fees related to litigation, increases in insurance premiums and an insurance settlement payout.

The increase in Police, Community Development, Recreation and Legal/Court is primarily a result of the ongoing increase in the cost of personnel.

The increase in Public Works is from adding a new Assistant Public Works Director position, increased maintenance on streets and buildings, and professional engineering services.

The decrease in Aquatics is from less repairs at the pool.

**Governmental Funds**

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

Total revenues in 2019 increased by \$1,920,430 compared to 2018. This increase in revenue is a combination of several factors. Property taxes increased by \$231,953 due to the new General Obligation bond issue and property taxes in the TIF district. Overall sales tax increased \$1,055,750 or 6.4%. Grant revenue increased \$200,820. Investment income increased due to the Prop S Bond proceeds and being to invest those funds as well as market changes in the TIF investments.

**Table 3**

Source	Fiscal Year Ending 2019	Fiscal Year Ending 2018	Increase (Decrease)	Percentage Change
Property taxes	\$2,985,605	\$2,753,652	231,953	8.4%
Taxes - other	17,505,404	16,449,654	1,055,750	6.4%
Grants	632,862	432,042	200,820	46.5%
Licenses and Permits	404,807	378,596	26,211	6.9%
Fines and forfeitures	273,336	231,684	41,652	18.0%
Charges for Services	616,281	517,850	98,431	19.0%
Investment Income	441,660	204,060	237,600	116.4%
Other	79,915	51,902	28,013	54.0%
Total Revenues	<u>\$22,939,870</u>	<u>\$21,019,440</u>	<u>\$1,920,430</u>	

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2019, the City had \$53,766,361 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 of \$5,748,907 or 12.0% over the prior year.

**Table 4**

	<u>2019</u>	<u>2018</u>
Land	\$ 1,595,773	\$ 1,595,773
Buildings and improvements	22,353,881	22,262,619
Machinery and equipment	2,260,747	2,168,743
Infrastructure	24,778,847	18,592,174
Vehicles	2,134,317	2,117,119
Construction in progress	642,796	1,281,026
	<u>\$ 53,766,361</u>	<u>\$ 48,017,454</u>

Concrete street replacement was the most significant addition to capital assets in 2019. Construction in progress decreased as the 2018 concrete streets were completed in 2019. Additional information on the City's capital assets is presented in the notes to the financial statements on page 26.

**DEBT**

At year-end, the City had \$32,610,000 in outstanding debt compared to \$43,065,000 at the end of the prior fiscal year, a decrease of \$10,455,000. During the fiscal year, the City made principal payments totaling \$585,000 and refunded the 2010 TIF bond issue balance of \$34,065,000 by issuing 2019 TIF refunding bonds totaling \$24,195,000

**Table 5**

	<u>2019</u>	<u>2018</u>
General Obligation Bonds	\$8,415,000	\$9,000,000
TIF Bonds	<u>24,195,000</u>	<u>34,065,000</u>
	<u>\$32,610,000</u>	<u>\$43,065,000</u>

More detailed information on the City's long-term liabilities is presented in the notes to the financial statements on page 27.

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2019**

**THE CITY'S FUNDS**

At the close of the City's fiscal year on December 31, 2019, the governmental funds of the City reported a combined fund balance of \$16,611,840, a decrease of \$7,253,111. The main reason for the decrease is related to the capital outlay for concrete street replacement in the Prop S Fund and refunding the 2010 TIF bonds by issuing 2019 bonds.

The excess (deficiency) of revenues over expenditures totaled \$2,322,264.

General Fund Balance increased \$533,881 as revenues over expenditures increased \$47,981. Other financing sources/uses increased \$485,900. This amount was comprised of proceeds of \$294,625 from sale of assets and insurance recoveries, a transfer in from Capital Projects of \$500,000 as part of a recovery of funds transferred out in prior years and offset by transfers to TIF of \$308,725.

Parks and Storm Water Projects Fund increased by \$1,075,249 and as the fund title implies, expenditures are for parks and storm water projects.

Capital Projects Fund increased by \$889,496 as revenues exceeded expenses by \$1,389,496 and was offset by a \$500,000 transfer to General Fund. During 2019 the City used assets available in this fund to pay capital outlay expenditures such as streets, bridge repairs, sidewalks, and channel improvements.

Prop S Capital Improvement Fund decreased by \$4,387,611 due to expenditures related to concrete streets. Prop S Capital Improvements expenditures were \$3,354 more than the amended budget of \$4,545,680.

TIF Fund change in fund balance was a decrease of \$5,511,400. Revenues less expenditures increased \$4,049,875. Other financing sources/uses decreased by \$9,561,275 as the 2010 TIF bonds were refunded, (\$34,065,000) by issuing \$24,195,000 2019 TIF refunding bonds and includes a transfer in of \$308,725 from the General Fund. The primary activity in this fund is the payment of debt service obligations of \$2,363,555, bond issuance costs of \$306,956, payments in lieu of taxes of \$349,790 and other professional fees of \$20,348.

**General Fund Budgetary Highlights**

2019 revenues exceeded expenditures by \$47,981. Actual 2019 General Fund revenues were \$10,391,139 compared to the final budget amount of \$10,126,174.

Actual 2019 General Fund expenditures were \$10,343,158 compared to the final budget amount of \$10,390,014.

The Police Department has experienced less than 100% staffing throughout the year and accounts for the majority of the actual less than budget.

General government actual was more than budget due to increased insurance costs and legal fees.

Public Works Department actual was more than budget due to a new hire and maintenance for streets and buildings.

**CITY OF MANCHESTER, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2019**

**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. To allow 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 ensures 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 minimal increase in revenues for the 2019 budget over the anticipated 2018 year performance at budget time.

The City's 2019 amended budget for revenue and expenditures is \$47,725,806 and \$60,260,181 respectively and results in an excess of current year budgeted expenditure over revenue of \$12,534,375. The Prop S Capital Fund accounts for \$4,745,680 related to concrete streets and TIF Fund accounts for \$6,384,660 due to the TIF refunding. Actual expenditures for each individual fund will be less than the amended budget except for Prop S which was \$3,354 more than the amended budget.

The City has established a minimum designated fund balance policy for the General Fund in the amount of 20% of the General Fund appropriation. 2019 continues to exceed this minimum.

In May 2020 and due to COVID-19, the City has taken steps to reduce non-essential expenditures in anticipation of reduced revenues mainly from sales tax. The Funds affected are General Fund, Parks and Storm Water Fund and Capital Projects Fund. The City will know better in July and August if actual revenues from sales tax have decreased and determine if any further measures need to be taken.

**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:

Donald J. Yucuis  
Director of Finance  
City of Manchester, Missouri  
14318 Manchester Road  
Manchester MO 63011  
dyucuis@manchestermo.gov  
(636) 227-1385 x 103

## **Basic Financial Statements**

**City of Manchester, Missouri**  
**Statement of Net Position**  
**December 31, 2019**

	Governmental Activities
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 6,100,831
Investments	1,994,840
Restricted cash and equivalents	983,128
Restricted investments	4,266,393
Receivables, net:	
Taxes	4,968,727
Interest	25,980
Other	103,456
Prepaid items	183,054
Total Current Assets	18,626,409
Noncurrent Assets:	
Land and construction in progress	2,238,569
Other capital assets, net	34,723,803
Total Noncurrent Assets	36,962,372
Total Assets	55,588,781
<b>Deferred Outflows of Resources</b>	
Deferred loss on refunding	203,068
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	1,058,256
Accrued wages	245,644
Accrued compensated absences	91,168
Escrow payable	36,176
Court bonds payable	5,958
Other payables	11,031
Accrued interest payable	230,916
Current portion of General Obligation Bonds payable	625,000
Current portion of postretirement benefits payable	32,814
Total Current Liabilities	2,336,963
Noncurrent Liabilities:	
General Obligation Bonds payable, net - long-term portion	8,008,256
Tax Increment Revenue Bonds payable, net	24,195,000
Postretirement benefits - long-term portion	484,898
Total Noncurrent Liabilities	32,688,154
Total Liabilities	35,025,117
<b>Deferred Inflows of Resources</b>	
-	
<b>Net Position</b>	
Net investment in capital assets	31,520,461
Restricted:	
Enabling legislation	9,260,668
Unrestricted	(20,014,397)
Total Net Position	\$ 20,766,732

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Statement of Activities**  
**For the year ended December 31, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			Net (Expense)
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Change in Net Position
					<u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 2,483,122	\$ -	\$ -	\$ -	\$ (2,483,122)
Police department	4,030,622	284,197	164,759	-	(3,581,666)
Public works	4,087,659	50,443	-	128,367	(3,908,849)
Community development	322,468	135,056	-	-	(187,412)
Aquatic center	604,967	249,303	-	-	(355,664)
Recreation	1,229,430	179,586	-	-	(1,049,844)
Legal and court	252,404	-	-	-	(252,404)
Interest and fiscal charges	2,717,433	-	-	-	(2,717,433)
	<u>15,728,105</u>	<u>898,585</u>	<u>164,759</u>	<u>128,367</u>	<u>(14,536,394)</u>
<b>General Revenues:</b>					
Taxes:					
Sales					
					15,774,309
Utility					
					1,339,738
Property					
					2,990,470
Franchise and other taxes					
					391,357
Licenses and permits					
					403,277
Investment income					
					441,660
Gain on disposal of assets					
					23,838
Other miscellaneous revenue					
					350,702
					<u>21,715,351</u>
					Change in Net Position
					\$ 7,178,957
					Net Position - Beginning of Year (restated)
					<u>13,587,775</u>
					Net Position - End of Year
					<u>\$ 20,766,732</u>

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Balance Sheet - Governmental Funds**  
**December 31, 2019**

	General Fund	Parks and Storm Water Projects Fund	Capital Projects Fund	Prop S Capital Improvement Fund	TIF Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 477,532	\$ 3,630,110	\$ 763,427	\$ -	\$ 418,342	\$ 811,420	\$ 6,100,831
Investments	1,994,840	-	-	-	-	-	1,994,840
Restricted cash and cash equivalents	-	-	-	153,016	802,400	27,712	983,128
Restricted investments	-	-	-	4,266,393	-	-	4,266,393
Receivables, net:							
Taxes	1,626,847	344,355	300,473	-	2,142,905	554,147	4,968,727
Interest	3,654	-	-	22,326	-	-	25,980
Other	90,998	-	12,458	-	-	-	103,456
Prepaid items	162,762	-	20,292	-	-	-	183,054
Due from other funds	-	301,639	-	-	-	-	301,639
Total Assets	<u>4,356,633</u>	<u>4,276,104</u>	<u>1,096,650</u>	<u>4,441,735</u>	<u>3,363,647</u>	<u>1,393,279</u>	<u>18,928,048</u>
<b>Deferred Outflows of Resources</b>							
	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 4,356,633</u>	<u>\$ 4,276,104</u>	<u>\$ 1,096,650</u>	<u>\$ 4,441,735</u>	<u>\$ 3,363,647</u>	<u>\$ 1,393,279</u>	<u>\$ 18,928,048</u>
<b>Liabilities</b>							
Accounts payable	\$ 146,215	\$ 280,636	\$ 217,093	\$ 384,719	\$ -	\$ 29,593	\$ 1,058,256
Accrued wages	245,644	-	-	-	-	-	245,644
Escrow payable	36,176	-	-	-	-	-	36,176
Court bonds payable	5,958	-	-	-	-	-	5,958
Other payables	11,031	-	-	-	-	-	11,031
Due to other funds	300,040	-	-	1,599	-	-	301,639
Total Liabilities	<u>745,064</u>	<u>280,636</u>	<u>217,093</u>	<u>386,318</u>	<u>-</u>	<u>29,593</u>	<u>1,658,704</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	20,556	-	-	-	478,485	146,005	645,046
Unavailable revenue - grants	-	-	12,458	-	-	-	12,458
	<u>20,556</u>	<u>-</u>	<u>12,458</u>	<u>-</u>	<u>478,485</u>	<u>146,005</u>	<u>657,504</u>
<b>Fund Balances</b>							
Nonspendable:							
Prepaid items	162,762	-	20,292	-	-	-	183,054
Restricted:							
Special revenue fund	-	3,995,468	-	-	2,885,162	1,217,681	8,098,311
Capital projects fund	-	-	846,807	4,055,417	-	-	4,902,224
Committed:							
Contingency	2,062,040	-	-	-	-	-	2,062,040
Unassigned	1,366,211	-	-	-	-	-	1,366,211
Total Fund Balances	<u>3,591,013</u>	<u>3,995,468</u>	<u>867,099</u>	<u>4,055,417</u>	<u>2,885,162</u>	<u>1,217,681</u>	<u>16,611,840</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,356,633</u>	<u>\$ 4,276,104</u>	<u>\$ 1,096,650</u>	<u>\$ 4,441,735</u>	<u>\$ 3,363,647</u>	<u>\$ 1,393,279</u>	<u>\$ 18,928,048</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, 2019**

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Total Fund Balances - Governmental Funds	\$ 16,611,840
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	36,962,372
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are not reported in the funds	657,504
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	(230,916)
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	(8,415,000)
Tax Increment Financing Revenue Bonds	(24,195,000)
Compensated absences	(91,168)
Postretirement benefits	(517,712)
Deferred gains and losses on refunding bonds, bond premiums, and bond discounts are to be amortized over the life of the bonds and are not reported in the funds. Deferred gains and losses, bond premiums, and bond discounts at year-end consist of:	
Deferred loss on refunding, net of amortization	203,068
Bond premiums, net of amortization	(218,256)
	203,068
	(218,256)
Total Net Position of Governmental Activities	\$ 20,766,732

**City of Manchester, Missouri**  
**Combined Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended December 31, 2019**

	General Fund	Parks and Storm Water Projects Fund	Capital Projects Fund	Prop S Capital Improvement Fund	Tax Increment Financing Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>							
Property taxes	\$ 528,101	\$ -	\$ -	\$ -	\$ 1,345,285	\$ 1,112,219	\$ 2,985,605
Taxes - other	8,294,681	1,882,807	1,608,157	-	5,552,442	167,317	17,505,404
Grants	157,620	-	460,665	-	-	14,577	632,862
Licenses and permits	404,807	-	-	-	-	-	404,807
Fines and forfeitures	273,336	-	-	-	-	-	273,336
Charges for services	565,838	-	-	-	-	50,443	616,281
Investment income	86,841	323	276	161,423	192,797	-	441,660
Other	79,915	-	-	-	-	-	79,915
	<u>10,391,139</u>	<u>1,883,130</u>	<u>2,069,098</u>	<u>161,423</u>	<u>7,090,524</u>	<u>1,344,556</u>	<u>22,939,870</u>
<b>Expenditures</b>							
Current:							
General government	2,049,360	-	-	-	349,790	-	2,399,150
Police department	3,780,319	-	-	-	-	3,563	3,783,882
Public works	2,617,224	-	-	-	-	91,303	2,708,527
Community development	305,664	-	-	-	20,348	-	326,012
Aquatic center	308,315	-	-	-	-	-	308,315
Recreation	1,032,864	-	-	-	-	-	1,032,864
Legal/court	249,412	-	-	-	-	-	249,412
Capital outlay	-	807,881	679,602	4,549,034	-	191,180	6,227,697
Debt service:							
Principal	-	-	-	-	-	585,000	585,000
Interest and fiscal charges	-	-	-	-	2,363,555	326,236	2,689,791
Bond issuance costs	-	-	-	-	306,956	-	306,956
	<u>10,343,158</u>	<u>807,881</u>	<u>679,602</u>	<u>4,549,034</u>	<u>3,040,649</u>	<u>1,197,282</u>	<u>20,617,606</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	47,981	1,075,249	1,389,496	(4,387,611)	4,049,875	147,274	2,322,264
<b>Other Financing Sources (Uses)</b>							
Proceeds from sale of capital assets	23,838	-	-	-	-	-	23,838
Proceeds from insurance recovery	270,787	-	-	-	-	-	270,787
Issuance of tax increment financing revenue bonds	-	-	-	-	24,195,000	-	24,195,000
Refunding of tax increment financing revenue bonds	-	-	-	-	(34,065,000)	-	(34,065,000)
Transfers in	500,000	-	-	-	308,725	-	808,725
Transfers out	(308,725)	-	(500,000)	-	-	-	(808,725)
	<u>485,900</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>(9,561,275)</u>	<u>-</u>	<u>(9,575,375)</u>
<b>Net Change in Fund Balance</b>	\$ 533,881	\$ 1,075,249	\$ 889,496	\$ (4,387,611)	\$ (5,511,400)	\$ 147,274	\$ (7,253,111)
<b>Fund Balance (Deficit), January 1 (restated)</b>	<u>3,057,132</u>	<u>2,920,219</u>	<u>(22,397)</u>	<u>8,443,028</u>	<u>8,396,562</u>	<u>1,070,407</u>	<u>23,864,951</u>
<b>Fund Balance (Deficit), December 31</b>	<u>\$ 3,591,013</u>	<u>\$ 3,995,468</u>	<u>\$ 867,099</u>	<u>\$ 4,055,417</u>	<u>\$ 2,885,162</u>	<u>\$ 1,217,681</u>	<u>\$ 16,611,840</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, 2019**

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Change in fund balance-total governmental funds	\$ (7,253,111)
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.	(327,433)
The acquisition of capital assets requires the use of current financial resources but has no effect on net position	5,848,702
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities	(1,888,064)
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.	-
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	277,814
Repayment of bonds principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	34,650,000
Issuances of bonds, principal and premiums, are revenues in the governmental funds, but the issuance increases long-term liabilities in the statement of net position	(24,195,000)
Increase in compensated absences and accumulated post retirement benefits are recorded when earned in the statement of activities	66,049
Change in net position of governmental activities	\$ 7,178,957

See Notes to the Financial Statements

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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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. 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 the Financial Statements**  
**For the year ended December 31, 2019**

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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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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:

*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.

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

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

*Prop S Capital Improvement Fund* - The City uses this capital project fund to account for the proceeds from the issuance of debt and capital project activity related to Proposition S.

*Tax Increment Financing Fund* - The City uses this special revenue 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 the Financial Statements**  
**For the year ended December 31, 2019**

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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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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

Compensated Absences (continued)

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.

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, net of outstanding principal on related debt. 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 \$9,620,668, of which \$9,260,668 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.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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

Net Position and Fund Balance/Equity (continued)

*Committed* - Resources which are subject to limitations the government imposes upon itself by 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 budgeted 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.

*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 or cost, as applicable per investment type. 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.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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

Budgets and Budgetary Accounting (continued)

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.

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 - Deposits and Investments**

Deposits and investments held by at the City at December 31, 2019 consisted of the following:

<u>Type</u>	<u>Maturities</u>	<u>Balance</u>
Unrestricted Deposits:		
Petty cash	n/a	\$ 800
Demand deposits	n/a	<u>6,100,031</u>
Total Unrestricted Deposits		<u>6,100,831</u>
Restricted Deposits:		
Demand deposits	n/a	<u>180,728</u>
Total Restricted Deposits		<u>180,728</u>
Unrestricted Investments:		
Certificate of deposit	10/08/20	200,213
Government sponsored enterprise (GSE) bond	03/30/20	299,686
Government sponsored enterprise (GSE) bond	11/25/20	199,371
Government sponsored enterprise (GSE) bond	05/07/21	299,809
Government sponsored enterprise (GSE) bond	05/17/21	499,123
Government sponsored enterprise (GSE) bond	06/30/21	<u>496,638</u>
Total Unrestricted Investments		1,994,840
Restricted Investments:		
Money market funds	n/a	802,400
Government sponsored enterprise (GSE) bond	01/30/20	699,090
Government sponsored enterprise (GSE) bond	02/14/20	1,998,862
Government sponsored enterprise (GSE) bond	03/13/20	498,408
Government sponsored enterprise (GSE) bond	04/09/20	273,801
Government sponsored enterprise (GSE) bond	4/17/20	<u>796,232</u>
Total Restricted Investments		<u><u>\$ 5,068,793</u></u>

At December 31, 2019, all deposits were covered by the Federal Deposit Insurance Corporation (FDIC) or pledged securities.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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

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.

Investment Type	Balance	Maturity		
		0-3 Years	3-6 Years	6+ Years
Money market funds	\$ 802,400	\$ 802,400	\$ -	\$ -
Certificate of deposit	200,213	200,213	-	-
Government and GSE bonds	6,061,020	6,061,020	-	-
Total Investments	<u>\$ 7,063,633</u>	<u>\$ 7,063,633</u>	<u>\$ -</u>	<u>\$ -</u>

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
FHLB	GSE agency bonds	\$ 4,763,031	67.43%
UMB Bank	Money market funds	802,400	11.36%
FNMA	GSE agency bonds	798,866	11.31%
FFCB	GSE agency bonds	499,123	7.07%

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, 2019:

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

**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)
Money market funds	\$ 802,400	\$ 802,400	\$ -	\$ -
Certificate of deposit	200,213	-	200,213	-
Government and GSE bonds	6,061,020	-	6,061,020	-
	<u>\$ 7,063,633</u>	<u>\$ 802,400</u>	<u>\$ 6,261,233</u>	<u>\$ -</u>

The City values level 2 inputs based on quoted prices in active markets for similar assets. All other investments are reported using a cost-based measure in accordance with the requirements of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

**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, 2019, upon which the 2019 levy was based for real, personal and public utility property, was \$415,070,509. The City's tax rate was levied at \$.0370 (residential real estate), \$.0370 (commercial real estate), and \$.0500 (personal property) per \$100 of assessed valuation for the General Fund, and \$.0280 per \$100 of assessed valuation of all property types for the Debt Service Fund.

**Note 4 - Interfund Transactions**

Interfund receivables/payables at December 31, 2019 consists of the following:

	Due From:	Due To:
General Fund	\$ -	\$ 300,040
Parks and Storm Water Fund	301,639	-
Prop S Capital Improvement Fund	-	1,599
	<u>\$ 301,639</u>	<u>\$ 301,639</u>

The following transfers were made during the fiscal year ending December 31, 2019:

	Transfers In	Transfers Out
General Fund	\$ 500,000	\$ 308,725
Capital Projects Fund	-	500,000
Tax Increment Financing Fund	308,725	-
	<u>\$ 808,725</u>	<u>\$ 808,725</u>

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

**Note 4 - Interfund Transactions (continued)**

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.

**Note 5 - Capital Assets**

Capital asset activity for the primary government for the year ended December 31, 2019 is as follows:

	<u>Balance at</u> 12/31/18	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> 12/31/19
<u>Governmental activities:</u>				
Non-depreciable capital assets				
Land	\$ 1,595,773	\$ -	\$ -	\$ 1,595,773
Construction in process	1,281,026	868,800	(1,507,030)	642,796
Total non-depreciable capital assets	<u>2,876,799</u>	<u>868,800</u>	<u>(1,507,030)</u>	<u>2,238,569</u>
Depreciable capital assets				
Buildings and improvements	22,262,619	91,262	-	22,353,881
Machinery and equipment	2,168,743	92,004	-	2,260,747
Infrastructure	18,592,174	6,186,673	-	24,778,847
Vehicles	2,117,119	116,993	(99,795)	2,134,317
Total depreciable capital assets	<u>45,140,655</u>	<u>6,486,932</u>	<u>(99,795)</u>	<u>51,527,792</u>
Less: accumulated depreciation				
Buildings and improvements	(6,830,956)	(652,175)	-	(7,483,131)
Machinery and equipment	(1,602,441)	(938,019)	-	(2,540,460)
Infrastructure	(4,934,325)	(130,154)	-	(5,064,479)
Vehicles	(1,647,998)	(167,715)	99,795	(1,715,919)
Total accumulated depreciation	<u>(15,015,720)</u>	<u>(1,888,063)</u>	<u>99,795</u>	<u>(16,803,989)</u>
Total depreciable capital assets, net	<u>\$ 30,124,935</u>	<u>\$ 4,598,869</u>	<u>\$ -</u>	<u>\$ 34,723,803</u>

Depreciation expense was charged to functions/programs of the Primary Government for the year ended December 31, 2019 as follows:

General government	\$ 37,647
Police department	325,970
Public works	1,057,972
Community development	6,100
Aquatic center	291,708
Recreation	168,666
	<u>\$ 1,888,063</u>

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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**Note 6 - Long-Term Debt**

General Obligation Bonds

In 2018, the City issued \$9,000,000 in general obligation bonds for the purpose of repairing and replacing streets within City limits. Funds from a dedicated property tax are accumulated in the Debt Service Fund to make future principal and interest payments. The general obligation bonds bear interest at 3.25% - 4.00% and mature March 2038.

Special Revenue Bonds

The bonds were initially 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 6.000% 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.

In October 2019, the City refunded the original bonds by utilizing debt service reserves and issuing \$24,195,000 in bonds titled "City of Manchester, Missouri Tax Increment Refunding Revenue Bonds Series 2019." The same repayment provisions apply whereas they are payable solely from incremental sales and property taxes generated by the development along with revenues pledged by the Manchester Highlands Transportation District. The annual debt service payments are contingent upon the revenues collected. The bonds bear interest at 3.250% on balances due November 20, 2028. 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.

Postretirement 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, 2019, there were 74 employees eligible to receive benefits upon meeting the service requirements. The City has accrued this liability in the government-wide statements.

	Balance at 12/31/18	Additions	Reductions	Balance at 12/31/19	Due Within One Year
General obligation bonds	\$ 9,000,000	\$ -	\$ (585,000)	\$ 8,415,000	\$ 625,000
Add: Issuance premiums	230,000	-	(11,744)	218,256	-
Tax Increment Revenue Bonds	34,065,000	24,195,000	(34,065,000)	24,195,000	-
Less: Issuance discounts	(245,461)	-	245,461	-	-
Postretirement benefits	572,743	-	(55,031)	517,712	32,814
Total Long-Term Debt	<u>\$ 43,622,282</u>	<u>\$ 24,195,000</u>	<u>\$ (34,471,314)</u>	<u>\$ 33,345,968</u>	<u>\$ 657,814</u>

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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

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

Year ended,	Principal	Interest	Total
2020	\$ 625,000	\$ 273,862	\$ 898,862
2021	640,000	248,563	888,563
2022	550,000	224,762	774,762
2023	335,000	207,063	542,063
2024	340,000	193,562	533,562
2025-2029	1,850,000	769,712	2,619,712
2030-2034	2,115,000	465,938	2,580,938
2035-2038	1,960,000	126,219	2,086,219
	\$ 8,415,000	\$ 2,509,681	\$ 10,924,681

**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 7% 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 \$280,536 to the Plan during the year ended December 31, 2019.

**Note 8 - Deferred Compensation Plan**

The City also 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.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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**Note 9 - Risk Management (continued)**

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 2019 premium payments incurred to the trust totaled \$278,747.

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 and Concentrations**

In 2018, 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, 2019, expenditures for waste removal totaled \$941,545.

**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.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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**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 2019, total fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, summed to \$270,276. “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 \$8,882,782. 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 2.97% 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, 2019.

**Note 14 - Subsequent Events**

Management has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through June 16, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the City expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

On June 15, 2020, the City issued \$7,000,000 of General Obligation Bonds for the Prop S Capital Improvement street program. The sale of the bonds is projected to settle by the end of June 2020.

**Note 15 - New Accounting Pronouncements**

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ended December 31, 2022.

**City of Manchester, Missouri**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

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**Note 15 - New Accounting Pronouncements (continued)**

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, improves the information that is disclosed in notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement will be effective for the year ended December 31, 2020.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ended December 31, 2021.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement will be effective for the year ended December 31, 2021.

**Note 16 - Prior Period Adjustment**

In order to correct previous errors in accounts payable, the previously stated fund balance of the General Fund and governmental activities net position have been restated. These corrections will have no material effect on operations of the City.

	<u>General Fund</u>
Fund Balance, as previously stated on December 31, 2018	\$ 3,039,229
Prior Period Adjustment - correction 1	<u>17,903</u>
Fund Balance, as restated on December 31, 2018	<u>\$ 3,057,132</u>
	<u>Governmental</u>
	<u>Activities</u>
Net position, as previously stated on December 31, 2018	\$ 13,569,872
Prior Period Adjustment - correction 1	<u>17,903</u>
Net position, as restated on December 31, 2018	<u>\$ 13,587,775</u>

**Required Supplementary Information**

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 495,500	\$ 495,500	\$ 528,101	\$ 32,601
Taxes - other	8,125,000	8,291,000	8,294,681	3,681
Grants	125,500	149,500	157,620	8,120
Licenses and permits	355,650	355,650	404,807	49,157
Fines and forfeitures	230,000	230,000	273,336	43,336
Charges for services	495,224	495,224	565,838	70,614
Investment income	41,800	41,800	86,841	45,041
Other	67,500	67,500	79,915	12,415
Total Revenues	<u>9,936,174</u>	<u>10,126,174</u>	<u>10,391,139</u>	<u>264,965</u>
<b>Expenditures</b>				
Current:				
General government	1,588,295	1,978,295	2,049,360	71,065
Police department	3,986,275	3,986,275	3,780,319	(205,956)
Public works	2,470,955	2,470,955	2,617,224	146,269
Community development	319,032	319,032	305,664	(13,368)
Aquatic center	347,600	347,600	308,315	(39,285)
Recreation	982,702	1,033,702	1,032,864	(838)
Legal/court	254,155	254,155	249,412	(4,743)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>9,949,014</u>	<u>10,390,014</u>	<u>10,343,158</u>	<u>(46,856)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(12,840)	(263,840)	47,981	311,821
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	23,838	23,838
Proceeds from insurance recovery	-	271,000	270,787	(213)
Transfers in	500,000	500,000	500,000	-
Transfers out	(500,000)	(500,000)	(308,725)	(191,275)
Total Other Financing Sources (Uses)	<u>-</u>	<u>271,000</u>	<u>485,900</u>	<u>(167,650)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (12,840)</u>	<u>\$ 7,160</u>	<u>\$ 533,881</u>	<u>\$ 526,721</u>
<b>Fund Balance, January 1 (restated)</b>			<u>3,057,132</u>	
<b>Fund Balance, December 31</b>			<u>\$ 3,591,013</u>	

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Parks and Storm Water Projects Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	1,625,000	1,625,000	1,882,807	257,807
Grants	700,000	700,000	-	(700,000)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	323	323
Other	-	-	-	-
Total Revenues	<u>2,325,000</u>	<u>2,325,000</u>	<u>1,883,130</u>	<u>(441,870)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	4,124,352	4,124,352	807,881	(3,316,471)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>4,124,352</u>	<u>4,124,352</u>	<u>807,881</u>	<u>(3,316,471)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(1,799,352)	(1,799,352)	1,075,249	2,874,601
<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>\$ (1,799,352)</u>	<u>\$ (1,799,352)</u>	<u>\$ 1,075,249</u>	<u>\$ 2,874,601</u>
<b>Fund Balance, January 1</b>			<u>2,920,219</u>	
<b>Fund Balance, December 31</b>			<u>\$ 3,995,468</u>	

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Tax Increment Financing Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,345,285	\$ 95,285
Taxes - other	5,170,000	5,170,000	5,552,442	382,442
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	65,000	65,000	192,797	127,797
Other	-	-	-	-
Total Revenues	<u>6,485,000</u>	<u>6,485,000</u>	<u>7,090,524</u>	<u>605,524</u>
<b>Expenditures</b>				
Current:				
General government	360,000	360,000	349,790	(10,210)
Police department	-	-	-	-
Public works	-	-	-	-
Community development	19,660	19,660	20,348	688
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	4,000,000	4,000,000	-	(4,000,000)
Interest and fiscal charges	2,515,000	2,515,000	2,363,555	(151,445)
Bond issuance costs	-	-	306,956	306,956
Total Expenditures	<u>6,894,660</u>	<u>6,894,660</u>	<u>3,040,649</u>	<u>(3,854,011)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(409,660)</b>	<b>(409,660)</b>	<b>4,049,875</b>	<b>4,459,535</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	-	-
Issuance of tax increment financing revenue bonds	-	24,165,000	24,195,000	30,000
Refunding of tax increment financing revenue bonds	-	(30,500,000)	(34,065,000)	(3,565,000)
Transfers in	360,000	360,000	308,725	(51,275)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>360,000</u>	<u>(5,975,000)</u>	<u>(9,561,275)</u>	<u>(3,586,275)</u>
<b>Net Change in Fund Balance</b>	<b><u>\$ (49,660)</u></b>	<b><u>\$ (6,384,660)</u></b>	<b><u>\$ (5,511,400)</u></b>	<b><u>\$ 873,260</u></b>
<b>Fund Balance, January 1</b>			<u>8,396,562</u>	
<b>Fund Balance, December 31</b>			<u><u>\$ 2,885,162</u></u>	

**City of Manchester, Missouri**  
**Notes to the Required Supplementary Information**  
**For the year ended December 31, 2019**

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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, 2019**

	Debt Service Fund	Asset Forfeiture Fund	Sewer Lateral Fund	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 699,391	\$ -	\$ 112,029	\$ 811,420
Investments	-	-	-	-
Restricted cash and cash equivalents	-	27,712	-	27,712
Restricted investments	-	-	-	-
Receivables, net:				
Taxes	511,110	-	43,037	554,147
Interest	-	-	-	-
Other	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>1,210,501</u>	<u>27,712</u>	<u>155,066</u>	<u>1,393,279</u>
<b>Deferred Outflows of Resources</b>				
	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 1,210,501</u>	<u>\$ 27,712</u>	<u>\$ 155,066</u>	<u>\$ 1,393,279</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 29,593	\$ 29,593
Accrued wages	-	-	-	-
Escrow payable	-	-	-	-
Court bonds payable	-	-	-	-
Other payables	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>29,593</u>	<u>29,593</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	146,005	-	-	146,005
<b>Fund Balance</b>				
Restricted:				
Special revenue fund	1,064,496	27,712	125,473	1,217,681
Committed:				
Contingency	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,064,496</u>	<u>27,712</u>	<u>125,473</u>	<u>1,217,681</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,210,501</u>	<u>\$ 27,712</u>	<u>\$ 155,066</u>	<u>\$ 1,393,279</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, 2019**

	Debt Service Fund	Asset Forfeiture Fund	Sewer Lateral Fund	Totals
<b>Revenues</b>				
Property taxes	\$ 1,112,219	\$ -	\$ -	\$ 1,112,219
Taxes - other	-	-	167,317	167,317
Grants	-	14,577	-	14,577
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	50,443	50,443
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>1,112,219</u>	<u>14,577</u>	<u>217,760</u>	<u>1,344,556</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	3,563	-	3,563
Public works	-	-	91,303	91,303
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	-	-	191,180	191,180
Debt service:				
Principal	585,000	-	-	585,000
Interest and fiscal charges	326,236	-	-	326,236
Total Expenditures	<u>911,236</u>	<u>3,563</u>	<u>282,483</u>	<u>1,197,282</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	200,983	11,014	(64,723)	147,274
<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>	\$ 200,983	\$ 11,014	\$ (64,723)	\$ 147,274
<b>Fund Balance (Deficit), January 1</b>	<u>863,513</u>	<u>16,698</u>	<u>190,196</u>	<u>1,070,407</u>
<b>Fund Balance (Deficit), December 31</b>	<u>\$ 1,064,496</u>	<u>\$ 27,712</u>	<u>\$ 125,473</u>	<u>\$ 1,217,681</u>

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Debt Service Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,054,632	\$ 1,054,632	\$ 1,112,219	\$ 57,587
Taxes - other	-	-	-	-
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>1,054,632</u>	<u>1,054,632</u>	<u>1,112,219</u>	<u>57,587</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	585,000	585,000	585,000	-
Interest and fiscal charges	328,833	328,833	326,236	(2,597)
Total Expenditures	<u>913,833</u>	<u>913,833</u>	<u>911,236</u>	<u>(2,597)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	140,799	140,799	200,983	60,184
<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>\$ 140,799</u>	<u>\$ 140,799</u>	\$ 200,983	<u>\$ 60,184</u>
<b>Fund Balance, January 1</b>			<u>863,513</u>	
<b>Fund Balance, December 31</b>			<u>\$ 1,064,496</u>	

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Asset Forfeiture Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Grants	-	15,000	14,577	(423)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>15,000</u>	<u>14,577</u>	<u>(423)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	3,600	3,563	(37)
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,600</u>	<u>3,563</u>	<u>(37)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	-	11,400	11,014	(386)
<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>\$ -</u>	<u>\$ 11,400</u>	<u>\$ 11,014</u>	<u>\$ (386)</u>
<b>Fund Balance, January 1</b>			<u>16,698</u>	
<b>Fund Balance, December 31</b>			<u>\$ 27,712</u>	

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Sewer Lateral Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	167,000	182,000	167,317	(14,683)
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	35,000	35,000	50,443	15,443
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>202,000</u>	<u>217,000</u>	<u>217,760</u>	<u>760</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	-	-	-
Public works	80,290	80,290	91,303	11,013
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	180,000	209,710	191,180	(18,530)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>260,290</u>	<u>290,000</u>	<u>282,483</u>	<u>(7,517)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(58,290)	(73,000)	(64,723)	8,277
<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>\$ (58,290)</u>	<u>\$ (73,000)</u>	<u>\$ (64,723)</u>	<u>\$ 8,277</u>
<b>Fund Balance, January 1</b>			<u>190,196</u>	
<b>Fund Balance, December 31</b>			<u>\$ 125,473</u>	

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Capital Projects Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	1,550,000	1,550,000	1,608,157	58,157
Grants	462,000	462,000	460,665	(1,335)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	276	276
Other	-	-	-	-
Total Revenues	<u>2,012,000</u>	<u>2,012,000</u>	<u>2,069,098</u>	<u>57,098</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	1,528,042	1,528,042	679,602	(848,440)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,528,042</u>	<u>1,528,042</u>	<u>679,602</u>	<u>(848,440)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	483,958	483,958	1,389,496	905,538
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	35,000	35,000	-	(35,000)
Transfers in	-	-	-	-
Transfers out	(500,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	<u>(465,000)</u>	<u>(465,000)</u>	<u>(500,000)</u>	<u>(35,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 18,958</u>	<u>\$ 18,958</u>	\$ 889,496	<u>\$ 870,538</u>
<b>Fund Balance, January 1</b>			<u>(22,397)</u>	
<b>Fund Balance, December 31</b>			<u>\$ 867,099</u>	

**City of Manchester, Missouri**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Prop S Capital Improvement Fund**  
**For the year ended December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Grants	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	150,000	150,000	161,423	11,423
Other	-	-	-	-
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>161,423</u>	<u>11,423</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police department	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Aquatic center	-	-	-	-
Recreation	-	-	-	-
Legal/court	-	-	-	-
Capital outlay	3,592,680	4,545,680	4,549,034	3,354
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	<u>3,592,680</u>	<u>4,545,680</u>	<u>4,549,034</u>	<u>3,354</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(3,442,680)	(4,395,680)	(4,387,611)	8,069
<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>\$ (3,442,680)</u>	<u>\$ (4,395,680)</u>	<u>\$ (4,387,611)</u>	<u>\$ 8,069</u>
<b>Fund Balance, January 1</b>			<u>8,443,028</u>	
<b>Fund Balance, December 31</b>			<u>\$ 4,055,417</u>	

**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.	44-47
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	48-54
<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.	55-57
<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.	58-60
<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.	61-63

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 31,520,461	\$ 32,151,101	\$ 31,257,682	\$ 26,670,821	\$ 25,815,291	\$ 24,791,682	\$ 23,852,195	\$ 22,418,334	\$ 21,368,355	\$ 18,815,760
Restricted for:										
Capital projects	1,162,357	8,356,970	38,076	168,042	111,603	93,342	199,360	509,802	166,788	162,587
Parks and Storm Water projects	3,995,468	2,920,219	1,964,804	3,620,508	2,771,661	1,987,081	1,236,705	1,245,142	523,490	103,228
Debt service	1,064,496	863,513	508,127	846,549	785,879	705,820	658,107	698,503	1,004,185	921,967
Tax Increment Financing	2,885,162	8,396,562	8,535,795	8,734,285	8,634,284	8,763,166	10,086,559	9,988,792	9,540,958	8,384,284
Non-Major	153,185	206,894	185,647	294,458	406,860	493,752	592,509	576,819	590,429	511,977
Unrestricted	<u>(20,014,397)</u>	<u>(39,325,387)</u>	<u>(35,846,724)</u>	<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>
Total Governmental Activities	<u>20,766,732</u>	<u>13,569,872</u>	<u>6,643,407</u>	<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>
<b>Primary Government</b>										
Net investment in capital assets	31,520,461	32,151,101	31,257,682	26,670,821	25,815,291	24,791,682	23,852,195	22,418,334	21,368,355	18,815,760
Restricted	9,260,668	20,744,158	11,232,449	13,663,842	12,710,287	12,043,161	12,773,240	13,019,058	11,825,850	10,084,043
Unrestricted	<u>(20,014,397)</u>	<u>(39,325,387)</u>	<u>(35,846,724)</u>	<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>
Total Primary Government	<u>\$ 20,766,732</u>	<u>\$ 13,569,872</u>	<u>\$ 6,643,407</u>	<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>

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 2,483,122	\$ 2,066,946	\$ 1,696,844	\$ 1,652,795	\$ 1,560,101	\$ 1,560,324	\$ 1,852,779	\$ 1,410,695	\$ 1,258,874	\$ 1,146,060
Police department	4,030,622	3,811,174	3,599,988	3,680,947	3,540,967	3,443,086	3,492,549	3,460,970	3,464,808	3,399,197
Public works	4,087,659	3,577,146	4,154,982	3,906,863	3,699,603	3,649,983	3,511,676	3,535,613	3,572,618	3,477,863
Community development	322,468	311,376	266,197	265,525	223,100	258,237	266,928	253,670	250,119	249,572
Aquatic center	604,967	714,558	518,701	505,548	530,027	523,882	518,331	500,993	476,923	473,981
Recreation	1,229,430	1,176,623	855,847	968,111	880,688	833,511	809,965	837,289	811,009	823,704
Legal and court	252,404	230,739	202,842	214,385	207,195	190,737	333,794	348,497	274,050	271,069
Interest on long-term debt	2,717,433	2,633,419	2,713,464	2,925,532	3,146,848	3,343,531	3,563,794	3,750,063	2,709,322	2,728,925
Special item - transfer to escrow agent of proceeds from TIF bonds	-	-	-	-	-	-	-	-	-	47,688,390
Total Governmental Activities Expenses	<u>15,728,105</u>	<u>14,521,981</u>	<u>14,008,865</u>	<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>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for service:										
General government	-	95,155	-	-	-	39,315	237,455	232,459	212,056	210,790
Police department	284,197	242,579	241,683	269,610	407,913	472,167	479,550	460,612	312,510	335,036
Public works	50,443	28,051	44,960	30,287	23,750	18,495	18,913	21,039	22,529	20,747
Community development	135,056	14,050	-	-	-	-	-	-	-	-
Aquatic center	249,303	265,366	277,261	281,183	277,528	289,788	252,269	334,530	331,143	328,003
Recreation	179,586	126,560	85,464	73,447	70,447	64,344	103,466	62,987	53,741	60,509
Operating grants and contributions	164,759	151,321	154,914	189,345	219,532	165,622	89,855	-	-	-
Capital grants and contributions	128,367	617,300	1,027,602	241,413	-	-	241,900	208,479	842,440	345,001
Total Governmental Activities Program Revenue	<u>1,191,711</u>	<u>1,540,382</u>	<u>1,831,884</u>	<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>
<b>Net Revenue (Expenses)</b>										
Governmental Activities	<u>(14,536,394)</u>	<u>(12,981,599)</u>	<u>(12,176,981)</u>	<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>
Total Primary Government, Net Expenses	<u>(14,536,394)</u>	<u>(12,981,599)</u>	<u>(12,176,981)</u>	<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>
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental Activities:										
Sales tax	15,774,309	14,517,138	14,402,751	13,776,329	13,482,370	12,257,239	11,735,875	10,804,917	9,018,222	8,680,856
Utility tax	1,339,738	1,532,927	1,424,930	1,439,416	1,519,002	1,606,432	1,314,029	1,289,144	1,335,811	1,311,578
Property tax	2,990,470	2,821,902	1,631,907	2,055,854	2,010,763	2,019,009	1,894,424	2,092,373	2,301,888	2,449,093
Franchise tax	391,357	399,589	251,000	286,700	297,190	287,143	259,387	255,673	215,254	223,656
Other tax	-	-	-	-	-	922,354	706,514	698,261	764,375	789,654
Investment income	441,660	204,060	103,104	37,253	102,282	163,907	36,069	151,523	(50,964)	21,748
Miscellaneous	777,817	432,448	490,202	407,471	538,259	333,458	67,717	234,659	235,415	195,680
Total Governmental Activities General Revenues and Other Changes in Net Position	<u>21,715,351</u>	<u>19,908,064</u>	<u>18,303,894</u>	<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>
Total Primary Government Activities General Revenues and Other Changes in Net Position	<u>21,715,351</u>	<u>19,908,064</u>	<u>18,303,894</u>	<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>
<b>Changes in Net Position</b>										
Governmental activities	<u>7,178,957</u>	<u>6,926,465</u>	<u>6,126,913</u>	<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>
Total Primary Government	<u>\$ 7,178,957</u>	<u>\$ 6,926,465</u>	<u>\$ 6,126,913</u>	<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>

Source: Basic financial statements

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Fund</b>										
After GASB 54 Implementation:										
Nonspendable	\$ 162,762	\$ 134,519	\$ 98,750	\$ -	\$ -	\$ -	\$ 74,715	\$ 178,232	\$ 106,624	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	2,062,040	1,981,235	1,883,300	1,853,148	1,800,834	1,763,664	1,760,238	1,794,593	1,785,815	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	1,366,211	923,475	508,697	653,614	800,522	514,488	(49,117)	(143,273)	615,042	-
Before GASB 54 Implementation:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	3,806,120
<b>Total General Fund</b>	<u>\$ 3,591,013</u>	<u>\$ 3,039,229</u>	<u>\$ 2,490,747</u>	<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>
<b>All Other Governmental Funds</b>										
After GASB 54 Implementation:										
Nonspendable	\$ 20,292	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	13,000,535	20,830,216	11,232,449	13,663,842	12,710,287	12,043,161	12,773,240	12,954,177	11,785,123	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(27,397)	-	-	-	-	(42,017)	-	-	-
Before GASB 54 Implementation:										
Reserved	-	-	-	-	-	-	-	-	-	10,019,885
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 13,020,827</u>	<u>\$ 20,807,819</u>	<u>\$ 11,232,449</u>	<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>

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**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>										
Property taxes	\$ 2,985,605	\$ 2,753,652	\$ 1,175,419	\$ 2,007,106	\$ 2,053,177	\$ 1,975,207	\$ 1,934,222	\$ 2,092,373	\$ 2,301,888	\$ 2,449,093
Taxes - other	17,505,404	16,449,654	16,078,681	15,502,445	15,298,562	15,073,168	14,015,805	13,012,241	11,352,309	10,948,801
Grants	632,862	432,042	1,169,869	367,746	210,435	165,622	331,755	208,479	842,440	345,001
Licenses and permits	404,807	378,596	369,190	332,961	325,410	339,383	237,455	233,848	212,745	212,298
Fines and forfeitures	273,336	231,684	255,810	329,219	413,661	467,784	438,464	460,612	312,510	335,035
Changes for services	616,281	517,850	449,655	416,326	410,968	416,325	415,735	417,167	406,724	407,751
Investment income	441,660	204,060	103,104	37,253	102,282	163,907	36,069	151,523	(50,964)	21,748
Other	79,915	51,902	77,562	58,608	174,235	112,394	120,508	250,804	270,209	219,323
Total Revenues	<u>22,939,870</u>	<u>21,019,440</u>	<u>19,679,290</u>	<u>19,051,664</u>	<u>18,988,730</u>	<u>18,713,790</u>	<u>17,530,013</u>	<u>16,827,047</u>	<u>15,647,861</u>	<u>14,939,050</u>
<b>Expenditures</b>										
General government	2,399,150	1,979,971	1,636,239	1,575,335	1,491,612	1,477,496	1,471,161	1,390,365	1,056,486	984,121
Police department	3,783,882	3,490,019	3,266,323	3,380,083	3,182,223	3,120,680	3,156,905	3,136,366	3,140,035	3,081,267
Public works	2,708,527	2,489,491	2,753,748	2,762,099	2,735,986	2,725,106	2,897,733	2,784,077	2,930,793	2,788,913
Community development	326,012	310,428	263,909	262,418	222,630	258,639	260,872	251,639	248,304	247,303
Aquatic center	308,315	328,817	313,447	307,569	337,400	323,732	338,376	343,207	325,649	338,477
Recreation	1,032,864	919,307	820,841	766,980	688,157	661,918	663,739	674,658	697,973	688,578
Legal/court	249,412	228,985	200,750	212,173	205,528	188,121	330,167	344,378	269,749	266,599
Capital outlay	6,227,697	3,231,755	6,025,460	2,242,414	2,238,693	2,213,763	2,733,819	1,962,669	3,447,044	5,148,083
Debt service:										
Principal	585,000	4,580,000	4,135,000	3,770,000	3,790,000	4,585,000	2,455,000	1,780,000	405,000	970,000
Interest	2,689,791	2,499,441	2,719,981	2,928,432	3,135,081	3,355,081	3,562,993	3,149,976	2,660,229	2,126,635
Bond issue cost	306,956	123,723	-	-	-	-	-	64,173	-	1,341,250
Total Expenditures	<u>20,617,606</u>	<u>20,181,937</u>	<u>22,135,698</u>	<u>18,207,503</u>	<u>18,027,310</u>	<u>18,909,536</u>	<u>17,870,765</u>	<u>15,881,508</u>	<u>15,181,262</u>	<u>17,981,226</u>
<b>Revenues Over (Under) Expenditures</b>	<u>2,322,264</u>	<u>837,503</u>	<u>(2,456,408)</u>	<u>844,161</u>	<u>961,420</u>	<u>(195,746)</u>	<u>(340,752)</u>	<u>945,539</u>	<u>466,599</u>	<u>(3,042,176)</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of capital assets	23,838	51,455	9,000	14,800	28,910	-	-	-	-	-
Proceeds from insurance recovery	270,787	-	-	-	-	-	-	-	-	-
Transfers in	808,725	661,865	646,849	627,292	315,049	667,435	694,510	274,328	573,423	1,980,241
Transfers out	(808,725)	(661,865)	(646,849)	(627,292)	(315,049)	(667,435)	(694,510)	(274,328)	(573,423)	(1,980,241)
Issuance of bonds	24,195,000	9,000,000	-	-	-	-	-	3,185,000	-	54,786,795
Refunding of bonds	(34,065,000)	-	-	-	-	-	-	-	-	-
Bond premium	-	234,894	-	-	-	-	-	115,331	-	-
Payment to escrow agent	-	-	-	-	-	-	-	(3,735,000)	-	(47,688,390)
Total Other Financing Sources (Uses)	<u>(9,575,375)</u>	<u>9,286,349</u>	<u>9,000</u>	<u>14,800</u>	<u>28,910</u>	<u>-</u>	<u>-</u>	<u>(434,669)</u>	<u>-</u>	<u>7,098,405</u>
<b>Net Change In Fund Balance</b>	<u>\$ (7,253,111)</u>	<u>\$ 10,123,852</u>	<u>\$ (2,447,408)</u>	<u>\$ 858,961</u>	<u>\$ 990,330</u>	<u>\$ (195,746)</u>	<u>\$ (340,752)</u>	<u>\$ 510,870</u>	<u>\$ 466,599</u>	<u>\$ 4,056,229</u>
Debt service as a percentage of noncapital expenditures	22.17%	42.00%	42.10%	41.05%	43.13%	47.56%	39.76%	35.88%	26.12%	34.58%
Fines and forfeitures as a percentage of general revenues (1)	2.97%	2.60%	2.97%	3.31%	4.87%	6.24%	5.35%	5.64%	3.91%	4.30%

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>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Governmental Activities</b>										
General government	\$ -	\$ 95,155	\$ 328	\$ 107,658	\$ 195,544	\$ 203,797	\$ 327,310	\$ 232,459	\$ 212,056	\$ 210,790
Police department	448,956	392,900	395,219	340,505	427,463	472,167	479,550	460,612	312,510	335,036
Public works	178,810	645,351	597,562	271,700	23,750	18,495	71,007	229,518	518,969	357,930
Community development	135,056	14,050	-	-	-	-	-	-	-	-
Aquatic center	249,303	265,366	277,261	281,183	277,528	289,788	252,269	334,530	331,143	328,003
Recreation	179,586	127,560	561,514	84,439	74,705	65,484	293,272	62,987	399,741	68,327
Total Governmental Activities	<u>1,191,711</u>	<u>1,540,382</u>	<u>1,831,884</u>	<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>
 Total Primary Government	 <u>\$ 1,191,711</u>	 <u>\$ 1,540,382</u>	 <u>\$ 1,831,884</u>	 <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>

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>
2019	\$ 15,774,309	\$ 1,339,738	\$ 2,990,470	\$ 391,357	\$ -	\$ 20,495,874
2018	14,517,138	1,532,927	2,821,902	399,589	-	19,271,556
2017	14,402,751	1,424,930	1,631,907	251,000	-	17,710,588
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

Source: Governmental revenues and supplemental information

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

<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>
2019	\$ 371,087,330	\$ 43,983,179	\$ 415,070,509	\$ 0.3170	\$ 1,972,053,390	21.05%
2018	347,672,903	42,544,676	390,217,579	0.3210	1,789,988,894	21.80%
2017	323,448,550	40,716,000	364,164,550	0.0660	1,670,495,624	21.80%
2016	315,383,746	42,499,347	357,883,093	0.2400	1,640,310,104	21.82%
2015	314,310,981	41,832,548	356,143,529	0.2370	1,633,825,697	21.80%
2014	301,684,451	42,592,930	344,277,381	0.2380	1,575,513,545	21.85%
2013	300,352,891	41,840,611	342,193,502	0.2380	1,566,069,627	21.85%
2012	309,464,288	42,706,922	352,171,210	0.1190	1,614,189,337	21.82%
2011	309,491,369	40,057,054	349,548,423	0.2060	1,605,882,767	21.77%
2010	316,943,377	39,399,722	356,343,099	0.2380	1,636,491,586	21.77%

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City of Manchester*										
General property tax	\$ 0.0370	\$ 0.0410	\$ 0.0432	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450	\$ 0.0450
Debt service property tax	0.2800	0.2800	0.0240	0.1930	0.1920	0.1930	0.1930	0.0740	0.1610	0.1930
	<u>0.3170</u>	<u>0.3210</u>	<u>0.0672</u>	<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>
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	0.4430	0.4890	0.4890	0.5150	0.5150	0.5230	0.5230	0.5230	0.5230	0.5230
St. Louis Community College	0.1986	0.2129	0.2112	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179
Special School District	1.1077	1.1980	1.1912	1.2409	1.2348	1.2609	1.2400	1.0123	1.0125	0.9950
Metropolitan Zoological Park and Museum District	0.2549	0.2724	0.2694	0.2795	0.2777	0.2797	0.2797	0.2684	0.2671	0.2546
St. Louis County Library	0.2120	0.2340	0.2340	0.2460	0.2460	0.2500	0.2500	0.1730	0.1630	0.1565
Metropolitan St. Louis Sewer District (Extension) #	0.1077	0.1170	0.1159	0.1196	0.0195	0.0197	0.0196	0.0186	0.0185	0.0180
Sheltered Workshop	0.0750	0.0840	0.0840	0.0880	0.0880	0.0900	0.0890	0.0840	0.0840	0.0790
Total	<u>\$ 2.7459</u>	<u>\$ 2.9583</u>	<u>\$ 2.6919</u>	<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>
School districts (2)										
Parkway School District	\$ 3.7661	\$ 4.0640	\$ 3.9857	\$ 4.2163	\$ 4.4617	\$ 4.0743	\$ 4.0743	\$ 3.9361	\$ 3.6761	\$ 3.5672
Valley Park School District	4.8519	5.2436	5.1911	5.6045	5.5210	5.5910	5.6526	5.0587	4.9435	4.7174
Fire protection districts (3)										
West County EMS Fire District	\$ 1.1070	\$ 1.1900	\$ 1.1900	\$ 1.2710	\$ 1.2740	\$ 0.9620	\$ 0.9610	\$ 0.8960	\$ 0.8980	\$ 0.9130
Valley Park Fire District	1.5980	1.1290	1.1330	1.1640	1.1730	1.2780	1.2780	1.1950	1.1530	1.1310

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

\* Rate for residential property

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

Taxpayer	2019			2010		
	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	\$ 11,576,220	1	3.12%	\$ 12,032,580	1	3.80%
Kemp Waterford West, LLC	5,029,130	2	1.36%	3,705,000	4	1.17%
Ameren UE	4,367,420	8	1.18%			
Caplaco Six, Inc.	4,193,310	4	1.13%	3,751,260	3	1.18%
Park Meadows Apartments, LLC	4,043,740	5	1.09%			
Costco Wholesale Corp.	4,032,040	3	1.09%	4,596,510	2	1.45%
Big Bend Apartments, LLC	3,908,770	6	1.05%	2,478,850	7	0.78%
HDX Acquisition, LLC	2,628,060	7	0.71%			
Meramec Station - Big Bend Investors, LLC	2,372,280	9	0.64%			
Sprint Master Funding VIII, LLC	2,265,500	10	0.61%	1,827,840	10	0.58%
A&R Manchester, LLC				3,334,230	5	1.05%
South Hampton Apartments, LLC				2,685,500	6	0.85%
Home Depot USA, Inc.				2,208,000	8	0.70%
Stonegate Apartments Limited Partnership, Et.Al.				1,862,000	9	0.59%
Total	\$ 44,416,470		11.97%	\$ 38,481,770		12.14%

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>
2019	\$ 1,320,284	\$ 1,155,551	87.52%	\$ 96,920	\$ 1,252,471	94.86%	\$ 166,561	12.62%
2018	1,208,124	1,066,189	88.25%	87,463	1,153,652	95.49%	139,743	11.57%
2017	252,897	209,442	82.82%	35,072	244,514	96.69%	43,551	17.22%
2016	820,269	730,423	89.05%	58,743	789,166	96.21%	115,442	14.07%
2015	811,820	744,793	91.74%	68,069	812,862	100.13%	66,295	8.17%
2014	788,131	719,074	91.24%	69,948	789,022	100.11%	83,566	10.60%
2013	783,474	716,480	91.45%	15,192	731,672	93.39%	76,433	9.76%
2012	404,758	375,541	92.78%	65,741	441,282	109.02%	39,915	9.86%
2011	693,130	640,770	92.45%	81,270	722,040	104.17%	72,033	10.39%
2010	814,217	732,844	90.01%	72,385	805,229	98.90%	94,751	11.64%

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>
2019	2.2500%	2.5125%	4.2250%	8.9875%	\$ 459,561
2018	2.2500%	2.3880%	4.2250%	8.8630%	438,199
2017	2.2500%	2.3880%	4.2250%	8.8630%	433,225
2016	2.2500%	1.8880%	4.2250%	8.3630%	425,996
2015	2.2500%	1.8880%	4.2250%	8.3630%	408,212
2014	2.2500%	1.8880%	4.2250%	8.3630%	405,231
2013	2.2500%	1.8880%	4.2250%	8.3630%	395,444
2012	2.2500%	1.7000%	4.2250%	8.1750%	383,021
2011	2.2500%	1.7000%	4.2250%	8.1750%	365,416
2010	2.2500%	1.7000%	4.2250%	8.1750%	366,744

(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
- 1.0000% County-wide local sales tax
- 0.2500% General City 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)</b>	<b>Per Capita (1)</b>
	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Certificates of Participation</b>			
2019	\$ 8,633,256	\$ 24,195,000	\$ -	\$ 32,828,256	4.3%	\$ 1,814
2018	9,230,000	33,819,539	-	43,049,539	6.1%	2,380
2017	588,774	37,780,446	-	38,369,220	5.5%	2,134
2016	1,120,000	41,316,353	-	42,436,353	6.2%	2,364
2015	1,694,868	44,497,260	-	46,192,128	6.9%	2,573
2014	2,500,960	47,718,167	-	50,219,127	7.5%	2,797
2013	2,773,146	51,744,074	-	54,517,220	8.3%	3,036
2012	3,284,238	53,654,981	-	56,939,219	8.4%	3,171
2011	3,735,000	54,835,888	-	58,570,888	9.1%	3,270
2010	4,025,000	54,786,795	115,000	58,926,795	9.5%	3,292

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

(1) See Demographics and Economic Statistics Table

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

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
St. Louis County	\$ 87,375,000	1.56%	\$ 1,363,050
Parkway School District	247,145,524	7.71%	19,054,920
Valley Park School District	20,058,855	13.46%	2,699,922
West Count EMS	12,970,000	45.91%	5,954,527
Subtotal:	<u>367,549,379</u>		<u>29,072,419</u>
City of Manchester	<u>32,828,256</u>	100.00%	<u>32,828,256</u>
Total Direct and Overlapping Debt:	<u><u>\$ 400,377,635</u></u>		<u><u>\$ 61,900,675</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limit	\$ 39,021,758	\$ 39,021,758	\$ 36,416,455	\$ 35,788,309	\$ 35,614,353	\$ 34,427,738	\$ 34,219,350	\$ 35,217,121	\$ 34,954,842	\$ 35,634,310
Net debt applicable to limit	8,415,000	9,000,000	570,000	1,120,000	1,660,000	2,180,000	2,690,000	3,185,000	3,735,000	4,140,000
Legal Debt Margin	<u>\$ 30,606,758</u>	<u>\$ 30,021,758</u>	<u>\$ 35,846,455</u>	<u>\$ 34,668,309</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>
Total Net Debt Applicable to The Limit as a Percentage of Debt Limit	21.6%	23.1%	1.6%	3.1%	4.7%	6.3%	7.9%	9.0%	10.7%	11.6%

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>
2019	18,094	40.5	\$ 79,414	\$ 750,394,368	\$ 41,472	3.4%
2018	18,094	37.9	76,289	706,643,076	39,054	3.4%
2017	18,094	38.4	77,978	701,550,208	38,773	3.4%
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%

(1) Source: U.S. Bureau of Census Information

(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	
2019	\$ 5,552,442	\$ 1,345,285	\$ 677,094	\$ 6,220,633	\$ -	\$ 2,363,555	263.2%
2018	5,045,071	1,279,599	418,543	5,906,127	4,010,000	2,492,931	90.8%
2017	5,114,538	881,635	363,497	5,632,676	3,585,000	2,703,081	89.6%
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%

**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	
2019	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
2018	-	-	-	-	-	0.0%
2017	-	-	-	-	-	0.0%
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%

(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 0.5% 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>2019</b>			<b>2010</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	392	1	3.5%	n/a	n/a	n/a
Walmart	380	2	3.4%	n/a	n/a	n/a
Costco	239	3	2.1%	n/a	n/a	n/a
Veterinary Specialty Services	177	4	1.6%	n/a	n/a	n/a
Dierbergs	120	6	1.1%	n/a	n/a	n/a
Joey B's	104	5	0.9%	n/a	n/a	n/a
Kohl's	88	7	0.8%	n/a	n/a	n/a
City of Manchester	83	9	0.7%	n/a	n/a	n/a
Best Buy	80	8	0.7%	n/a	n/a	n/a
Academy Sports	60	10	0.5%	n/a	n/a	n/a
<b>Total</b>	<b>1723</b>		<b>15.3%</b>	<b>0</b>		<b>0.0%</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>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
General government:										
Administration	5	5	5	4	4	4	3	5	4	4
Finance	2	2	2	2	2	2	2	2	2	2
Municipal court	3	3	3	3	3	2	2	2	2	2
Police:										
Officers	38	39	39	39	36	36	37	38	37	39
Civilians	5	4	4	4	5	3	3	3	5	4
Parks:										
Administration	4	4	4	4	3	3	3	3	3	3
Park maintenance	5	5	5	5	5	5	5	4	5	5
Public works:										
Administration	2	1	1	1	2	1	2	2	2	2
Street maintenance	14	14	14	13	14	14	14	14	14	14
Facility maintenance	1	1	1	1	1	2	2	2	2	2
Community development	4	3	3	3	3	3	3	3	3	3
<b>Total</b>	<b>83</b>	<b>81</b>	<b>81</b>	<b>79</b>	<b>78</b>	<b>75</b>	<b>76</b>	<b>78</b>	<b>79</b>	<b>80</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**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Functions/Programs</b>										
<b>Police/Patrol</b>										
Arrests	556	495	456	412	490	595	713	736	653	561
Traffic citations	3,228	3,002	3,053	3,132	4,501	4,717	4,847	5,569	2,458	2,004
Crime reports	1,124	1,391	1,016	1,116	1,890	1,137	1,305	1,291	1,138	1,159
Accident reports	482	517	496	510	487	503	523	451	489	514
Warrants	564	468	417	389	440	311	364	363	270	259
<b>Public Works</b>										
Concrete slabs replaced	2,678	1,378	573	497	552	530	456	394	1,102	1,128
<b>Planning and Building</b>										
Site development/concept plans	32	31	22	11	13	7	3	7	6	11
Rezoning applications	1	1	1	2	-	-	-	-	-	1
Text amendments	13	7	5	7	5	2	3	2	2	2
Building permits issued	456	441	463	351	119	357	310	292	307	296
<b>Finance and Administration</b>										
Merchant licenses issued	301	286	292	270	291	315	314	268	283	274
Payroll checks issued	3,004	2,838	2,630	2,775	2,666	2,685	2,842	2,779	2,777	2,706
Accounts payable processed	2,343	2,376	2,542	2,686	2,498	2,654	2,535	2,582	2,601	2,838
Sunshine Act requests	61	46	35	36	26	35	50	59	59	44

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>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Police/Patrol</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	20	20	20	20	19	23	24	22	23	23
Sectors	4	4	4	4	4	4	4	4	4	4
<b>Public Works</b>										
Miles of streets	67	67	67	67	67	67	67	67	65	65
Miles of sidewalks	53	53	53	53	53	53	53	53	52	52
Street lights and signals	939	939	939	939	939	939	939	939	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	6	6	6	5	5	5	5	5
Amphitheater	1	1	1	1	1	1	1	1	1	-
Tennis courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	5	5	5	5	5	4	4	4	4	4

Source: The City's capital assets inventory report

## **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 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, 2019, 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 June 16, 2020.

***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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-002, that we consider to be a significant deficiency.

***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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2019-001.

### **City of Manchester, Missouri's Response to Findings**

The City of Manchester, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City of Manchester, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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.



Creve Coeur, Missouri  
June 16, 2020

**City of Manchester, Missouri**  
**Schedule of Findings and Responses**  
**For the year ended December 31, 2019**

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**Financial Statement Findings**

2019-001 **Condition:** During the year, the actual expenditures of the Prop S Capital Improvement 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 plans to conduct quarterly budget to actual reviews of all funds to ensure that any anticipated overages are brought to the attention of the Board of Aldermen and budget adjustments are prepared and approved to comply with all statutes. The member of management responsible for implementation of the corrective action is Donald Yucuis, Finance Director.

2019-002 **Condition:** During the audit, we noticed numerous account balances across several funds that were not reconciled as part of the year-end closing process. Consequently, we were required to make material adjusting entries to the financial statements to correct errors that would have been detected by management during a normal monthly and annual closing process.

**Criteria:** Strong internal control over financial statements require a closing process to ensure all accounts are reconciled and the financial statements are free from material misstatement.

**Cause:** Management did not follow a formal monthly and annual closing process.

**Effect:** Without a monthly and annual closing process, errors in the financial statements may remain undetected by management.

**Recommendation:** We recommend management develop a monthly and annual closing process. This process should include procedures to review and reconcile all accounts in every fund the City maintains. By implementing a closing process, management will have more reliable financial information to make decisions.

**Management's Response:** The City plans to formalize the closing process including a reconciliation of all funds for accurate and timely financial reporting. The member of management responsible for implementation of the corrective action is Donald Yucuis, Finance Director. Anticipated completion date is September 30, 2020.

**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, 2018.

**Prior Year Financial Statement Findings**

2018-001 **Condition:** During the audit, we noticed numerous account balances across several funds that were not reconciled as part of the year-end closing process. Consequently, we were required to make material adjusting entries to the financial statements to correct errors that would have been detected by management during a normal monthly and annual closing process.

**Criteria:** Strong internal control over financial statements require a closing process to ensure all accounts are reconciled and the financial statements are free from material misstatement.

**Cause:** Management did not follow a formal monthly and annual closing process.

**Effect:** Without a monthly and annual closing process, errors in the financial statements may remain undetected by management.

**Recommendation:** We recommend management develop a monthly and annual closing process. This process should include procedures to review and reconcile all accounts in every fund the City maintains. By implementing a closing process, management will have more reliable financial information to make decisions.

**Management's Response:** The City plans to formalize the closing process including a reconciliation of all funds for accurate and timely financial reporting. The member of management responsible for implementation of the corrective action is Donald Yucuis, Finance Director. Anticipated completion date is September 30, 2019.

**Status:** Management has not corrected this issue, therefore, this finding will be repeated in the current year as finding number 2019-002.

2018-002 **Condition:** Documentation of the City's internal controls has not been prepared.

**Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

**Cause:** Management has not prepared documentation of internal controls.

**Effect:** Without documented internal controls, the City may not be able to ensure that controls are in place, communicated, and operating effectively.

**Recommendation:** We recommend that the City develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is completed, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively by providing management oversight.

**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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**Prior Year Financial Statement Findings**

2018-002 **Management's Response:** The City will develop a document of internal controls utilizing guidance provided in (cont.) COSO. After developing this document, the City will train management staff and governing officials to ensure proper oversight. The member of management responsible for implementation of the corrective action is Donald Yucuis, Finance Director. Anticipated completion date is September 30, 2019.

**Status:** Management has corrected this issue, therefore, this finding will not be repeated.