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## Financial Statements, 2003

City of Manchester

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*CITY OF MANCHESTER, MISSOURI*

*FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2003*



**BOTZ, DEAL & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

# *CITY OF MANCHESTER, MISSOURI*

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## INDEPENDENT AUDITORS' REPORT

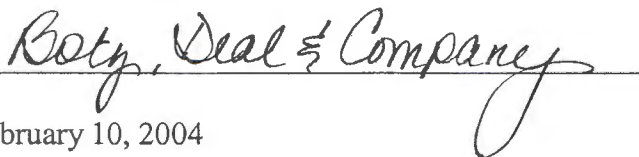
The Honorable Mayor and  
Board of Aldermen  
***CITY OF MANCHESTER, MISSOURI***

We have audited the accompanying general purpose financial statements of the City of Manchester, Missouri, as of December 31, 2003, and for the year then ended as shown in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Manchester, Missouri, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Manchester, Missouri. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



February 10, 2004

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## **GENERAL PURPOSE FINANCIAL STATEMENTS**

General purpose financial statements are provided so that the users of the financial report may obtain an overview of the City's financial position prior to a presentation of comparable data on a detailed basis for individual funds. The accompanying statements have been prepared without reflecting inter-fund eliminations.

**CITY OF MANCHESTER, MISSOURI**  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 2003

	GOVERNMENTAL FUNDS		
	GENERAL FUND	CAPITAL PROJECTS	SPECIAL REVENUE
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,350,936	\$ -	\$ 694,869
Investments	3,396,411	6,249,404	-
Receivables:			
Taxes:			
Property	230,801	-	-
Other	698,644	137,432	230,213
Intergovernmental	163,608	-	-
Other	999	-	65,000
Interest receivable	9,096	39,338	-
Due from other funds	339,913	-	-
Prepaid expenditures	1,880	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	151,809	480,728
Property and equipment	-	-	-
Amount available for the retirement of debt	-	-	-
Amount to be provided for retirement of debt	-	-	-
TOTAL ASSETS	<u>\$ 6,192,288</u>	<u>\$ 6,577,983</u>	<u>\$ 1,470,810</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 92,197	\$ 1,954	\$ 30,310
Retainage payable	-	-	103,497
Due to other funds	-	339,913	-
Accrued wages	169,701	-	-
Accrued vacation	80,402	-	-
Escrow payable	3,000	-	-
Flexible benefit plan deposits	7,746	-	-
Court bonds payable	8,113	-	-
Other liabilities	14,608	-	-
Deferre revenue	20,559	-	-
Certificates of participation payable	-	-	-
General obligation bonds	-	-	-
TOTAL LIABILITIES	<u>396,326</u>	<u>341,867</u>	<u>133,807</u>
<b>FUND EQUITY AND OTHER CREDITS</b>			
Fund balances:			
Reserved for:			
Prepaid expenditures	1,880	-	-
Capital projects	-	6,236,116	1,297,905
Debt service payments	-	-	-
Unreserved:			
Designated - contingency	1,400,000	-	-
Undesignated	4,394,082	-	39,098
Investment in general fixed assets	-	-	-
TOTAL FUND EQUITY AND OTHER CREDITS	<u>5,795,962</u>	<u>6,236,116</u>	<u>1,337,003</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 6,192,288</u>	<u>\$ 6,577,983</u>	<u>\$ 1,470,810</u>

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

DEBT SERVICE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL FIXED ASSETS	GENERAL LONG- TERM DEBT	2003	2002
\$ 201,023	\$ -	\$ -	\$ 2,246,828	\$ 1,257,843
-	-	-	9,645,815	3,442,151
335,241	-	-	566,042	197,313
-	-	-	1,066,289	712,763
-	-	-	163,608	209,613
-	-	-	65,999	8,937
-	-	-	48,434	25,371
-	-	-	339,913	356,318
-	-	-	1,880	3,710
-	-	-	-	32,119
-	-	-	632,537	1,611,633
-	11,725,572	-	11,725,572	10,120,353
-	-	452,516	452,516	-
-	-	11,057,484	11,057,484	5,530,000
<u>\$ 536,264</u>	<u>\$ 11,725,572</u>	<u>\$ 11,510,000</u>	<u>\$ 38,012,917</u>	<u>\$ 23,508,124</u>
\$ -	\$ -	\$ -	\$ 124,461	\$ 136,463
-	-	-	103,497	290,941
-	-	-	339,913	356,318
-	-	-	169,701	91,198
-	-	-	80,402	65,062
-	-	-	3,000	4,000
-	-	-	7,746	4,288
-	-	-	8,113	-
-	-	-	14,608	16,308
83,748	-	-	104,307	-
-	-	5,010,000	5,010,000	5,530,000
-	-	6,500,000	6,500,000	-
<u>83,748</u>	<u>-</u>	<u>11,510,000</u>	<u>12,465,748</u>	<u>6,494,578</u>
-	-	-	1,880	3,710
-	-	-	7,534,021	1,590,299
452,516	-	-	452,516	-
-	-	-	1,400,000	1,348,419
-	-	-	4,433,180	3,950,765
-	11,725,572	-	11,725,572	10,120,353
<u>452,516</u>	<u>11,725,572</u>	<u>-</u>	<u>25,547,169</u>	<u>17,013,546</u>
<u>\$ 536,264</u>	<u>\$ 11,725,572</u>	<u>\$ 11,510,000</u>	<u>\$ 38,012,917</u>	<u>\$ 23,508,124</u>

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

**CITY OF MANCHESTER, MISSOURI**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	GOVERNMENTAL FUNDS				TOTALS	
	GENERAL FUND	CAPITAL PROJECTS	SPECIAL REVENUE	DEBT SERVICE	(MEMORANDUM ONLY)	
					2003	2002
<b>REVENUES</b>						
Taxes	\$ 4,890,858	\$ 915,306	\$ 1,221,142	\$ 452,516	\$ 7,479,822	\$ 7,218,814
Intergovernmental	1,225,970	-	220,000	-	1,445,970	1,458,644
Licenses and permits	179,785	-	-	-	179,785	189,753
Fines and court costs	366,103	-	-	-	366,103	427,282
Investment earnings	67,475	-	-	-	67,475	82,232
Charges for services	310,122	-	32,248	-	342,370	230,724
Miscellaneous	37,787	66,171	65,960	-	169,918	221,590
TOTAL REVENUES	<u>7,078,100</u>	<u>981,477</u>	<u>1,539,350</u>	<u>452,516</u>	<u>10,051,443</u>	<u>9,829,039</u>
<b>EXPENDITURES</b>						
Current:						
General government	685,197	-	-	-	685,197	651,556
Police department	2,595,795	-	-	-	2,595,795	2,608,789
Public works	2,025,935	-	26,634	-	2,052,569	1,940,985
Planning and zoning	200,358	-	-	-	200,358	192,053
Recreation	828,291	-	31,581	-	859,872	778,765
Legal department and municipal court	183,277	-	-	-	183,277	183,717
Capital outlay	-	2,266,944	460,687	-	2,727,631	5,767,553
Debt service - principal, interest and fiscal charges	-	177,747	562,866	-	740,613	738,097
TOTAL EXPENDITURES	<u>6,518,853</u>	<u>2,444,691</u>	<u>1,081,768</u>	<u>-</u>	<u>10,045,312</u>	<u>12,861,515</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	559,247	(1,463,214)	457,582	452,516	6,131	(3,032,476)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from the issuance of bonds	-	6,500,000	-	-	6,500,000	-
Operating transfer in (out)	(332,755)	322,104	10,651	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(332,755)</u>	<u>6,822,104</u>	<u>10,651</u>	<u>-</u>	<u>6,500,000</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	226,492	5,358,890	468,233	452,516	6,506,131	(3,032,476)
<b>FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>						
	5,274,685	818,609	799,899	-	6,893,193	9,925,669
Change in accounting principal-GASB 33	294,785	58,617	68,871	-	422,273	-
<b>FUND BALANCE - BEGINNING OF YEAR, AS RESTATED</b>	<u>5,569,470</u>	<u>877,226</u>	<u>868,770</u>	<u>-</u>	<u>7,315,466</u>	<u>9,925,669</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,795,962</u>	<u>\$ 6,236,116</u>	<u>\$ 1,337,003</u>	<u>\$ 452,516</u>	<u>\$13,821,597</u>	<u>\$ 6,893,193</u>

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



**CITY OF MANCHESTER, MISSOURI**  
**COMBINED STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	GENERAL		OVER (UNDER) BUDGET
	BUDGET	ACTUAL	
<b>REVENUES</b>			
Taxes	\$ 5,045,000	\$ 4,890,858	\$ (154,142)
Intergovernmental	1,211,100	1,225,970	14,870
Licenses and permits	193,050	179,785	(13,265)
Fines and court costs	405,000	366,103	(38,897)
Investment earnings	64,500	67,475	2,975
Charges for services	323,225	310,122	(13,103)
Miscellaneous	24,000	37,787	13,787
TOTAL REVENUES	<u>7,265,875</u>	<u>7,078,100</u>	<u>(187,775)</u>
<b>EXPENDITURES</b>			
Current:			
General government	823,801	685,197	(138,604)
Police department	2,730,337	2,595,795	(134,542)
Public works	2,058,315	2,025,935	(32,380)
Planning and zoning	226,695	200,358	(26,337)
Recreation	903,691	828,291	(75,400)
Legal department and municipal court	198,426	183,277	(15,149)
TOTAL EXPENDITURES	<u>6,941,265</u>	<u>6,518,853</u>	<u>(422,412)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	324,610	559,247	234,637
<b>OTHER FINANCING USES</b>			
Operating transfer out	-	(332,755)	(332,755)
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 324,610</u>	<u>\$ 226,492</u>	<u>\$ (98,118)</u>

-continued-

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

**CITY OF MANCHESTER, MISSOURI**  
**COMBINED STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	CAPITAL PROJECTS		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET
<b>REVENUES</b>			
Taxes	\$ 965,000	\$ 915,306	\$ (49,694)
Intergovernmental	45,500	-	(45,500)
Miscellaneous	64,500	66,171	1,671
TOTAL REVENUES	1,075,000	981,477	(93,523)
<b>EXPENDITURES</b>			
Capital outlay			
Administrative	5,500	3,821	(1,679)
Police department	2,172,061	584,601	(1,587,460)
Public works	1,959,640	1,678,522	(281,118)
Debt service - principal, interest and fiscal charges	177,816	177,747	(69)
TOTAL EXPENDITURES	4,315,017	2,444,691	(1,870,326)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,240,017)	(1,463,214)	1,776,803
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of bonds	6,500,000	6,500,000	-
Operating transfer in	-	322,104	322,104
TOTAL OTHER FINANCING SOURCES	6,500,000	6,822,104	322,104
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	\$ 3,259,983	\$ 5,358,890	\$ 2,098,907

-continued-

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

**CITY OF MANCHESTER, MISSOURI**  
**COMBINED STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	SPECIAL REVENUE		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET
<b>REVENUES</b>			
Taxes	\$ 1,296,000	\$ 1,221,142	\$ (74,858)
Intergovernmental	220,000	220,000	-
Charges for services	35,000	32,248	(2,752)
Miscellaneous	53,000	65,960	12,960
<b>TOTAL REVENUES</b>	<u>1,604,000</u>	<u>1,539,350</u>	<u>(64,650)</u>
<b>EXPENDITURES</b>			
Current:			
Public works	41,500	26,634	(14,866)
Recreation	34,823	31,581	(3,242)
Capital improvements:			
Public works	128,500	142,124	13,624
Recreation	584,188	318,563	(265,625)
Debt service - principal, interest and fiscal charges	563,082	562,866	(216)
<b>TOTAL EXPENDITURES</b>	<u>1,352,093</u>	<u>1,081,768</u>	<u>(270,325)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>251,907</u>	<u>457,582</u>	<u>205,675</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfer in	-	10,651	10,651
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ 251,907</u>	<u>\$ 468,233</u>	<u>\$ 216,326</u>

-continued-

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

**CITY OF MANCHESTER, MISSOURI**  
**COMBINED STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	DEBT SERVICE		OVER (UNDER)
	BUDGET	ACTUAL	BUDGET
<b>REVENUES</b>			
Property taxes	\$ 548,056	\$ 452,516	\$ (95,540)
 <b>EXPENDITURES</b>			
Debt service - principal, interest and fiscal charges	-	-	-
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 548,056</b>	<b>\$ 452,516</b>	<b>\$ (95,540)</b>

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

**CITY OF MANCHESTER, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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 Aldermen form of government. The City's major operations include police protection, street maintenance and improvements, parks and recreation, planning and zoning, and general administrative services.

The City defines its financial reporting entity in accordance with standards established by the Governmental Accounting Standards Board. Such standards require inclusion of component units based upon whether the City's governing body has any significant amount of financial accountability for potential component units (PCU). The City is financially accountable if it appoints a voting majority of a PCU's governing body and is able to impose its will on that PCU, or there is a potential for the PCU to provide specific financial benefits to, or impose specific financial burdens on the City. The general purpose financial statements of the City include financial information of all funds, account groups, agencies, boards, and authorities for which the City is financially accountable and/or holds a majority ownership. Also included are all funds, account groups, agencies, boards, and authorities whose exclusion would cause the City's financial statements to be misleading or incomplete.

In evaluating the City as a reporting entity, management has addressed all potential component units which may or may not fall within the City's reporting entity based on the above criteria.

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant accounting policies:

**B. FUND ACCOUNTING**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **FUND ACCOUNTING** - continued

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following fund types and account groups are used by the City:

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the City are financed. These funds use the current financial resources measurement focus. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. Capital expenditures and debt service of a general governmental nature are also included. The City uses the following governmental fund types:

**General Fund** - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

**Capital Projects Funds** - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

**Special Revenue** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

**ACCOUNT GROUPS**

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The City uses the following account groups:

**General Fixed Assets Account Group** - This account group is established to account for all fixed assets of the City.

**General Long-Term Debt Account** - This account group is established to account for the long-term debt that is backed by the City's full faith and credit.

C. **BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are accounted for using a current financial resources measurement focus, meaning that only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

C. **BASIS OF ACCOUNTING - continued**

The City records transactions during the year on the basis of cash receipts and disbursements. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental fund types.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred.

Licenses, permits, fines, court costs, charges for services, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest on investments is recorded as earned since it is measurable and available. Property taxes, gross receipts taxes, sales taxes, and intergovernmental revenues are considered measurable when in the hands of intermediary collecting governments or merchants and recognized as revenue at that time. Property tax revenue is recognized to the extent it is collected within the current period or expected to be collected within 60 days following the end of the current period.

D. **BUDGETARY DATA**

The Board of Alderman adopts an annual budget on the modified accrual basis of accounting for its general, 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 department heads, prepares a budget of estimated revenues and expenditures for the forthcoming year and delivers the budget to the City Administrator.
2. The City Administrator reviews the proposed expenditures with the Director of Finance and the department heads and, after necessary revisions have been made, submits the budget to the Mayor and Board of Aldermen in late October of each year.
3. The Board of Alderman will then hold budget work sessions with the City Administrator and staff to make final revisions to the proposed budget.
4. A 15-day notice is given by publication announcing a public hearing on the proposed budget in a newspaper with general circulation in the City and a public hearing and introduction of the bill for the adoption of the annual budget is held at the first Aldermanic meeting in the month of December.
5. The budget is legally enacted by ordinance prior to January 1 of the year to which it applies.
6. The City Administrator is authorized to transfer within a fund any unexpended balances. The Board of Aldermen must approve all fund transfers.
7. 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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **BUDGETARY DATA** - continued

8. 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.

Supplemental appropriations during 2003 were as follows:

	Increase (Decrease)
General fund	\$ 50,155
Capital projects fund	341,171
Parks and storm water fund	35,338
Homecoming Fund	1,723

E. **INVESTMENTS**

Investments primarily consist of short-term U.S. Treasury and agency securities, certificates of deposit and short-term repurchase agreements which are carried at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "*Accounting for Certain Investments and for External Investment Pools.*"

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.

F. **FIXED ASSETS**

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and are capitalized at historical cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. No depreciation has been provided on general fixed assets.

Certain improvements, including roads, bridges, sidewalks, drainage systems and lighting systems have not been capitalized. Such assets are immovable and of value only to the City.

G. **VACATION AND SICK LEAVE**

Under terms of the City's personnel policy, employees are granted vacation time based on length of service. Vacation time accrues on a monthly basis and the employee can carryover up to half of the vacation earned in that year. Upon termination, the employee is paid for unused vacation time. Sick leave is accumulated based upon hours worked and is available only to provide compensation during periods of illness or injury. No portion of sick leave is payable to the employee upon termination. The City accrues for vacation, but not sick leave. At December 31, 2003, the accrued vacation liability was \$80,402.



1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

H. **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.

All other interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as equity transfers. All other interfund transfers are reported as operating transfers.

I. **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 differ from those estimates.

J. **TOTALS (MEMORANDUM ONLY)**

The totals (memorandum only) column is the aggregate of the fund types and account groups. No consolidating or other eliminations between the fund types or account groups were made in arriving at the total; thus, it is not intended to present consolidated information.

2. **CASH**

At year-end, the carrying value of the City's deposits were \$1,746,828 and the bank balances were \$1,962,608. Bank balances were entirely covered by federal depository insurance or collateralized by securities held in the City's name.

3. **INVESTMENTS**

Investments are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held in the City's name by the counterparty's trust department or agent. Category 3 includes uninsured and unregistered investments for which the securities are held by a counterparty or by its trust department or agent but not in the City's name.

	Category		
	1	2	3
U.S. Government			
Securities	\$ -	\$10,278,352	\$ -
Repurchase Agreement	-	<u>500,000</u>	-
<b>TOTAL INVESTMENTS</b>	<u>\$ -</u>	<u>\$10,778,352</u>	<u>\$ -</u>

4. **INTERFUND RECEIVABLES AND PAYABLES**

Due to/from other funds are as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$339,913	\$ -
Capital Projects Fund	-	339,913

Operating transfers between funds of the City were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$332,755
Capital Projects Fund	322,104	-
Homecoming Fund	10,651	-
<b>TOTAL OPERATING TRANSFERS</b>	<u>\$332,755</u>	<u>\$332,755</u>

5. **PROPERTY TAX**

The City's property tax is levied annually each September based on the assessed valuation of property located in the City as of the previous January 1<sup>st</sup>. Assessed valuations are established by the St. Louis County Assessor. Taxes are billed on November 1<sup>st</sup>, due and collectible on December 31<sup>st</sup>, and delinquent and represent a lien on related property on January 1<sup>st</sup> of the following year. Taxes are billed, collected, and remitted to the City by the St. Louis County Collector.

The City's tax rate per \$100 of assessed value are as follows:

<u>Purpose</u>	<u>2003</u>	<u>2002</u>
General	\$.05	\$.05
Debt service	.20	-

6. **PROPERTY AND EQUIPMENT**

The following represents a summary of changes in the general fixed assets account group for the year ended December 31, 2003:

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>DELETIONS AND RECLASSIFICATIONS</u>	<u>BALANCE, END OF YEAR</u>
Land, building and improvements	\$ 7,278,477	\$ 459,228	\$ 1,225,006	\$ 8,962,711
Machinery and equipment	2,306,295	204,240	( 181,095)	2,329,440
Construction in progress	<u>535,581</u>	<u>1,122,846</u>	<u>(1,225,006)</u>	<u>433,421</u>
<b>TOTAL</b>	<u>\$10,120,353</u>	<u>\$1,786,314</u>	<u>\$(- 181,095)</u>	<u>\$11,725,572</u>

6. **PROPERTY AND EQUIPMENT** - continued

The sources of general fixed asset additions are as follows:

Capital projects fund	\$1,494,169
Parks and storm water	<u>292,145</u>
TOTAL	<u>\$1,786,314</u>

General fixed assets are grouped by function as follows:

	BALANCE, BEGINNING <u>OF YEAR</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE, END <u>OF YEAR</u>
General government	\$ 752,999	\$ 172,597	\$ -	\$ 925,596
Police and legal	742,804	577,581	151,820	1,168,565
Public works	2,669,872	738,534	29,275	3,379,131
Construction in progress	<u>5,954,678</u>	<u>297,602</u>	-	<u>6,252,280</u>
TOTAL	<u>\$10,120,353</u>	<u>\$ 1,786,314</u>	<u>\$ 181,095</u>	<u>\$11,725,572</u>

General fixed assets are grouped by category as follows:

	Land, Building and <u>Improvements</u>	<u>Machinery and Equipment</u>	<u>Total</u>
General government	\$ 664,876	\$ 260,720	\$ 925,596
Police department	557,760	610,805	1,168,565
Public works	2,286,436	1,092,695	3,379,131
Recreation	<u>5,887,061</u>	<u>365,219</u>	<u>6,252,280</u>
TOTAL	<u>\$ 9,396,133</u>	<u>\$ 2,329,439</u>	<u>\$11,725,572</u>

7. **LONG-TERM DEBT**

**Certificates of Participation** - are included in the General Long-Term Debt Account Group and are serviced through the Capital Projects Fund and the Special Revenue Fund. The Certificates will be retired through the payment of an annually renewable lease purchase agreement. On December 31, 2003, the outstanding principal on the Certificates consist of the following:

UMB Bank, N.A., Kansas City Aquatic Center and Public Works Building	\$5,010,000
Interest rate - 3.3% to 4.45%	
Matures - March, 2011	
Annual payments range from \$737,442 to \$742,086	

7. **LONG-TERM DEBT** - continued

**General Obligation Bonds** - issued in April 2003, for the purpose of acquiring land and constructing, furnishing and equipping a new police station, including public meeting space therein. Funds from a dedicated property tax will be accumulated in the Debt Service Fund to make future principal and interest payments

UMB Bank, N.A., Kansas City \$6,500,000  
 Police building  
 Interest rate - 1.15% to 4.25%  
 Matures - March, 2023  
 Annual payments range from  
 \$311,373 to \$510,625

The annual debt service payments are as follows:

YEAR	<u>Certificates of Participation</u>		<u>General Obligation Bonds</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2004	\$ 540,000	\$ 198,912	\$ -	\$ 311,373	\$ 1,050,285
2005	560,000	177,868	235,000	218,441	1,191,309
2006	585,000	155,247	240,000	215,290	1,195,537
2007	610,000	131,043	250,000	211,178	1,202,221
2008	635,000	105,044	260,000	206,005	1,206,049
2009	665,000	77,086	265,000	199,833	1,206,919
2010	690,000	47,442	275,000	192,739	1,205,181
2011	725,000	16,131	290,000	184,608	1,215,739
2012	-	-	300,000	175,533	475,533
2013	-	-	315,000	165,610	480,610
2014	-	-	325,000	154,887	479,887
2015	-	-	340,000	143,327	483,327
2016	-	-	360,000	130,632	490,632
2017	-	-	375,000	116,847	491,847
2018	-	-	395,000	102,019	497,019
2019	-	-	410,000	86,117	496,117
2020	-	-	435,000	69,000	504,000
2021	-	-	455,000	50,641	505,641
2022	-	-	475,000	31,225	506,225
2023	-	-	500,000	10,625	510,625
<b>TOTAL</b>	<u>\$5,010,000</u>	<u>\$ 908,773</u>	<u>\$6,500,000</u>	<u>\$2,975,930</u>	<u>\$15,394,703</u>

7. **LONG-TERM DEBT** - continued

**Changes In General Long-Term Debt**

A summary of changes in general long-term debt for 2003 follows:

	BALANCE, BEGINNING <u>OF YEAR</u>	<u>ADDITIONS</u>	<u>RETIRED</u>	BALANCE, END <u>OF YEAR</u>
General Obligation Bonds	\$ -	\$6,500,000	\$ -	\$ 6,500,000
Certificates of Participation	<u>5,530,000</u>	<u>-</u>	<u>520,000</u>	<u>5,010,000</u>
TOTAL	<u>\$5,530,000</u>	<u>\$6,500,000</u>	<u>\$ 520,000</u>	<u>\$11,510,000</u>

8. **RETIREMENT PLAN**

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

Employees vest at a graduated rate over a five year period. The City contributed \$149,448 to the Plan during 2003, which represented 4.9 % of eligible participating employees' compensation. The City's payroll for employees covered by the Plan for the year ended December 31, 2003 was \$3,066,840 or 94% of the City's total payroll of \$3,254,781.

9. **DEFERRED COMPENSATION PLAN**

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

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

10. **FLEXIBLE BENEFIT PLAN**

The City offers its employees a flexible benefit or “cafeteria” plan created in accordance with Section 125 of the Internal Revenue Code. The Plan, available to all City employees, permits the employees to set aside “tax free” dollars to pay for medical, dental, and accident insurance premiums for themselves and their spouses or dependents, child care and dependent care expenses, unreimbursed medical and dental expenses, and other eligible insurance premiums. Under the Plan, the employees are allowed to claim the amounts of the aforementioned expenses as a pre-tax deduction from their gross salary. The City pays all the administrative expenses of the Plan.

The monies deducted from employees’ pay are sent to a third party administrator. The third party administrator determines the validity of employees’ expense reimbursement claims and is responsible for preparing and issuing the checks payable to the employees for valid claims on a monthly basis.

11. **RISK MANAGEMENT**

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

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

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

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

The trusts require an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operation at some future date. The City’s 2003 premium payments to the trusts totaled \$125,734.

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.

12. **COMMITMENTS**

The City leases a building under an operating lease expiring August 31, 2004. Minimum future rental payments under the lease for 2004 are \$21,168.

The City has contracted for architectural services for a new police building. The cost of the remaining portion of the contract at December 31, 2003 is \$274,951.

13. **CHANGE IN ACCOUNTING PRINCIPLE**

In 2003, the City adopted the provision of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Due to the change in accounting and reporting for nonexchange transactions, sales taxes are recognized at the time of the underlying exchange transaction for derived revenues. The cumulative effect of the change in accounting method resulted in the following increases in fund balances:

General	\$294,785
Capital Projects	58,617
Parks and Storm Water Projects	68,871

14. **PENDING ACCOUNTING PRONOUNCEMENTS**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements and Management's - Discussion And Analysis - for State and Local Governments*. This statement provides significant new accounting and financial reporting requirements for governments. The City is required to adopt GASB Statement No. 34 in fiscal year 2004, except for certain provisions relating to infrastructure, which it is required to adopt in fiscal year 2008. The City has not completed the varied analyses required to estimate the financial statement impact of this new statement.

**SUPPLEMENTARY DATA - COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

The supplementary financial presentation contains data beyond what is included in the combined financial statements. This data is presented to provide additional financial information in order to better inform the users of the financial statements.



## **GENERAL FUND**

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

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>
<b>REVENUES:</b>			
Taxes:			
Sales:			
One cent	\$ 3,190,000	\$ 3,039,164	\$ (150,836)
One-fourth cent	500,000	477,749	(22,251)
Gross receipts:			
Electric	440,000	431,998	(8,002)
Gas	240,000	271,917	31,917
Telephone	265,000	273,055	8,055
Water	90,000	98,659	8,659
Property	135,000	135,053	53
Franchise	185,000	163,263	(21,737)
TOTAL TAXES	<u>5,045,000</u>	<u>4,890,858</u>	<u>(154,142)</u>
Intergovernmental:			
Vehicle sales	147,500	140,131	(7,369)
Motor vehicle fees	97,500	95,592	(1,908)
Gasoline	530,000	543,751	13,751
Cigarette	75,000	72,680	(2,320)
Road and bridge	275,000	250,529	(24,471)
Other	86,100	123,287	37,187
TOTAL INTERGOVERNMENTAL	<u>1,211,100</u>	<u>1,225,970</u>	<u>14,870</u>
Licenses and permits:			
Merchants' licenses	175,000	155,400	(19,600)
Other	18,050	24,385	6,335
TOTAL LICENSES AND PERMITS	<u>193,050</u>	<u>179,785</u>	<u>(13,265)</u>
Fines and court costs	<u>405,000</u>	<u>366,103</u>	<u>(38,897)</u>
Investment earnings	<u>64,500</u>	<u>67,475</u>	<u>2,975</u>
Charges for services:			
City pool	284,725	257,900	(26,825)
Park program fees	38,500	52,222	13,722
TOTAL CHARGES FOR SERVICES	<u>323,225</u>	<u>310,122</u>	<u>(13,103)</u>
Miscellaneous	<u>24,000</u>	<u>37,787</u>	<u>13,787</u>
TOTAL REVENUES	<u>7,265,875</u>	<u>7,078,100</u>	<u>(187,775)</u>

-continued-

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>
<b>EXPENDITURES:</b>			
General government:			
Administrative:			
Salaries and payroll taxes	\$ 241,968	\$ 206,679	\$ (35,289)
Fringe benefits	10,220	10,133	(87)
Pension	6,600	9,631	3,031
Professional fees	17,078	9,850	(7,228)
Public relations	3,050	1,695	(1,355)
Newspaper notices	6,500	3,803	(2,697)
Dues and subscriptions	8,400	8,014	(386)
Newsletter	10,100	10,610	510
Travel and meetings	3,640	2,733	(907)
Maintenance and repairs	5,600	4,587	(1,013)
Utilities	38,500	39,826	1,326
Supplies	11,500	10,411	(1,089)
Postage	17,100	14,084	(3,016)
Equipment rental	3,000	5,868	2,868
Small equipment and tools	10,400	10,216	(184)
Training	850	-	(850)
Regional Justice Information Service	9,500	8,014	(1,486)
Miscellaneous	9,050	4,064	(4,986)
<b>TOTAL ADMINISTRATIVE</b>	<u>413,056</u>	<u>360,218</u>	<u>(52,838)</u>
Finance:			
Salaries and payroll taxes	105,679	103,466	(2,213)
Fringe benefits	10,458	9,907	(551)
Pension	4,909	4,883	(26)
General insurance	190,514	144,259	(46,255)
Professional fees	46,000	19,134	(26,866)
Newspaper notice	1,100	124	(976)
Dues and subscriptions	200	346	146
Travel and meetings	2,100	10	(2,090)
Maintenance and repairs	1,600	985	(615)
Supplies	2,200	1,383	(817)
Training	500	-	(500)
Miscellaneous	1,575	649	(926)
<b>TOTAL FINANCE</b>	<u>366,835</u>	<u>285,146</u>	<u>(81,689)</u>

-continued-

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b>EXPENDITURES:</b>			
General government:			
Mayor and Board of Alderman:			
Salaries and payroll taxes	\$ 29,710	\$ 29,389	\$ (321)
Public relations	7,400	5,192	(2,208)
Dues and subscriptions	250	250	-
Travel and meetings	5,350	4,592	(758)
Supplies	250	101	(149)
Training	250	70	(180)
Miscellaneous	700	239	(461)
<b>TOTAL MAYOR AND   BOARD OF ALDERMAN</b>	<u>43,910</u>	<u>39,833</u>	<u>(4,077)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>823,801</u>	<u>685,197</u>	<u>(138,604)</u>
Police department:			
Salaries and payroll taxes	1,995,009	1,899,556	(95,453)
Fringe benefits	216,276	202,578	(13,698)
Pension	92,668	86,239	(6,429)
Public relations	8,625	7,957	(668)
Dues and subscriptions	4,000	3,809	(191)
Travel and meeting	7,612	6,149	(1,463)
Maintenance and repairs	21,576	19,328	(2,248)
Utilities	9,405	10,672	1,267
Supplies	18,150	18,250	100
Postage	150	101	(49)
Equipment rental	3,977	2,198	(1,779)
Building rental	32,744	34,728	1,984
Uniforms and equipment	20,000	17,408	(2,592)
Small equipment and tools	4,400	3,089	(1,311)
Gas and oil	48,000	40,481	(7,519)
Training	11,875	8,499	(3,376)
Dispatching contract	228,250	201,611	(26,639)
Prisoner expense	2,470	916	(1,554)
Undercover investigation	100	-	(100)
Regional Justice Information Service	3,250	3,378	128
Asset forfeiture expense	-	27,216	27,216
Miscellaneous	1,800	1,632	(168)
<b>TOTAL POLICE DEPARTMENT</b>	<u>2,730,337</u>	<u>2,595,795</u>	<u>(134,542)</u>

-continued-

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>
<b>EXPENDITURES:</b>			
Public works:			
Salaries and payroll	\$ 660,313	\$ 633,983	\$ (26,330)
Fringe benefits	82,971	82,048	(923)
Pension	30,671	28,521	(2,150)
Professional fees	11,500	5,693	(5,807)
Public relations	150	-	(150)
Dues and subscriptions	960	670	(290)
Travel and meetings	1,800	331	(1,469)
Utilities	21,600	10,964	(10,636)
Supplies	8,360	5,720	(2,640)
Equipment rental	2,600	4,478	1,878
Training	1,000	4	(996)
Uniforms and equipment	14,050	14,760	710
Gas and oil	13,600	13,891	291
Equipment and vehicle maintenance and repairs	57,370	66,673	9,303
Building maintenance and repairs	22,250	27,601	5,351
Street maintenance and repairs	124,000	153,059	29,059
Street lighting	162,000	153,074	(8,926)
Trash removal and waste management	839,530	822,248	(17,282)
Miscellaneous	3,590	2,217	(1,373)
TOTAL PUBLIC WORKS	<u>2,058,315</u>	<u>2,025,935</u>	<u>(32,380)</u>
Planning and Zoning:			
Salaries and payroll	127,692	113,239	(14,453)
Fringe benefits	15,875	12,630	(3,245)
Pension	5,931	2,905	(3,026)
Professional fees	70,457	64,630	(5,827)
Dues and subscriptions	1,940	1,606	(334)
Travel and meetings	2,350	2,631	281
Utilities	1,000	921	(79)
Supplies	1,250	1,796	546
Uniforms and equipment	100	-	(100)
Miscellaneous	100	-	(100)
TOTAL PLANNING AND ZONING	<u>226,695</u>	<u>200,358</u>	<u>(26,337)</u>

-continued-

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

<b>EXPENDITURES:</b>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
Recreation:			
Pool:			
Salaries and payroll taxes	\$ 62,000	\$ 49,630	\$ (12,370)
Professional fees	180,000	168,084	(11,916)
Maintenance and repairs	16,645	11,591	(5,054)
Utilities	32,800	41,646	8,846
Supplies and chemical	14,100	9,484	(4,616)
Concessions	29,000	23,707	(5,293)
Small equipment and tools	1,294	1,363	69
Uniforms and equipment	300	276	(24)
Training	500	257	(243)
Swim team and lessons	1,890	1,592	(298)
Miscellaneous	650	906	256
TOTAL POOL	<u>339,179</u>	<u>308,536</u>	<u>(30,643)</u>
Park:			
Salaries and payroll	359,858	348,336	(11,522)
Fringe benefits	42,482	42,136	(346)
Pension	14,609	14,659	50
Professional fees	19,420	14,459	(4,961)
Public relations	150	94	(56)
Dues and subscriptions	480	410	(70)
Travel and meetings	2,950	1,553	(1,397)
Maintenance and repairs	59,863	42,547	(17,316)
Utilities	10,200	8,770	(1,430)
Supplies	8,925	8,538	(387)
Postage	1,650	980	(670)
Small equipment and tools	4,440	4,505	65
Uniforms and equipment	3,340	2,272	(1,068)
Gas and oil	1,500	1,257	(243)
Vehicle and equipment rental	4,740	4,000	(740)
Training	300	-	(300)
Park programs	27,605	23,864	(3,741)
Miscellaneous	2,000	1,375	(625)
TOTAL PARK	<u>564,512</u>	<u>519,755</u>	<u>(44,757)</u>
TOTAL RECREATION	<u>903,691</u>	<u>828,291</u>	<u>(75,400)</u>

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**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

-continued-

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
<b>EXPENDITURES:</b>			
Legal department and municipal court:			
Salaries and payroll taxes	\$ 72,739	\$ 65,620	\$ (7,119)
Fringe benefits	14,013	10,365	(3,648)
Pension	3,379	1,046	(2,333)
Professional fees	98,400	99,073	673
Dues and subscriptions	275	175	(100)
Travel and meetings	2,575	1,111	(1,464)
Maintenance and repairs	250	48	(202)
Supplies	1,750	2,372	622
Regional Justice Information Service	2,520	2,501	(19)
Miscellaneous	2,525	966	(1,559)
TOTAL LEGAL DEPARTMENT AND MUNICIPAL COURT	198,426	183,277	(15,149)
 TOTAL EXPENDITURES	 6,941,265	 6,518,853	 (422,412)
 EXCESS OF REVENUES OVER EXPENDITURES	 \$ 324,610	 \$ 559,247	 \$ 234,637

## **CAPITAL PROJECTS FUND**

The capital projects fund is used to account for the accumulation of resources to be used for the acquisition or construction of major capital assets.



**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>
<b>REVENUES</b>			
Sales tax	\$ 965,000	\$ 915,306	\$ (49,694)
Intergovernmental:			
Grants and reimbursements	45,500	-	(45,500)
Miscellaneous:			
Investment income	64,500	31,771	(32,729)
Other	-	34,400	34,400
<b>TOTAL REVENUES</b>	<u>1,075,000</u>	<u>981,477</u>	<u>(93,523)</u>
<b>EXPENDITURES</b>			
General government:			
Administrative:			
Capital equipment	5,500	3,821	(1,679)
Debt service - principal, interest and fiscal charges	177,816	177,747	(69)
<b>Total General Government</b>	<u>183,316</u>	<u>181,568</u>	<u>(1,748)</u>
Police department:			
Capital equipment	172,061	144,227	(27,834)
Capital improvements	2,000,000	440,374	(1,559,626)
<b>Total Police Department</b>	<u>2,172,061</u>	<u>584,601</u>	<u>(1,587,460)</u>
Public works:			
Capital equipment	56,750	51,202	(5,548)
Capital improvements	1,902,890	1,627,320	(275,570)
<b>Total Public Works</b>	<u>1,959,640</u>	<u>1,678,522</u>	<u>(281,118)</u>
<b>TOTAL EXPENDITURES</b>	<u>4,315,017</u>	<u>2,444,691</u>	<u>(1,870,326)</u>
<b>EXCESS OF REVENUES OVER</b> <b>(UNDER) EXPENDITURES</b>	<b>(3,240,017)</b>	<b>(1,463,214)</b>	<b>1,776,803</b>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of bonds	6,500,000	6,500,000	-
Operating transfer in	-	322,104	322,104
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>6,500,000</u>	<u>6,822,104</u>	<u>322,104</u>
<b>EXCESS OF REVENUES AND</b> <b>OTHER FINANCING SOURCES OVER</b> <b>EXPENDITURES</b>	<u><b>\$ 3,259,983</b></u>	<u><b>\$ 5,358,890</b></u>	<u><b>\$ 2,098,907</b></u>

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific or restricted revenue sources or to finance specified activities as required by law or administrative regulations.

**Parks and Storm Water Projects Fund** - to account for sales tax revenue designated for parks and storm water projects.

**Sanitary Sewer Lateral Fund** - to account for funds collected to repair and maintain sewer lines that connect to the City's main lines.

**Homecoming Fund** - to account for revenues and expenditures derived from the City's annual Homecoming Festival.

**CITY OF MANCHESTER, MISSOURI**

COMBINING BALANCE SHEET

SPECIAL REVENUE FUND

DECEMBER 31, 2003

	PARKS AND STORM WATER PROJECTS FUND	SANITARY SEWER LATERAL FUND	HOMECOMING FUND	TOTAL
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 461,899	\$ 193,829	\$ 39,141	\$ 694,869
Other taxes receivable	161,688	68,525	-	230,213
Other receivables	65,000	-	-	65,000
Restricted assets:				
Investments	480,728	-	-	480,728
<b>TOTAL ASSETS</b>	<u>\$ 1,169,315</u>	<u>\$ 262,354</u>	<u>\$ 39,141</u>	<u>\$ 1,470,810</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 12,920	\$ 17,347	\$ 43	\$ 30,310
Retainage payable	103,497	-	-	103,497
<b>TOTAL LIABILITIES</b>	<u>116,417</u>	<u>17,347</u>	<u>43</u>	<u>133,807</u>
 <b>FUND EQUITY</b>				
Reserved for:				
Sewer improvements	-	245,007	-	245,007
Parks and storm water projects	1,052,898	-	-	1,052,898
Unreserved:				
Undesignated	-	-	39,098	39,098
<b>TOTAL FUND EQUITY</b>	<u>1,052,898</u>	<u>245,007</u>	<u>39,098</u>	<u>1,337,003</u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <u>\$ 1,169,315</u>	 <u>\$ 262,354</u>	 <u>\$ 39,141</u>	 <u>\$ 1,470,810</u>

**CITY OF MANCHESTER, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	PARKS AND STORM WATER PROJECTS FUND	SANITARY SEWER LATERAL FUND	HOMECOMING FUND	TOTAL
<b>REVENUES</b>				
Taxes	\$ 1,076,756	\$ 144,386	\$ -	\$ 1,221,142
Intergovernmental	220,000	-	-	220,000
Charges for services	-	32,248	-	32,248
Miscellaneous	34,141	-	31,819	65,960
<b>TOTAL REVENUES</b>	<u>1,330,897</u>	<u>176,634</u>	<u>31,819</u>	<u>1,539,350</u>
<b>EXPENDITURES</b>				
Salaries and payroll taxes	-	24,999	8,560	33,559
Fringe benefits	-	629	-	629
Homecoming	-	-	11,205	11,205
Pension	-	1,006	385	1,391
Professional fees	-	-	11,431	11,431
Capital equipment	8,884	-	-	8,884
Capital improvements	309,679	142,124	-	451,803
Debt service - principal, interest and fiscal charges	562,866	-	-	562,866
<b>TOTAL EXPENDITURES</b>	<u>881,429</u>	<u>168,758</u>	<u>31,581</u>	<u>1,081,768</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>449,468</u>	<u>7,876</u>	<u>238</u>	<u>457,582</u>
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	-	-	10,651	10,651
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>449,468</u>	<u>7,876</u>	<u>10,889</u>	<u>468,233</u>
<b>FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	534,559	237,131	28,209	799,899
Change in accounting principal-GASB 33	68,871	-	-	68,871
<b>FUND BALANCE - BEGINNING OF YEAR, AS RESTATED</b>	<u>603,430</u>	<u>237,131</u>	<u>28,209</u>	<u>868,770</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,052,898</u>	<u>\$ 245,007</u>	<u>\$ 39,098</u>	<u>\$ 1,337,003</u>

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - PARKS AND STORM WATER PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
<b>REVENUES:</b>			
Taxes:			
Sales	\$ 1,130,000	\$ 1,076,756	\$ (53,244)
Intergovernmental grants	220,000	220,000	-
Miscellaneous:			
Investment income	24,000	4,141	(19,859)
Other	-	30,000	30,000
<b>TOTAL REVENUES</b>	<b>1,374,000</b>	<b>1,330,897</b>	<b>(43,103)</b>
 <b>EXPENDITURES:</b>			
Capital equipment	10,822	8,884	(1,938)
Capital improvements	573,366	309,679	(263,687)
Debt service - principal, interest and fiscal charges	563,082	562,866	(216)
<b>TOTAL EXPENDITURES</b>	<b>1,147,270</b>	<b>881,429</b>	<b>(265,841)</b>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
	<b>\$ 226,730</b>	<b>\$ 449,468</b>	<b>\$ 222,738</b>

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - SANITARY SEWER LATERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
<b>REVENUES:</b>			
Taxes:			
Property assessment	\$ 166,000	\$ 144,386	\$ (21,614)
Charges for services	35,000	32,248	(2,752)
<b>TOTAL REVENUES</b>	201,000	176,634	(24,366)
<b>EXPENDITURES:</b>			
Salaries and payroll taxes	32,800	24,999	(7,801)
Fringe benefits	6,950	629	(6,321)
Pension	1,500	1,006	(494)
Supplies	250	-	(250)
Capital improvements	128,500	142,124	13,624
<b>TOTAL EXPENDITURES</b>	170,000	168,758	(1,242)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ 31,000	\$ 7,876	\$ (23,124)

**CITY OF MANCHESTER, MISSOURI**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - HOMECOMING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>
<b>REVENUES:</b>			
Miscellaneous:			
Fees	\$ 28,000	\$ 26,561	\$ (1,439)
Donations	1,000	5,258	4,258
TOTAL REVENUES	29,000	31,819	2,819
 <b>EXPENDITURES:</b>			
Salaries and payroll taxes	10,225	8,560	(1,665)
Event expenditures	14,628	11,205	(3,423)
Pension	475	385	(90)
Professional fees	9,495	11,431	1,936
TOTAL EXPENDITURES	34,823	31,581	(3,242)
 <b>EXCESS OF REVENUES OVER</b>			
<b>(UNDER) EXPENDITURES</b>	(5,823)	238	6,061
 <b>OTHER FINANCING SOURCES</b>			
<b>AND USES</b>			
Operating transfer in	-	10,651	10,651
 <b>EXCESS OF REVENUES AND</b>			
<b>OTHER FINANCING SOURCES</b>			
<b>OVER (UNDER) EXPENDITURES</b>			
	\$ (5,823)	\$ 10,889	\$ 16,712