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1-1-2005

## Financial Report, 2004

City of Wentzville

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JUL 03 2006

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**CITY OF WENTZVILLE,  
MISSOURI**

**FINANCIAL REPORT  
(Audited)**

Year Ended December 31, 2005

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**CITY OF WENTZVILLE, MISSOURI**  
**FINANCIAL REPORT**

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## Hochschild, Bloom & Company LLP

Certified Public Accountants  
Consultants and Advisors

### INDEPENDENT AUDITORS' REPORT

March 16, 2006

Honorable Mayor and the Board of Aldermen  
**CITY OF WENTZVILLE, MISSOURI**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF WENTZVILLE, MISSOURI** (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Hochschild, Bloom + Company LLP  
CERTIFIED PUBLIC ACCOUNTANTS



# CITY OF WENTZVILLE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005

Our discussion and analysis of the City of Wentzville's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2005. Please read it in conjunction with the City's financial statements, which follows this section.

## FINANCIAL HIGHLIGHTS

- For the fiscal year ended December 31, 2005, the City's total net assets increased by \$11,338,014 from \$54,317,199 to \$65,655,213, or 21% from the prior year.
- During the year, the City's expenses for governmental activities were \$15,540,842 and were funded by program revenues of \$7,201,268 and further funded with taxes and other general revenues that totaled \$15,785,888.
- In the City's business-type activities, such as utilities, program revenues exceeded expenses by \$3,541,667.
- General Fund fund balance increased \$1,264,320. At December 31, 2005, the General Fund fund balance of \$5,770,940 is an increase of 28% from the prior year.
- Park Fund has a fund balance of \$247,745 after receiving transfers totaling \$968,006 from the General Fund and the Capital Fund.
- Proceeds from notes payable in the Park Fund are the long-term notes used to purchase 28 acres of property.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for each of three categories of activities - governmental and business-type - along with blended component units. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt).

### Reporting the City as a Whole

#### The Statement of Net Assets and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined, or remained steady over the past year?" The statement of net assets and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net assets and changes in them from the prior year. You can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

As mentioned above, in the statement of net assets and the statement of activities, we divide the City into three kinds of activities:

- Governmental activities -- Most of the City's basic services are reported here, including the police, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, and sanitation activities are reported here.

**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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- Blended component units -- These account for activities of the City's reporting entity that meet the criteria for blending, specifically Economic Development Council.

**Reporting the City's Most Significant Funds**

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

*Governmental funds* -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

*Proprietary funds* -- When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's Enterprise Funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. This includes an Internal Service Fund where cost is centralized then fully allocated to the departments of the City.

*Fiduciary funds* -- The City is responsible for assets that - because of a trust arrangement or other fiduciary requirement - can be used only for trust beneficiaries or others parties. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance operations.

**A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

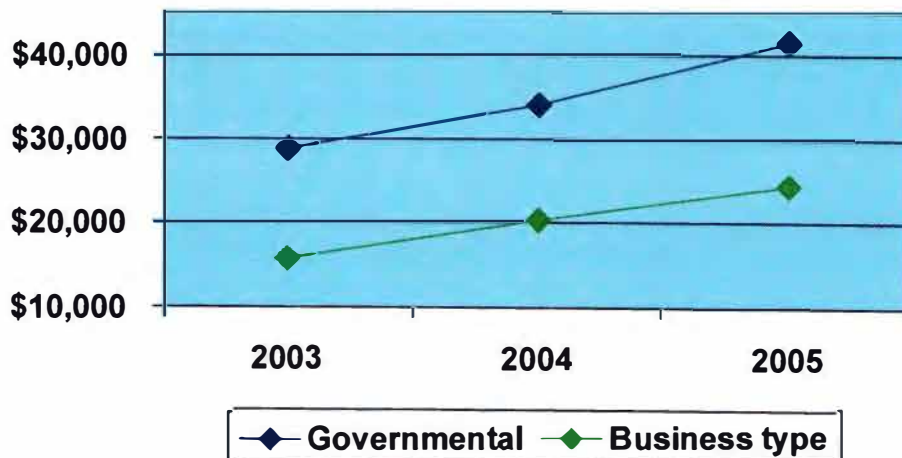
**Net Assets**

The City's combined net assets increased from approximately \$54,317,199 to \$65,655,213 between fiscal years 2004 and 2005. Looking at the net assets of governmental and business-type activities separately, governmental activities had a larger increase than business-type activities.

**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Activities			Business-type Activities			Total		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
<b>ASSETS</b>									
Current and other assets	\$10,538,251	9,876,174	11,875,961	7,545,795	10,276,153	37,279,168	18,084,046	20,152,327	49,155,129
Capital assets, net	21,088,251	27,379,720	38,253,495	28,587,023	31,220,175	34,670,007	49,675,274	58,599,895	72,923,502
<b>Total Assets</b>	<b>31,626,502</b>	<b>37,255,894</b>	<b>50,129,456</b>	<b>36,132,818</b>	<b>41,496,328</b>	<b>71,949,175</b>	<b>67,759,320</b>	<b>78,752,222</b>	<b>122,078,631</b>
<b>LIABILITIES</b>									
Current liabilities	800,010	1,111,167	1,933,161	1,867,435	3,136,490	3,090,375	2,667,455	4,247,657	5,023,536
Noncurrent liabilities	2,105,408	2,108,753	6,837,067	18,403,128	18,078,613	44,562,815	20,508,536	20,187,366	51,399,882
<b>Total Liabilities</b>	<b>2,905,418</b>	<b>3,219,920</b>	<b>8,770,228</b>	<b>20,270,563</b>	<b>21,215,103</b>	<b>47,653,190</b>	<b>23,175,991</b>	<b>24,435,023</b>	<b>56,423,418</b>
<b>NET ASSETS</b>									
Invested in capital assets, net of related debt	19,332,596	25,659,720	36,598,495	12,525,925	15,895,175	17,470,521	31,858,521	41,554,895	54,069,016
Restricted	831,241	890,557	640,261	2,187,992	1,937,574	2,161,776	3,019,233	2,828,131	2,802,037
Unrestricted	8,557,247	7,485,697	4,120,472	1,148,338	2,448,476	4,663,688	9,705,585	9,934,173	8,784,160
<b>Total Net Assets</b>	<b>\$28,721,084</b>	<b>34,035,974</b>	<b>41,359,228</b>	<b>15,862,255</b>	<b>20,281,225</b>	<b>24,295,985</b>	<b>44,583,339</b>	<b>54,317,199</b>	<b>65,655,213</b>

**Net Assets  
(in 000's)**



**Changes in Net Assets**

For the year ended December 31, 2003, net assets of the City changed as follows:



**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues	\$7,245,790	8,231,696	15,477,486
Taxes and other general revenues	14,634,762	664,559	15,299,321
<b>Total Revenues</b>	21,880,552	8,896,255	30,776,807
<b>Expenses</b>			
General government	8,151,690	-	8,151,690
Public safety	3,870,119	-	3,870,119
Community development	3,504,205	-	3,504,205
Parks and recreation	1,712,070	-	1,712,070
Interest on long-term debt	109,392	-	109,392
WEDC	-	1,432,300	1,432,300
Trash/natural gas	-	458,713	458,713
Water and sewer facility	-	4,084,846	4,084,846
<b>Total Expenses</b>	17,347,476	5,975,859	23,323,335
Revenues over (under) expenses	4,533,076	2,920,396	7,453,472
Transfers	(369,358)	369,358	-
<b>Change in Net Assets</b>	\$4,163,718	3,289,754	7,453,472

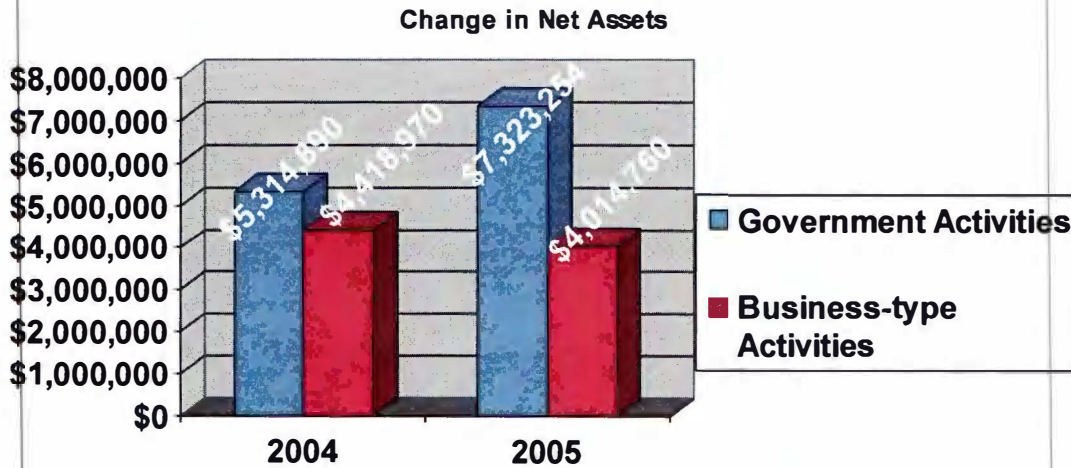
For the year ended December 31, 2004, net assets of the City changed as follows:

	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues	\$7,416,953	10,282,628	17,699,581
Taxes and other general revenues	12,967,544	722,342	13,689,886
<b>Total Revenues</b>	20,384,497	11,004,970	31,389,467
<b>Expenses</b>			
General government	4,128,471	-	4,128,471
Public safety	4,489,128	-	4,489,128
Community development	4,392,739	-	4,392,739
Parks and recreation	1,752,513	-	1,752,513
Interest on long-term debt	105,873	-	105,873
WEDC	-	1,204,082	1,204,082
Trash/natural gas	-	844,322	844,322
Water and sewer facility	-	4,738,479	4,738,479
<b>Total Expenses</b>	14,868,724	6,786,883	21,655,607
Revenues over (under) expenses	5,515,773	4,218,087	9,733,860
Transfers	(200,883)	200,883	-
<b>Change in Net Assets</b>	\$5,314,890	4,418,970	9,733,860

For the year ended December 31, 2005, net assets of the City changed as follows:

**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues	\$7,201,268	11,914,454	19,115,722
Taxes and other general revenues	15,785,888	350,033	16,135,921
<b>Total Revenues</b>	<b>22,987,156</b>	<b>12,264,487</b>	<b>35,251,643</b>
<b>Expenses</b>			
General government	3,811,587	-	3,811,587
Public safety	4,949,071	-	4,949,071
Community development	4,824,786	-	4,824,786
Parks and recreation	1,850,885	-	1,850,885
Interest on long-term debt	104,513	-	104,513
WEDC	-	1,622,689	1,622,689
Trash/natural gas	-	1,087,131	1,087,131
Water and sewer facility	-	5,662,967	5,662,967
<b>Total Expenses</b>	<b>15,540,842</b>	<b>8,372,787</b>	<b>23,913,629</b>
Revenues over (under) expenses	7,446,314	3,891,700	11,338,014
Transfers	(123,060)	123,060	-
<b>Change in Net Assets</b>	<b>\$7,323,254</b>	<b>4,014,760</b>	<b>11,338,014</b>



The City's governmental activities' increase in net assets of \$7,323,254 represents an 21.5% positive change from the prior year. The business-type activities' increase in net assets of \$4,014,760 represents a 19.8% positive change in net assets. The results indicate the City, as a whole, improved its financial condition from the prior year. The major reason was holding expenditures for the governmental activities to a \$672,000 increase (4.5%) while revenues increased by \$2,600,000 or 12.8%. In the business-type activities there was an increase due to the growth in the customer base. Revenues increased by 11% while the expenditures went up 23% and net assets increased by 20% which was an 8% decrease in growth from 2004.

# CITY OF WENTZVILLE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005

## Governmental Activities

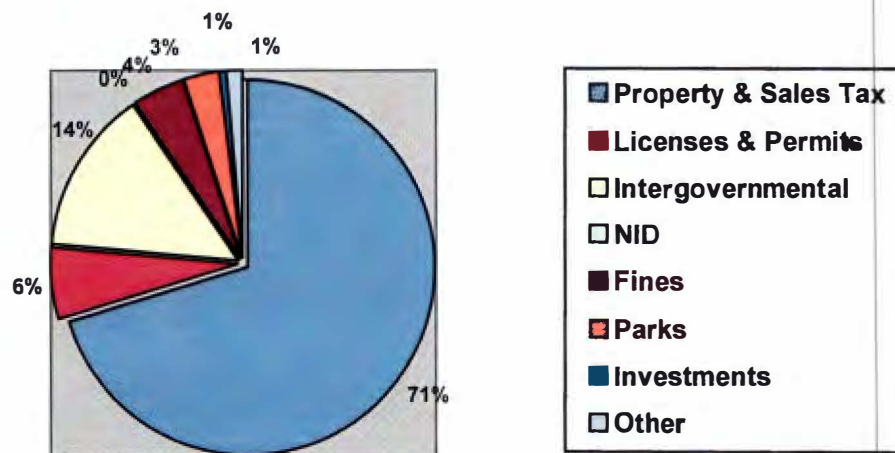
### Government-wide

To aid in the understanding of the statement of activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical statement of revenues, expenditures, and changes in fund balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is net revenues (expenses). The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended December 31, 2005, total expenses for governmental activities amounted to \$15,540,842. Of these total expenses, taxpayers and other general revenues before transfers funded \$15,785,889, while those directly benefiting from the program funded \$5,732,160 from grants and other contributions and \$1,469,108 from charges for services.

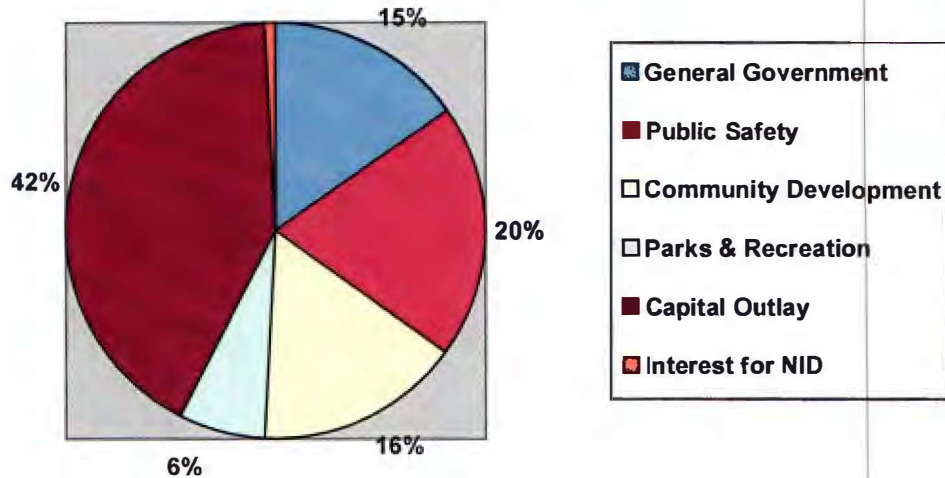
For the year ended December 31, 2005, the City's governmental fund activities were as follows:

### Governmental Fund's Revenues



**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Governmental Fund's Expenditures**



**Governmental Activities**

	Total Expense of Services	Net Revenues (Expense) of Services
	2005	2005
General government	\$3,811,587	(2,904,305)
Public safety	4,949,071	(4,678,051)
Community development	4,824,786	607,358
Parks and recreation	1,850,885	(1,260,063)
Interest on long-term debt	104,513	(104,513)
<b>Total</b>	<b>\$15,540,842</b>	<b>(8,339,574)</b>

**Business-type Activities**

In reviewing the business-type activities' net revenues (expenses), the following highlights should be noted:

- Total business-type activities reported net program related revenues of \$3,541,667 for the year ended December 31, 2005.

	Total Expense of Services	Net Revenues (Expense) of Services
	2005	2005
Water/wastewater	\$5,662,967	3,626,877
Trash/natural gas	1,087,131	(15,115)
WEDC	1,622,689	(70,095)
<b>Total</b>	<b>\$8,372,787</b>	<b>3,541,667</b>

**A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed its 2005 fiscal year, the governmental funds reported a combined fund balance of \$6,637,191 or a 20% increase from the prior year. The Enterprise Fund's reported combined net assets of \$24,295,985 or a 20% increase from 2004.



**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Other fund highlights include:

- For the year ended December 31, 2005, the General Fund's total fund balance increased by \$1,264,320 or 28%.
- The Park Special Revenue Fund's total fund balance increased by \$122,889 including a transfer in of \$968,006.
- The Water/Wastewater Fund reported an increase in net assets, after transfers, for the year ended December 31, 2005, with the Water/Wastewater Fund increasing \$4,047,869.
- The wastewater treatment plant expansion is being financed by \$19,430,000 in revenue bonds through the State of Missouri Department of Natural Resources revolving fund program. The voters actually passed authority for thirty million dollars worth of bonds. The remaining balance will be used for phase two of the expansion when phase one is completed in 2008.

**General Fund Budgetary Highlights**

Actual revenues were \$886,061 or 7.6% more than the revised budget. Expenditures were \$1,984,138 or 14.8% under budget. One reason for this is that the City budgets a Budget Stabilization (Reserve) account for unforeseen expenditures each year. At mid-year the budget is reviewed and adjusted with any savings moved to the Budget Stabilization account. The balance in Budget Stabilization on December 31, 2005 is \$543,183. Public works capital outlay was \$741,594 under budget due to a \$850,000 budget for stormwater and only spending \$134,418. In total public works was \$990,346 under budget or 50% of the total General Fund expenditures.

Fiscal year 2005 revenues were budgeted originally at \$945,908 more than the 2004 actual, a 9% increase. The actual increase of 2005 over 2004 is \$2,094,220 or 20%. Expenditures were originally budgeted to increase \$2,086,105 or 19%. The actual increase is \$656,398 or 6%.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of December 31, 2004, the City had \$58,599,895 invested in capital assets, net of depreciation, including police equipment, buildings, park facilities, water lines, and sewer lines. At the end of December 31, 2005, the amount had increased to \$72,923,502, an increase of \$14,323,607 or 24%.

**Primary Government Capital Assets  
(Net of accumulated depreciation)**

	Governmental Activities			Business-Type Activities			Total		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Land	\$3,642,273	3,898,007	8,619,703	949,825	1,358,879	1,354,509	4,592,098	5,256,886	9,974,212
Buildings	2,160,194	2,072,562	2,219,204	6,985,343	6,775,341	6,531,374	9,145,537	8,847,903	8,750,578
Infrastructure	13,180,007	17,795,411	20,490,898	16,852,925	22,197,770	23,274,958	30,032,932	39,993,181	43,765,856
Equipment	1,859,832	1,931,052	2,976,041	300,910	255,988	320,045	2,160,742	2,187,040	3,296,086
Construction in progress	245,945	1,682,688	3,947,649	3,498,020	632,197	3,189,121	3,743,965	2,314,885	7,136,770
<b>Totals</b>	<b>\$21,088,251</b>	<b>27,379,720</b>	<b>38,253,495</b>	<b>28,587,023</b>	<b>31,220,175</b>	<b>34,670,007</b>	<b>49,675,274</b>	<b>58,599,895</b>	<b>72,923,502</b>

General activities increased by \$10,873,775 and business-type activities increased by \$3,449,832 for a total increase of \$14,323,607.

See Note C to the financial statements for more detail information on the City's capital assets and changes therein.

**CITY OF WENTZVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Long-term Debt**

Additional debt incurred in 2005 includes \$4,714,771 in notes payable for the purchase of 28 acres for the Park Department. The Sewerage System Revenue Bonds of \$19,430,000 and the Series 2005 Leasehold Bonds at \$7,540,000 were new debt in 2005. The Sewerage System Revenue Bonds are to finance the expansion of the wastewater treatment plant. The Series 2005 Leasehold Revenue Bonds are for the construction of a water tower, booster pumping station, and associated water mains. The City's changes in long-term debt by type of debt are as follows:

	Governmental Activities			Business-type Activities			Total			Percentage Change
	2003	2004	2005	2003	2004	2005	2003	2004	2005	2004-2005
Compensated absences	\$320,408	388,753	467,296	18,319	21,293	24,814	338,727	410,046	492,110	20.0%
Notes payable/Rev Bonds	-	-	4,714,771	380,000	-	-	380,000	-	4,714,771	-
Neighborhood Improvement District Bonds	1,785,000	1,720,000	1,655,000	-	-	-	1,785,000	1,720,000	1,655,000	-3.8%
Sewerage System Revenue Bonds	-	-	-	-	-	19,430,000	-	-	19,430,000	-
Leasehold Revenue Bonds	-	-	-	18,320,000	18,370,000	25,125,000	18,320,000	18,370,000	25,125,000	36.8%
<b>Totals</b>	<b>\$2,105,408</b>	<b>2,108,753</b>	<b>6,837,067</b>	<b>18,718,319</b>	<b>18,391,293</b>	<b>44,579,814</b>	<b>20,823,727</b>	<b>20,500,046</b>	<b>51,416,881</b>	<b>150.8%</b>

See Note F to the financial statements for more detail information on the City's long-term debt and changes therein.

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

The 2006 budget includes expenditures of \$67,722,743 and revenues of \$66,500,758. The difference is made up by the use of the fund balance projected to be carried over from 2005. Both expenditures and revenues are up by approximately \$23 million from the fiscal year 2005 amended budget and is due, almost entirely, from several large public works projects that were planned to begin in 2005 and were carried forward to fiscal year 2006. The two principal projects that are being carried forward are the widening of W. Meyer Road and the expansion of the Wastewater Treatment Plant.

The City continues to be one of the fastest growing communities in the State of Missouri. While tax revenues continue to grow, the expenses for both operational and especially capital expenses grow faster. Approximately 2,100 residential building permits are expected; the population has grown from about 6,800 in 2000 to 21,000 in 2005.

Continued residential growth expansion of the commercial base is eminent. New commercial is coming, with a large retailer opening in the fall of 2005 and another in the spring of 2006, along with the smaller developments. The increase in commercial growth and sales taxes will help support the needs of the City and end the period of extremely tight budgeting and deficits in the fund balance of the General Fund.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, 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 the Finance Director's Office at 310 W. Pearce, Wentzville, MO 63385 or by phone (636) 327-5101.

**CITY OF WENTZVILLE, MISSOURI**

**STATEMENT OF NET ASSETS**

**DECEMBER 31, 2005**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 2,739,764	2,810,826	5,550,590
Cash and cash equivalents	1,750	-	1,750
Investments	1,667,144	1,917,000	3,584,144
Receivable:			
Property tax - net	2,602,907	-	2,602,907
Other taxes	1,694,963	-	1,694,963
Accounts and other, net	2,415,660	1,728,312	4,143,972
Internal balances	2,120	(2,120)	-
Inventories	86,289	308,182	394,471
Prepaid items	369,792	37,944	407,736
Restricted assets:			
Cash and cash equivalents	295,572	26,943,773	27,239,345
Investments	-	2,364,278	2,364,278
Deferred charges	-	1,170,973	1,170,973
Capital assets:			
Land and construction in progress	12,567,352	4,543,630	17,110,982
Other capital assets, net of accumulated depreciation	25,686,143	30,126,377	55,812,520
Total Assets	<u>50,129,456</u>	<u>71,949,175</u>	<u>122,078,631</u>
<b>LIABILITIES</b>			
Accounts payable	1,453,514	502,909	1,956,423
Retainage payable	113,061	86,451	199,512
Accrued liabilities	286,241	52,029	338,270
Interest payable	33,184	551,654	584,838
Customer deposits	2,500	369,073	371,573
Payable from restricted assets - court bonds	44,661	-	44,661
Payable from restricted assets - 2005 SRF reserve deposit	-	204,802	204,802
Unearned revenue	-	1,323,457	1,323,457
Noncurrent liabilities:			
Due within one year	70,000	985,000	1,055,000
Due in more than one year	6,767,067	43,577,815	50,344,882
Total Liabilities	<u>8,770,228</u>	<u>47,653,190</u>	<u>56,423,418</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	36,598,495	17,470,521	54,069,016
Restricted for protested taxes	21,755	-	21,755
Restricted for debt service	-	2,161,776	2,161,776
Restricted for highways and streets	874	-	874
Restricted for capital improvements	347,142	-	347,142
Restricted for NID projects	270,490	-	270,490
Unrestricted	4,120,472	4,663,688	8,784,160
Total Net Assets	<u>\$ 41,359,228</u>	<u>24,295,985</u>	<u>65,655,213</u>

See notes to financial statements



**CITY OF WENTZVILLE, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Revenues (Expenses) And Changes In Net Assets		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 3,811,587	879,052	-	28,230	(2,904,305)	-	(2,904,305)
Public safety	4,949,071	16,073	254,947	-	(4,678,051)	-	(4,678,051)
Community development	4,824,786	-	2,568,808	2,863,336	607,358	-	607,358
Parks and recreation	1,850,885	573,983	16,839	-	(1,260,063)	-	(1,260,063)
Interest on long-term debt	104,513	-	-	-	(104,513)	-	(104,513)
Total Governmental Activities	<u>15,540,842</u>	<u>1,469,108</u>	<u>2,840,594</u>	<u>2,891,566</u>	<u>(8,339,574)</u>	<u>-</u>	<u>(8,339,574)</u>
<b>Business-type Activities</b>							
Water and sewer facility	5,662,967	7,590,347	-	1,699,497	-	3,626,877	3,626,877
Trash/natural gas	1,087,131	1,072,016	-	-	-	(15,115)	(15,115)
Wentzville Economic Development Council	1,622,689	1,552,594	-	-	-	(70,095)	(70,095)
Total Business-type Activities	<u>8,372,787</u>	<u>10,214,957</u>	<u>-</u>	<u>1,699,497</u>	<u>-</u>	<u>3,541,667</u>	<u>3,541,667</u>
Total Primary Government	<u>\$ 23,913,629</u>	<u>11,684,065</u>	<u>2,840,594</u>	<u>4,591,063</u>	<u>(8,339,574)</u>	<u>3,541,667</u>	<u>(4,797,907)</u>
<b>General Revenues</b>							
Taxes - property and sales					14,130,005	-	14,130,005
Licenses and permits					1,250,301	-	1,250,301
Investment income					132,899	287,817	420,716
Loss on sale of property					-	(3,215)	(3,215)
Miscellaneous					272,683	65,431	338,114
<b>Transfers</b>					(123,060)	123,060	-
Total General Revenues And Transfers					<u>15,662,828</u>	<u>473,093</u>	<u>16,135,921</u>
<b>CHANGES IN NET ASSETS</b>					<u>7,323,254</u>	<u>4,014,760</u>	<u>11,338,014</u>
<b>NET ASSETS, JANUARY 1</b>					<u>34,035,974</u>	<u>20,281,225</u>	<u>54,317,199</u>
<b>NET ASSETS, DECEMBER 31</b>					<u>\$ 41,359,228</u>	<u>24,295,985</u>	<u>65,655,213</u>

See notes to financial statements



**CITY OF WENTZVILLE, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2005**

	General Fund	Park Fund	Transportation Fund	Capital Improvement Fund	Neighborhood Improvement District Fund	Total Governmental Funds
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 1,360,975	130,020	459,658	36,887	19,579	2,007,119
Cash and cash equivalents	1,600	150	-	-	-	1,750
Investments	1,667,144	-	-	-	-	1,667,144
Receivable:						
Property tax - net	2,253,701	201,923	-	-	147,283	2,602,907
Other taxes	1,042,824	-	337,797	310,255	4,087	1,694,963
Accounts and other, net	113,999	-	-	-	2,301,661	2,415,660
Inventories	75,427	5,221	5,641	-	-	86,289
Prepaid items	319,209	41,731	8,852	-	-	369,792
Restricted assets:						
Cash and cash equivalents	44,661	-	-	-	250,911	295,572
<b>Total Assets</b>	<b>\$ 6,879,540</b>	<b>379,045</b>	<b>811,948</b>	<b>347,142</b>	<b>2,723,521</b>	<b>11,141,196</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 538,695	81,254	701,871	-	-	1,321,820
Retainage payable	3,858	-	109,203	-	-	113,061
Accrued liabilities	260,263	25,978	-	-	-	286,241
Customer deposits	-	2,500	-	-	-	2,500
Payable from restricted assets - court bonds	44,661	-	-	-	-	44,661
Deferred revenue	261,123	21,568	-	-	2,453,031	2,735,722
<b>Total Liabilities</b>	<b>1,108,600</b>	<b>131,300</b>	<b>811,074</b>	<b>-</b>	<b>2,453,031</b>	<b>4,504,005</b>
<b>Fund Balances</b>						
Reserved for:						
Encumbrances	63,600	46,115	2,709,847	-	-	2,819,562
Protested taxes	21,755	-	-	-	-	21,755
Inventory and prepaid items	394,635	46,952	14,493	-	-	456,080
Unreserved:						
General Fund	5,290,950	-	-	-	-	5,290,950
Special Revenue Funds	-	154,678	(2,723,466)	-	-	(2,568,788)
Capital Projects Funds	-	-	-	347,142	270,490	617,632
<b>Total Fund Balances</b>	<b>5,770,940</b>	<b>247,745</b>	<b>874</b>	<b>347,142</b>	<b>270,490</b>	<b>6,637,191</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 6,879,540</b>	<b>379,045</b>	<b>811,948</b>	<b>347,142</b>	<b>2,723,521</b>	<b>11,141,196</b>

See notes to financial statements

**CITY OF WENTZVILLE, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2005**

Total Fund Balances - Governmental Funds	\$ 6,637,191
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$49,934,480 and the accumulated depreciation is \$11,680,985.	38,253,495
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,846,035
The Internal Service Fund is used by the City to charge for services provided for insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net assets.	492,758
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Vacation and sick leave payable	(467,296)
Accrued interest payable	(33,184)
Bonds payable outstanding	(6,369,771)
Net Assets Of Governmental Activities	\$ 41,359,228

**CITY OF WENTZVILLE, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	General Fund	Park Fund	Transportation Fund	Capital Improvement Fund	Neighborhood Improvement District Fund	Total Governmental Funds
<b>REVENUES</b>						
General property and sales taxes	\$ 9,724,068	412,250	2,080,799	1,869,726	1,835	14,088,678
Licenses and permits	1,250,301	-	-	-	-	1,250,301
Intergovernmental	316,956	16,839	2,506,799	-	-	2,840,594
NID assessments	-	-	-	-	28,230	28,230
Fines and forfeitures	895,125	-	-	-	-	895,125
Parks memberships and programs	-	573,983	-	-	-	573,983
Investment income	127,292	-	-	-	5,607	132,899
Miscellaneous	257,828	14,855	-	-	-	272,683
Total Revenues	<u>12,571,570</u>	<u>1,017,927</u>	<u>4,587,598</u>	<u>1,869,726</u>	<u>35,672</u>	<u>20,082,493</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,910,659	-	1,148,009	509,160	-	3,567,828
Public safety	4,693,354	-	-	-	-	4,693,354
Community development	3,731,963	-	-	-	-	3,731,963
Parks and recreation	-	1,529,639	-	-	-	1,529,639
Capital outlay	1,073,461	5,048,176	3,743,916	-	-	9,865,553
Debt service:						
Principal	-	-	-	-	65,000	65,000
Interest and fiscal charges	-	-	-	-	105,709	105,709
Total Expenditures	<u>11,409,437</u>	<u>6,577,815</u>	<u>4,891,925</u>	<u>509,160</u>	<u>170,709</u>	<u>23,559,046</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,162,133</u>	<u>(5,559,888)</u>	<u>(304,327)</u>	<u>1,360,566</u>	<u>(135,037)</u>	<u>(3,476,553)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from notes payable	-	4,714,771	-	-	-	4,714,771
Transfers in	960,611	968,006	50,000	-	-	1,978,617
Transfers out	(858,424)	-	-	(1,243,253)	-	(2,101,677)
Total Other Financing Sources (Uses)	<u>102,187</u>	<u>5,682,777</u>	<u>50,000</u>	<u>(1,243,253)</u>	<u>-</u>	<u>4,591,711</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>1,264,320</u>	<u>122,889</u>	<u>(254,327)</u>	<u>117,313</u>	<u>(135,037)</u>	<u>1,115,158</u>
FUND BALANCES, JANUARY 1	<u>4,506,620</u>	<u>124,856</u>	<u>255,201</u>	<u>229,829</u>	<u>405,527</u>	<u>5,522,033</u>
FUND BALANCES, DECEMBER 31	<u>\$ 5,770,940</u>	<u>247,745</u>	<u>874</u>	<u>347,142</u>	<u>270,490</u>	<u>6,637,191</u>

See notes to financial statements

**CITY OF WENTZVILLE, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

Net Change In Fund Balances - Governmental Funds	\$ 1,115,158
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the the statement of activities, the cost of those assets are allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$9,688,263) exceeded depreciation (\$1,677,825) in the current period.	8,010,438
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	2,863,336
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	41,327
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discount, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt issued:	
Notes payable	(4,714,771)
Repayments:	
Bonds payable	65,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in bonds in governmental funds. These include accrued interest on bonds of (\$1,196) and vacation/sick leave of \$78,543.	(77,347)
Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities in the statement of activities.	<u>20,113</u>
Change In Net Assets Of Governmental Activities	<u><u>\$ 7,323,254</u></u>

See notes to financial statements



**CITY OF WENTZVILLE, MISSOURI**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**DECEMBER 31, 2005**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Fund</b>
	<b>Water/ Wastewater Fund</b>	<b>Trash/ Natural Gas Fund</b>	<b>Wentzville Economic Development Council Fund</b>	<b>Eliminations</b>	<b>Totals</b>	
<b>ASSETS</b>						
<b>Current Assets</b>						
Equity in pooled cash and investments	\$ 2,662,691	-	148,135	-	2,810,826	732,645
Investments	1,917,000	-	-	-	1,917,000	-
Accounts receivable	1,565,729	27,203	102,906	-	1,695,838	-
Other receivable	3,695,625	-	32,474	(3,695,625)	32,474	-
Inventories	308,182	-	-	-	308,182	-
Prepaid items	37,380	564	-	-	37,944	-
Total Current Assets	<u>10,186,607</u>	<u>27,767</u>	<u>283,515</u>	<u>(3,695,625)</u>	<u>6,802,264</u>	<u>732,645</u>
<b>Noncurrent Assets</b>						
Capital assets:						
Land and construction in progress	1,850,878	165,273	2,527,479	-	4,543,630	-
Other capital assets, net of accumulated depreciation	16,910,446	-	14,403,841	(1,187,910)	30,126,377	-
Total Capital Assets	<u>18,761,324</u>	<u>165,273</u>	<u>16,931,320</u>	<u>(1,187,910)</u>	<u>34,670,007</u>	<u>-</u>
Restricted assets:						
Cash and cash equivalents	18,763,600	-	8,180,173	-	26,943,773	-
Investments	120,000	-	2,244,278	-	2,364,278	-
Deferred charges	291,445	-	879,528	-	1,170,973	-
Total Restricted Assets	<u>19,175,045</u>	<u>-</u>	<u>11,303,979</u>	<u>-</u>	<u>30,479,024</u>	<u>-</u>
Total Noncurrent Assets	<u>37,936,369</u>	<u>165,273</u>	<u>28,235,299</u>	<u>(1,187,910)</u>	<u>65,149,031</u>	<u>-</u>
Total Assets	<u>48,122,976</u>	<u>193,040</u>	<u>28,518,814</u>	<u>(4,883,535)</u>	<u>71,951,295</u>	<u>732,645</u>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts payable	449,121	208	53,580	-	502,909	131,694
Retainage payable	3,286	-	83,165	-	86,451	-
Accrued liabilities	50,790	1,239	-	-	52,029	-
Interest payable	71,800	-	479,854	-	551,654	-
Customer deposits	369,073	-	-	-	369,073	-
Deferred revenue	1,323,457	-	-	-	1,323,457	110,313
Bonds payable - current	-	-	985,000	-	985,000	-
	<u>2,267,527</u>	<u>1,447</u>	<u>1,601,599</u>	<u>-</u>	<u>3,870,573</u>	<u>242,007</u>
Payable from restricted assets:						
2005 SRF reserve deposit	204,802	-	-	-	204,802	-
Total Current Liabilities	<u>2,472,329</u>	<u>1,447</u>	<u>1,601,599</u>	<u>-</u>	<u>4,075,375</u>	<u>242,007</u>
<b>Noncurrent Liabilities</b>						
Bonds payable	19,847,644	-	27,425,796	(3,695,625)	43,577,815	-
Total Liabilities	<u>22,319,973</u>	<u>1,447</u>	<u>29,027,395</u>	<u>(3,695,625)</u>	<u>47,653,190</u>	<u>242,007</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	13,781,233	165,273	4,711,925	(1,187,910)	17,470,521	-
Restricted for debt service	-	-	2,161,776	-	2,161,776	-
Unrestricted	12,021,770	26,320	(7,382,282)	-	4,665,808	490,638
Total Net Assets	<u>\$25,803,003</u>	<u>191,593</u>	<u>(508,581)</u>	<u>(1,187,910)</u>	<u>24,298,105</u>	<u>490,638</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds						
					<u>(2,120)</u>	
Net Assets Of Business-type Activities					<u>\$24,295,985</u>	

See notes to financial statements

**CITY OF WENTZVILLE, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Fund</b>
	<b>Water/ Wastewater Fund</b>	<b>Trash/ Natural Gas Fund</b>	<b>Wentzville Economic Development Council Fund</b>	<b>Eliminations</b>	<b>Totals</b>	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 7,562,577	1,072,016	1,425,597	-	10,060,190	1,511,948
Licenses and permits	27,770	-	-	-	27,770	-
TIF assessments	-	-	126,997	-	126,997	-
Total Operating Revenues	<u>7,590,347</u>	<u>1,072,016</u>	<u>1,552,594</u>	<u>-</u>	<u>10,214,957</u>	<u>1,511,948</u>
<b>OPERATING EXPENSES</b>						
Personnel services	950,138	13,652	-	-	963,790	-
Other charges and services	2,714,276	12,587	-	-	2,726,863	1,243,003
Operating supplies	652,559	2,334	-	-	654,893	-
Repairs and maintenance	387,474	-	-	-	387,474	-
Depreciation	748,038	-	627,107	(56,565)	1,318,580	-
Contractual services	93,884	1,058,558	29,320	-	1,181,762	288,684
Total Operating Expenses	<u>5,546,369</u>	<u>1,087,131</u>	<u>656,427</u>	<u>(56,565)</u>	<u>7,233,362</u>	<u>1,531,687</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,043,978</u>	<u>(15,115)</u>	<u>896,167</u>	<u>56,565</u>	<u>2,981,595</u>	<u>(19,739)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	317,110	-	173,207	(202,500)	287,817	-
Interest expense	(76,747)	-	(1,225,327)	202,500	(1,099,574)	-
Miscellaneous income	64,031	1,400	-	-	65,431	-
Loss on disposal of property	-	-	(3,215)	-	(3,215)	-
Total Nonoperating Revenues (Expenses)	<u>304,394</u>	<u>1,400</u>	<u>(1,055,335)</u>	<u>-</u>	<u>(749,541)</u>	<u>-</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>2,348,372</u>	<u>(13,715)</u>	<u>(159,168)</u>	<u>56,565</u>	<u>2,232,054</u>	<u>(19,739)</u>
<b>CAPITAL CONTRIBUTIONS</b>	1,699,497	-	-	-	1,699,497	-
<b>TRANSFERS</b>						
Transfers in	-	123,060	-	-	123,060	-
<b>CHANGES IN NET ASSETS</b>	4,047,869	109,345	(159,168)	56,565	4,054,611	(19,739)
<b>NET ASSETS, JANUARY 1</b>	<u>21,755,134</u>	<u>82,248</u>	<u>(349,413)</u>	<u>(1,244,475)</u>	<u>20,243,494</u>	<u>510,377</u>
<b>NET ASSETS, DECEMBER 31</b>	<u>\$ 25,803,003</u>	<u>191,593</u>	<u>(508,581)</u>	<u>(1,187,910)</u>	<u>24,298,105</u>	<u>490,638</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					<u>(2,120)</u>	
Net Assets Of Business-type Activities					<u>\$ 24,295,985</u>	

**CITY OF WENTZVILLE, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water/ Wastewater Fund</b>	<b>Trash/ Natural Gas Fund</b>	<b>Wentzville Economic Development Council Fund</b>	<b>Totals</b>	
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 6,219,240	1,067,044	1,459,665	8,745,949	-
Receipts from interfund services provided	-	-	-	-	1,622,261
Payments to suppliers	(5,060,114)	(1,187,630)	-	(6,247,744)	(1,448,490)
Net Cash Provided By (Used In) Operating Activities	<u>1,159,126</u>	<u>(120,586)</u>	<u>1,459,665</u>	<u>2,498,205</u>	<u>173,771</u>
<b>Cash flows provided by noncapital financing activities:</b>					
Net transfers from other funds	-	123,060	-	23,060	-
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	(1,263,104)	(3,874)	(1,811,707)	(3,078,685)	-
Principal payments on special obligation capital improvement bonds	-	-	(582,500)	(582,500)	-
Proceeds from bonds issued	19,556,199	-	7,540,000	27,096,199	-
Net Cash Provided By (Used In) Capital And Related Financing Activities	<u>18,293,095</u>	<u>(3,874)</u>	<u>5,145,793</u>	<u>23,435,014</u>	<u>-</u>
<b>Cash flows from investing activities:</b>					
Investment income	317,110	-	173,207	490,317	-
Purchase of investments	(1,917,000)	-	(482,986)	(2,399,986)	-
Investment expense	(76,747)	-	(1,192,355)	(1,269,102)	-
Miscellaneous income	64,031	1,400	-	65,431	-
Net Cash Provided By (Used In) Investing Activities	<u>(1,612,606)</u>	<u>1,400</u>	<u>(1,502,134)</u>	<u>(3,113,340)</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	17,839,615	-	5,103,324	22,942,939	173,771
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>3,586,676</u>	<u>-</u>	<u>3,224,984</u>	<u>6,811,660</u>	<u>558,874</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 21,426,291</u>	<u>-</u>	<u>8,328,308</u>	<u>29,754,599</u>	<u>732,645</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 2,043,978	(15,115)	896,167	2,925,030	(19,739)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	748,038	-	627,107	1,375,145	-
(Increase) decrease in:					
Accounts receivables	(1,371,107)	(4,972)	(122,213)	(1,498,292)	-
Inventories	(29,884)	-	-	(29,884)	-
Prepaid items	5,017	120	-	5,137	-
Increase (decrease) in:					
Accounts payable	(222,749)	(101,199)	58,604	(265,344)	83,197
Accrued liabilities	2,971	580	-	3,551	-
Customer deposits	62,610	-	-	62,610	-
Reserve deposits	204,802	-	-	204,802	-
Deferred revenue	(284,550)	-	-	(284,550)	110,313
Total Adjustments	<u>(884,852)</u>	<u>(105,471)</u>	<u>563,498</u>	<u>(426,825)</u>	<u>193,510</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,159,126</u>	<u>(120,586)</u>	<u>1,459,665</u>	<u>2,498,205</u>	<u>173,771</u>
<b>Noncash activities:</b>					
Capital contributions from developers	\$ 1,699,497	-	-	1,699,497	-

See notes to financial statements

**CITY OF WENTZVILLE, MISSOURI**  
**STATEMENT OF NET ASSETS - FIDUCIARY FUND**  
**DECEMBER 31, 2005**

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	<u>Agency Fund</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and investments	\$ 36,463
Accounts receivable	<u>48,827</u>
Total Current Assets	<u><u>\$ 85,290</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Due to others	<u><u>\$ 85,290</u></u>

See notes to financial statements



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The **CITY OF WENTZVILLE, MISSOURI** (the City) was incorporated in March 1872 and established a Mayor - Board of Aldermen form of government. The City's major operations include public safety (police), highways and streets, culture-recreation, public improvements, planning and zoning, and general administrative services.

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

**1. The Financial Reporting Entity**

The City defines its financial reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). 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 City's financial reporting entity consists of the City (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationships with the City. There are no separate financial statements prepared for the City's component unit.

**Blended Component Unit**

The following component unit is legally separate from the City; however, its governing body is substantively the same as the City's and, consequently, it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the accompanying financial statements and reported in a manner similar to the balances and transactions of the City itself.

**Wentzville Economic Development Council (WEDC)** - The WEDC was formed in 1994 as a Missouri not-for-profit corporation for the purpose of facilitating the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City.

**2. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Government-wide and Fund Financial Statements (Continued)**

separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

**3. 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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due (i.e. matured).

Property taxes, franchise taxes, licenses, court fines, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund** -- This fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Park Fund** -- This fund is a Special Revenue Fund used to account for taxes and park programs revenue and for the activities related to the parks department.

**Transportation Fund** -- This fund is a Special Revenue Fund used to account for special revenues received from transportation taxes.

**Capital Improvement Fund** -- This fund is used to account for financial resources designated for the acquisition or construction of major capital facilities and improvements (other than those financed by proprietary funds).

**Neighborhood Improvement District Fund** -- This fund is used to account for the activities related to the District.

The City reports the following major proprietary funds:

**Water/Wastewater Fund** -- This fund is used to account for operations of the City's water and sewer departments.

**Trash/Natural Gas Fund** -- This fund is used to account for revenues and expenses related to trash collections made by the City on behalf of its residents.

Additionally, the City reports the following fund types:

**Internal Service Fund** -- This fund is used to account for services provided to other departments of the City by the Self-Insurance Fund. Charges for services are allocated to various City departments on a cost recovery basis.

**Agency Fund** -- This fund is a Fiduciary Fund used to account for the receipt and disbursement of resources for the Transportation Development District.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contribution, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds and Internal Service Fund are charges for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. Cash, Cash Equivalents, and Investments**

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities.

**5. Special Assessments Receivable**

Special assessments receivable represents the residents' portion of improvements related to the Neighborhood Improvement District which have been completed and billed. The

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Special Assessments Receivable (Continued)**

City's portion of such improvements are expended as incurred. At the time of the levy, special assessments receivable in the amount of the levy and deferred revenue equal to the amount that is not currently available are recognized in the Neighborhood Improvements District Fund.

**6. Inventories**

Inventories in the governmental and proprietary funds are valued at cost (first-in, first-out) and the expense is recognized when inventory items are consumed in operations.

**7. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**8. Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 has been reported.

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

Depreciation is being computed on the straight-line method, using asset lives as follows:

<b>Assets</b>	<b>Years</b>
Buildings	10 - 30
Infrastructure	30 - 40
Equipment	3 - 10



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**9. Restricted Assets**

Certain General Fund monies are classified as restricted assets on the balance sheet because their use is limited to refunding court bonds paid.

Certain cash and investments of the Neighborhood Improvement Fund and the Enterprise Funds are restricted for the repayment of the outstanding bonds, interest, and capital improvements in accordance with bond ordinances and the related Trust indentures.

**10. Allowance for Doubtful Accounts**

The allowance for uncollectible receivables is as follows:

	<b>December 31, 2005</b>	
	<b>Government Activities</b>	<b>Business-type Activities</b>
General Fund	\$23,100	-
Park Fund	2,083	-
Water/Wastewater Fund	-	7,957
Trash Fund	-	<u>1,500</u>
	<u>\$25,183</u>	<u>9,457</u>

**11. Long-term Debt**

The bonds are to be liquidated by the related fund. Also, compensated absences payable are generally liquidated by the General Fund.

**12. Deferred Revenues**

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both the revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

**13. Long-term Liabilities**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**13. Long-term Liabilities (Continued)**

type statement of net assets. Bond premiums and discount, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

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

**14. Compensated Absences**

City employees generally earn vacation monthly based upon their length of service to the City. Regular full-time employees who are separated from service are compensated for vacation accrued up to the date of separation. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave is accumulated based on length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination, but is payable upon retirement or death. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**15. Reserved Fund Balance**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for subsequent year appropriations or are legally restricted by outside parties for use for a specific purpose, if any.

**16. Equity in Pooled Cash and Investments**

The City maintains the majority of its cash and investments in a pooled cash and investments account. As a control, the City also maintains separate accounting records for each fund, so that in the accompanying financial statements, equity in pooled cash and investments reflects each fund's share of such accounts.

**17. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types. Encumbrances out-

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**17. Encumbrances (Continued)**

standing at year-end are reported as a reservation of fund balance. Encumbrances do not constitute current year expenditures or liabilities.

**18. Grant Revenue**

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from the grantor.

**19. Property Taxes**

The City's property taxes are levied each October based on the assessed valuation for all real property located in the City as of the previous January 1. Taxes are due upon receipt of billing and become delinquent after December 31. Liens are placed on property for delinquent taxes on January 1 following the due date.

The St. Charles County Assessor establishes assessed values and the County tax collector makes collections. The assessed value at January 1, 2005 upon which the 2005 levy was based for real estate, personal property, and railroads and utilities taxes was \$416,211,799.

The City's tax rate was levied at \$0.9729 per \$100 of assessed valuation which is used completely for general governmental services.

**20. Interfund Eliminations**

All significant interfund transactions between the Water/Wastewater Fund and the WEDC have been eliminated.

**21. Statement of Cash Flows**

For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments with maturity at the time of purchase of three months or less to be cash equivalents.

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**22. Use of Estimates**

The preparation of basic financial statements in conformity with U.S. 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/expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2005, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of December 31, 2005, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Credit Risk</u>
<b>Primary Government</b>						
Certificates of deposit	\$4,612,800	4,256,800	356,000	-	-	N/A
Government securities:						
Federal agency notes	<u>1,335,622</u>	<u>120,000</u>	<u>-</u>	<u>303,122</u>	<u>912,500</u>	AAA
<b>Total Investments</b>	<b><u>\$5,948,422</u></b>	<b><u>4,376,800</u></b>	<b><u>356,000</u></b>	<b><u>303,122</u></b>	<b><u>912,500</u></b>	

**Investments Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a written investment policy covering credit risk.



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a written investment policy covering interest rate risk.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a written investment policy covering concentration of credit risk.

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<u>For The Year Ended December 31, 2005</u>			<u>Balance December 31 2005</u>
	<u>Balance December 31 2004</u>	<u>Additions</u>	<u>Reclassi- fications And Deletions</u>	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,898,007	4,721,696	-	8,619,703
Construction in progress	<u>1,682,688</u>	<u>2,888,811</u>	<u>623,850</u>	<u>3,947,649</u>
Total Capital Assets Not Being Depreciated	<u>5,580,695</u>	<u>7,610,507</u>	<u>623,850</u>	<u>12,567,352</u>
Capital assets being depreciated:				
Buildings	4,421,640	312,327	-	4,733,967
Infrastructure	22,565,989	3,565,282	-	26,131,271
Equipment	<u>4,814,556</u>	<u>1,687,334</u>	<u>-</u>	<u>6,501,890</u>
Total Capital Assets Being Depreciated	<u>31,802,185</u>	<u>5,564,943</u>	<u>-</u>	<u>37,367,128</u>
Less - Accumulated depreciation for:				
Buildings	2,349,078	165,685	-	2,514,763
Infrastructure	4,770,578	869,795	-	5,640,373
Equipment	<u>2,883,504</u>	<u>642,345</u>	<u>-</u>	<u>3,525,849</u>
Total Accumulated Depreciation	<u>10,003,160</u>	<u>1,677,825</u>	<u>-</u>	<u>11,680,985</u>
Total Capital Assets Being Depreciated, Net	<u>21,799,025</u>	<u>3,887,118</u>	<u>-</u>	<u>25,686,143</u>
 Governmental Activities Capital Assets, Net	 <u>\$27,379,720</u>	 <u>11,497,625</u>	 <u>623,850</u>	 <u>38,253,495</u>

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

For The Year Ended December 31, 2005

	<u>Balance December 31 2004</u>	<u>Additions</u>	<u>Reclassi- fications And Deletions</u>	<u>Balance December 31 2005</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,358,879	5,400	9,770	1,354,509
Construction in progress	<u>632,197</u>	<u>2,563,777</u>	<u>6,853</u>	<u>3,189,121</u>
Total Capital Assets Not Being Depreciated	<u>1,991,076</u>	<u>2,569,177</u>	<u>16,623</u>	<u>4,543,630</u>
Capital assets being depreciated:				
Buildings	7,664,082	8,587	-	7,672,669
Water system	7,888,951	798,616	-	8,687,567
Sewer system	20,848,434	1,273,976	-	22,122,410
Equipment	<u>1,073,177</u>	<u>134,679</u>	<u>-</u>	<u>1,207,856</u>
Total Capital Assets Being Depreciated	<u>37,474,644</u>	<u>2,215,858</u>	<u>-</u>	<u>39,690,502</u>
Less - Accumulated depreciation for:				
Buildings	888,741	252,554	-	1,141,295
Water system	2,298,555	261,628	-	2,560,183
Sewer system	4,241,060	733,776	-	4,974,836
Equipment	<u>817,189</u>	<u>70,622</u>	<u>-</u>	<u>887,811</u>
Total Accumulated Depreciation	<u>8,245,545</u>	<u>1,318,580</u>	<u>-</u>	<u>9,564,125</u>
Total Capital Assets Being Depreciated, Net	<u>29,229,099</u>	<u>897,278</u>	<u>-</u>	<u>30,126,377</u>
 Business-Type Activities Capital Assets, Net	 <u>\$31,220,175</u>	 <u>3,466,455</u>	 <u>16,623</u>	 <u>34,670,007</u>

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

	<u>For The Year Ended December 31 2005</u>
Governmental activities:	
Administration	\$ 97,885
Finance	17,412
Law enforcement - administration	37,584
Law enforcement - patrol	111,801
Public works, including depreciation of infrastructure assets	1,013,371
Street department	107,344
Building inspector	25,906
Parks	<u>266,522</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$1,677,825</u>

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

	<b>For The Year Ended December 31 2005</b>
Business-type activities:	
Water department	\$ 242,006
Sewer department	506,032
2000 Lease Bond Fund	220,391
1995 Lease Bond Fund	41,076
1997 Lease Bond Fund	124,040
1999 Lease Bond Fund	791
2002 Lease Bond Fund	<u>184,244</u>
Total Depreciation Expense - Business-Type Activities	<u>\$1,318,580</u>

**NOTE D - RESTRICTED ASSETS**

Certain amounts are restricted for various bond and escrow purposes. The bond reserve restricted account balances are as follows:

	<b>December 31, 2005</b>	
	<b>Actual</b>	<b>Required</b>
Leasehold Revenue Bonds:		
Series 1997 Reserve	\$ 317,888	320,000
Series 1999 Reserve	307,577	305,004
Series 2001 Reserve	1,304,329	1,294,500
Series 2002 Reserve	682,275	665,000
Series 2004 Reserve	619,972	638,500
Series 2005 Reserve Account	549,222	551,952
Sewerage System Revenue Bonds, Series 2005 Reserve	<u>204,802</u>	<u>204,802</u>
	<u>\$3,986,065</u>	<u>3,979,758</u>

The 1997 and 2004 Reserve Funds are below the required balance amount at December 31, 2005, due to market fluctuations in the investment balances. The Bank Trustee and the City have agreed to restore the deficiency by paying additional payments through interest earnings and future increase until the Reserve Fund equals the requirement.

**NOTE E - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - INTERFUND TRANSACTIONS (Continued)**

		<b>December 31</b>
<u>Transfer In</u>	<u>Transfer Out</u>	<u>2005</u>
		<u>Total</u>
Park Fund - Special Revenue Fund	Capital Improvement Fund - Capital Projects Fund	\$ 232,642
Park Fund - Special Revenue Fund	General Fund	735,364
Trash/Natural Gas Fund - Enterprise Fund	General Fund	123,060
General Fund	Capital Improvement Fund - Capital Projects Fund	960,611
Transportation Fund - Special Revenue Fund	Capital Improvement Fund - Capital Projects Fund	<u>50,000</u>
		<u>\$2,101,677</u>

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

**NOTE F - LONG-TERM DEBT**

The following is a summary of the City's long-term debt transactions including the long-term debt obligations of the WEDC:

	<u>For The Year Ended December 31, 2005</u>				<b>Amounts Due Within One Year</b>
	<u>Balance</u>			<u>Balance</u>	
	<u>December 31</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31</u>	
	<u>2004</u>			<u>2005</u>	
Governmental activities:					
Neighborhood Improvement					
District Bonds	\$1,720,000	-	65,000	1,655,000	70,000
Notes payable	-	4,714,771	-	4,714,771	-
Compensated absences	<u>388,753</u>	<u>78,543</u>	-	<u>467,296</u>	-
Total Governmental Activities	<u>\$2,108,753</u>	<u>4,793,314</u>	<u>65,000</u>	<u>6,837,067</u>	<u>70,000</u>
Business-type activities:					
Leasehold Revenue Bonds	\$18,370,000	7,540,000	785,000	25,125,000	985,000
Sewerage System Revenue Bonds	-	<u>19,430,000</u>	-	<u>19,430,000</u>	-
Total Bonds	18,370,000	26,970,000	785,000	44,555,000	985,000
Less - Discounts	(312,680)	298,623	(21,872)	7,815	-
Compensated absences	<u>21,293</u>	<u>3,521</u>	-	<u>24,814</u>	-
Total Business-type Activities	<u>\$18,078,613</u>	<u>27,272,144</u>	<u>763,128</u>	<u>44,587,629</u>	<u>985,000</u>



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

**1. Neighborhood Improvement District Bonds**

On May 24, 2000, the City issued \$1,925,000 of Neighborhood Improvement District Bonds (Bear Creek Stormwater Detention, Sanitary Sewer and Water Improvement Project), Series 2000 for the purpose of paying a note related to the design and construction costs for improvement to property within the District. The bonds will be repaid with a special assessment. The landowners in the Special Assessment District have agreed to pay all special assessments to be levied against any and all real property located within the District. The bonds bear variable interest rates of 5.5% to 6.25% with the final interest and principal payment due March 1, 2020.

Annual principal and interest on the Neighborhood Improvement District Bonds, Series 2000 are as follows:

<b>For The Years Ended December 31</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2006	\$ 70,000	98,135	168,135
2007	75,000	94,056	169,056
2008	80,000	89,637	169,637
2009	85,000	84,873	169,873
2010	90,000	79,775	169,775
2011 - 2015	530,000	310,273	840,273
2016 - 2020	<u>725,000</u>	<u>119,531</u>	<u>844,531</u>
	<u>\$1,655,000</u>	<u>876,280</u>	<u>2,531,280</u>

**2. Series 2005A and 2005B Notes Payable**

In 2005 the City issued \$4,714,771 of Series 2005A and 2005B notes payable for land which are special, limited obligation of the City payable from a portion of the sales tax generated within certain development property. The notes have an interest rate of 4.5%.

**3. Wentzville Economic Development Council (WEDC) - Leasehold Revenue Bonds**

The WEDC was formed as a Missouri not-for-profit corporation. The purpose of the WEDC is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City.

Funding of such capital improvements and facilities has been provided through the issuance of Leasehold Revenue Bonds. The Leasehold Revenue Bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any other political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

**3. Wentzville Economic Development Council (WEDC) - Leasehold Revenue Bonds (Continued)**

statutory debt limitation or restriction. The issuance of the Leasehold Revenue Bonds does not obligate the City to levy any form of taxation or to make any appropriation for payment in any fiscal year. The WEDC has no taxing power.

On September 1, 1997, the WEDC issued \$3,900,000 of Leasehold Revenue Bonds, Series 1997. Concurrent with the issuance of these bonds, the City sold certain assets related to the sewer treatment facilities to the WEDC. The WEDC then entered into a lease agreement with the City dated September 1, 1997, whereby these assets and future improvements thereto have been leased to the City. The lease terminates each December 31 and can be renewed for additional one-year periods through 2017. At the end of the lease, the assets are intended to become the property of the Water/Wastewater Fund. Lease payments by the City are to be sufficient at all times to pay the total amount of interest, principal (whether at maturity, by acceleration, or by redemption as provided in the bond indenture), and premium, if any, in the bonds as they become due. The bonds bear interest at a rate of 4% to 5.55% with all principal and interest due on February 15, 2017. The City was obligated to pay the WEDC \$312,235 for 2005.

On April 1, 1999, the WEDC issued \$3,195,000 of Leasehold Revenue and Improvement Bonds. A portion of the bonds amounting to \$1,815,000 were issued to fund the construction of water and sewer lines, roads, and sidewalks within the newly formed Tax Increment Financing District. The balance of the bonds amounting to \$1,380,000 were issued to advance refund \$1,290,000 of outstanding 1995 Leasehold Revenue Bonds. The bonds mature in varying amounts each year through 2015 and accrue interest at varying rates between 3.8% and 5.5%. Concurrent with the issuance of these bonds, the City entered into a lease agreement whereby certain assets acquired or constructed by the WEDC have been leased to the City. The lease terminates each December 31 and can be renewed for additional one-year periods through 2015. At the end of the lease, the assets are intended to become the property of the Water/Wastewater Fund. Lease payments by the City are to be sufficient at all times to pay the total amount of interest, principal (whether at maturity, by acceleration, or by redemption as provided in the bond indenture), and premium, if any, on the bonds as they become due. The City was obligated to pay the WEDC \$295,545 for 2005.

On July 1, 2002, the WEDC issued \$6,650,000 of Leasehold Revenue Bonds, Series 2002. The proceeds are being used to construct a lift station, sewer main, and a basin for storm-water control. Payment of the principal is for varying amounts every year through 2022. Interest is due semiannually with varying interest rates from 2.25% to 5.15%. Concurrent with the issuance of these bonds, the City entered into a lease agreement whereby certain assets constructed and acquired by the WEDC have been leased to the City. There are successive one-year lease renewal options through 2022. Lease payments by the City are to be sufficient at all times to pay the total amount of interest, principal (whether at maturity, by

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

**3. Wentzville Economic Development Council (WEDC) - Leasehold Revenue Bonds (Continued)**

acceleration, or by redemption as provided in the bond indenture), and premium, if any, on the bonds as they become due. The City was obligated to pay the WEDC \$490,788 for 2005.

On December 16, 2004, the WEDC issued \$6,700,000 of Leasehold Revenue Refunding Bonds, Series 2004. The balance of the bonds amounting to \$6,447,300 were issued to advance refund \$6,035,000 of outstanding 2000 Leasehold Revenue Bonds. The bonds mature in varying amounts each year through 2021 and accrue interest at varying rates between 2.05% and 4.25%. The Leasehold Revenue Bonds, Series 2000 proceeds were used to finance the construction of a new police station and acquisition of equipment for the police department. Concurrent with the issuance of these 2000 Leasehold Revenue Bonds, the City entered into a lease agreement whereby certain assets constructed and acquired by the WEDC have been leased to the City. There are successive one-year renewal options with a final renewal term ending not later than February 1, 2021.

On July 13, 2005, the WEDC issued \$7,540,000 of Leasehold Revenue Bonds, Series 2005. The proceeds are being used to acquire land and to construct a water tower, booster pump, and water main. Payment of the principal is for varying amounts every year through 2025. Interest is due semi-annually with varying interest rates from 2.55% to 4.25%. Concurrent with the issuance of these bonds, the City entered into a lease agreement whereby certain assets constructed and acquired by the WEDC have been leased to the City. There are successive one-year lease renewal options through 2025. Lease payments by the City are to be sufficient at all times to pay the total amount of interest, principal (whether by maturing, by acceleration, or by redemption as provided in the bond indenture), and premium, if any, on the bonds as they become due. The City was obligated to pay the WEDC \$0 for 2005.

Annual principal and interest requirements to maturity on the Leasehold Revenue Bonds are as follows:

<b>For The Years Ended <u>December 31</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2006	\$ 985,000	1,060,740	2,045,740
2007	1,020,000	1,026,923	2,046,923
2008	1,055,000	990,132	2,045,132
2009	1,100,000	949,734	2,049,734
2010	1,145,000	905,575	2,050,575
2011 - 2015	6,500,000	3,741,021	10,241,021
2016 - 2020	8,070,000	2,161,109	10,231,109
2021 - 2025	<u>5,250,000</u>	<u>502,733</u>	<u>5,752,733</u>
	<b><u>\$25,125,000</u></b>	<b><u>11,337,967</u></b>	<b><u>36,462,967</u></b>



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

**4. Water Pollution Control Revenue Bonds Payable**

In November 2005, the Missouri State Environmental Improvement and Energy Resources Authority (the Authority) authorized and issued Water Pollution Control Revenue Bonds (State Revolving Funds Programs) Series 2005C (Series 2005C). The Series 2005C bonds provided funds to make loans to various Missouri political subdivisions that will be used to finance water treatment projects. A portion of the proceeds of the Series 2005C bonds issued by the Authority were used to purchase Participant Revenue Bonds (Participant Bonds) authorized and issued by the City in the aggregate principal amount of \$19,430,000, the proceeds of which will be used for constructing, repairing, and equipping new and existing wastewater facilities. The District's Participant Bonds have interest rates ranging from 3.25% to 5% and are payable in semiannual installments at varying amounts through 2027.

In connection with the City's issuance of the 2005C bonds, the City participates in the State Revolving Funds Program established by the Missouri Department of Natural Resources (DNR). Monies from federal capitalization grants and state matching funds are used to fund a reserve account for each participant. As the City incurs approved capital expenses, the DNR reimburses the City for the expenses from the bond proceeds account and deposits in a bond reserve fund in the City's name an additional 70% for the Series 2005C bonds. Interest earned from this reserve fund can be used by the City to fund interest payments on the bonds. On the date of each payment of the principal amount of the City's Participant Bonds, the trustee transfers from this reserve account to the master trustee an amount equal to 70% for the Series 2005C bonds. The costs of operation and maintenance of the wastewater treatment and sewerage facilities and the debt service is payable from wastewater revenues.

Annual principal and interest on the Series 2005C bonds are as follows:

<b>For The Years Ended December 31</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2006	\$ -	502,598	502,598
2007	-	857,514	857,514
2008	835,000	857,514	1,692,514
2009	840,000	830,376	1,670,376
2010	845,000	802,656	1,647,656
2011 - 2015	4,400,000	3,516,546	7,916,546
2016 - 2020	4,795,000	2,548,252	7,343,252
2021 - 2025	5,390,000	1,313,988	6,703,988
2026 - 2027	<u>2,325,000</u>	<u>161,000</u>	<u>2,486,000</u>
	<u>\$19,430,000</u>	<u>11,390,444</u>	<u>30,820,444</u>



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN**

**1. Plan Description and Provisions**

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

**2. Funding Policy**

The City's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates are 7.7% (general) and 8.2% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the subdivision are established by state statute.

**3. Annual Pension Cost**

For 2005, the City's annual pension cost of \$440,577 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2003 and/or 2004 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the 1983 Group Annuity Mortality table; and e) post retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2005 was 15 years.

Three-year trend information follows:

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)**

**3. Annual Pension Cost (Continued)**

<u>For The Years Ended June 30</u>	<u>Pension Cost (APC)</u>	<u>Annual Percentage Of APC Contributed</u>
2005	\$440,577	100%
2004	364,450	100
2003	282,936	100

Schedule of funding progress follows:

<u>For The Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (Excess Assets)</u>
2005	\$7,351,566	\$7,145,850	(\$205,716)
2004	6,604,480	6,235,954	(368,526)
2003	5,835,722	5,297,045	(538,677)

<u>For The Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded AAL As A Percentage Of Covered Payroll</u>
2005	103%	\$5,667,981	- %
2004	106	5,199,347	-
2003	110	4,471,528	-

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2001 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City.

**NOTE H - MAJOR CUSTOMERS AGREEMENT**

A 30-year agreement was entered into between the City and General Motors Corporation (GM) on August 22, 1980 for water and sewer services. Under the terms of this agreement, the City agreed to design, provide, and install water and sewer facilities. The City bills GM monthly for operating expenses and usage costs, as well as the monthly rate of the annual debt service requirements for which the City is

**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE H - MAJOR CUSTOMERS AGREEMENT (Continued)**

obligated to pay as a result of this agreement (Note K). The amount received for the year ended December 31, 2005 was approximately \$1,418,000.

**NOTE I - RISK MANAGEMENT**

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a state-wide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2006.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$495,230 for MIRMA's fiscal years ended June 30, 2006. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

**NOTE J - CONTINGENCIES**

**1. Litigation**

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

**2. Confiscation Funds**

All Missouri entities that have collected confiscation funds may be required to remit all or part of these funds to other governmental entities. The City has not recorded any of these funds as revenue in this year or in previous years.



**CITY OF WENTZVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE K - COMMITMENTS**

The City entered into an agreement with St. Charles County Public Water Supply District Number 2 (Water District) as of September 10, 1980 for the construction of a water transmission line and the purchase of a maximum of 3.3 million gallons of water daily. The Water District paid for the construction costs through the issuance of Special Obligation Water Revenue Bonds, of which a portion of the debt service and maintenance costs are passed on to the City. During 2005, the City paid \$500,369 under this agreement, with the cost recorded as part of the purchase of water in the Enterprise Funds.

The City does not record the Special Obligation Water Revenue Bonds on its books since the bonds were issued by and are currently serviced by the Water District. Instead, the City is accounting for the payments as a purchase commitment transaction. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2006	\$349,866

The City has an agreement with the Wentzville Parkway Transportation Corporation (Corporation) that issued debt of \$12,935,000 of bonds payable in 2001. These bonds are being repaid per an agreement between the City and the Missouri Highway and Transportation Commission (Commission) whereby the Commission will pay \$8,849,182 of the debt in July 2006. Upon the final payment of the debt, the title and interest of the Corporation will be dedicated to the Commission. The City has agreed to provide funding from its transportation sales tax or other legally available amount less the amount of Commission payments and other amounts available to the Corporation sufficient to pay the principal and interest on the bonds and other specified items when due. The amount of bonds outstanding as of December 31, 2005 was \$12,325,000.

**NOTE L - PRIOR PERIOD ADJUSTMENT**

The previously stated net assets have been adjusted as follows:

	<u>Water/Waste- water Fund</u>	<u>Wentzville Economic Development Council Fund</u>
Net assets, December 31, 2004, as previously reported	\$21,914,484	(508,763)
Restatement for capital assets	<u>(159,350)</u>	<u>159,350</u>
Net Assets, December 31, 2004, As Restated	<u>\$21,755,134</u>	<u>(349,413)</u>



**CITY OF WENTZVILLE, MISSOURI  
REQUIRED SUPPLEMENTAL INFORMATION**

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF WENTZVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE**  
**TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2005			2004	
	Budgeted Amounts		Actual	Over	Actual
	Original	Final		(Under) Budget	
<b>REVENUES</b>					
General property and sales taxes	\$ 9,008,188	9,148,955	9,724,068	575,113	8,147,347
Licenses and permits	977,430	1,009,430	1,250,301	240,871	905,257
Intergovernmental	311,640	368,855	316,956	(51,899)	226,713
Fines and forfeitures	841,500	841,500	895,125	53,625	927,107
Investment income	35,000	60,000	127,292	67,292	41,377
Miscellaneous	249,500	256,769	257,828	1,059	229,549
Total Revenues	<u>11,423,258</u>	<u>11,685,509</u>	<u>12,571,570</u>	<u>886,061</u>	<u>10,477,350</u>
<b>EXPENDITURES</b>					
Current:					
General government:					
Administrative:					
Personnel services	686,707	642,547	649,767	7,220	637,462
Other charges and services	196,162	204,773	231,677	26,904	160,786
Operating supplies	1,027,200	568,750	24,272	(544,478)	33,877
Repairs and maintenance	67,467	69,852	53,120	(16,732)	30,554
Contractual services	117,679	175,394	138,421	(36,973)	117,498
Capital outlay	91,650	421,555	364,386	(57,169)	86,590
Total Administrative	<u>2,186,865</u>	<u>2,082,871</u>	<u>1,461,643</u>	<u>(621,228)</u>	<u>1,066,767</u>
Finance:					
Personnel services	385,703	389,327	405,661	16,334	382,978
Other charges and services	102,642	96,533	93,908	(2,625)	94,615
Operating supplies	18,700	19,450	21,520	2,070	20,291
Repairs and maintenance	42,014	42,477	41,094	(1,383)	24,403
Contractual services	39,600	40,304	36,469	(3,835)	34,013
Capital outlay	2,500	40,280	28,232	(12,048)	84,595
Total Finance	<u>591,159</u>	<u>628,371</u>	<u>626,884</u>	<u>(1,487)</u>	<u>640,895</u>
Municipal court:					
Personnel services	179,871	179,871	173,366	(6,505)	172,237
Other charges and services	17,539	16,025	14,279	(1,746)	15,975
Operating supplies	7,000	7,000	5,605	(1,395)	5,707
Repairs and maintenance	2,070	2,070	1,769	(301)	1,882
Contractual services	1,500	19,000	19,731	731	1,705
Total Municipal Court	<u>207,980</u>	<u>223,966</u>	<u>214,750</u>	<u>(9,216)</u>	<u>197,506</u>
Total General Government	<u>2,986,004</u>	<u>2,935,208</u>	<u>2,303,277</u>	<u>(631,931)</u>	<u>1,905,168</u>
Public safety - Police Department:					
Personnel services	3,833,949	3,854,150	3,826,617	(27,533)	3,615,484
Other charges and services	405,773	374,489	359,481	(15,008)	388,847
Operating supplies	215,078	221,150	219,676	(1,474)	194,189
Repairs and maintenance	83,987	99,987	116,095	16,108	104,749
Contractual services	165,230	227,427	171,485	(55,942)	161,128
Capital outlay	209,977	254,562	205,800	(48,762)	248,005
Total Public Safety - Police Department	<u>4,913,994</u>	<u>5,031,765</u>	<u>4,899,154</u>	<u>(132,611)</u>	<u>4,712,402</u>

(Continued)

**CITY OF WENTZVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE**  
**TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2005			2004	
	Budgeted Amounts		Actual	Over	Actual
	Original	Final		(Under)	
<b>EXPENDITURES (Continued)</b>				<b>Budget</b>	
Community development:					
Economic development:					
Personnel services	134,679	135,372	136,334	962	129,034
Other charges and services	92,603	56,436	55,974	(462)	78,899
Operating supplies	33,802	30,654	27,686	(2,968)	31,721
Repairs and maintenance	1,250	2,750	2,430	(320)	437
Contractual services	38,500	97,013	36,418	(60,595)	43,411
Capital outlay	51,500	2,735	2,735	-	251,342
Total Economic Development	<u>352,334</u>	<u>324,960</u>	<u>261,577</u>	<u>(63,383)</u>	<u>534,844</u>
Public works:					
Personnel services	2,029,241	2,038,420	1,852,726	(185,694)	1,803,363
Other charges and services	253,634	221,330	216,216	(5,114)	211,630
Operating supplies	91,650	96,354	86,277	(10,077)	94,920
Repairs and maintenance	45,055	50,931	50,079	(852)	48,219
Contractual services	143,775	201,190	154,175	(47,015)	154,687
Capital outlay	837,825	1,174,044	432,450	(741,594)	134,245
Total Public Works	<u>3,401,180</u>	<u>3,782,269</u>	<u>2,791,923</u>	<u>(990,346)</u>	<u>2,447,064</u>
Street:					
Personnel services	675,497	675,497	569,199	(106,298)	610,587
Other charges and services	246,600	264,587	279,334	14,747	238,707
Operating supplies	144,980	152,485	142,078	(10,407)	126,799
Repairs and maintenance	46,250	45,206	53,657	8,451	63,271
Contractual services	39,510	75,170	69,380	(5,790)	14,365
Capital outlay	32,795	106,428	39,858	(66,570)	99,832
Total Street	<u>1,185,632</u>	<u>1,319,373</u>	<u>1,153,506</u>	<u>(165,867)</u>	<u>1,153,561</u>
Total Community Development	<u>4,939,146</u>	<u>5,426,602</u>	<u>4,207,006</u>	<u>(1,219,596)</u>	<u>4,135,469</u>
Total Expenditures	<u>12,839,144</u>	<u>13,393,575</u>	<u>11,409,437</u>	<u>(1,984,138)</u>	<u>10,753,039</u>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>(1,415,886)</u>	<u>(1,708,066)</u>	<u>1,162,133</u>	<u>2,870,199</u>	<u>(275,689)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	960,611	960,611	-
Transfers out	-	(950,548)	(858,424)	92,124	(1,074,930)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(950,548)</u>	<u>102,187</u>	<u>1,052,735</u>	<u>(1,074,930)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (1,415,886)</u></u>	<u><u>(2,658,614)</u></u>	<u>1,264,320</u>	<u><u>3,922,934</u></u>	<u><u>(1,350,619)</u></u>
FUND BALANCE, JANUARY 1			<u>4,506,620</u>		
FUND BALANCE, DECEMBER 31			<u><u>\$ 5,770,940</u></u>		

**CITY OF WENTZVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - PARK SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE**  
**TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2005			Over (Under) Budget	2004
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
General property and sales taxes	\$ 361,711	388,053	412,250	24,197	348,253
Intergovernmental	-	-	16,839	16,839	83,161
Parks memberships and programs	566,840	542,463	573,983	31,520	460,271
Miscellaneous	7,500	13,375	14,855	1,480	24,531
Total Revenues	<u>936,051</u>	<u>943,891</u>	<u>1,017,927</u>	<u>74,036</u>	<u>916,216</u>
<b>EXPENDITURES</b>					
Parks and recreation:					
Personnel services	976,965	967,100	964,500	(2,600)	949,786
Other charges and services	277,789	254,308	234,700	(19,608)	223,099
Operating supplies	278,075	243,119	217,723	(25,396)	188,248
Repairs and maintenance	84,277	99,545	83,590	(15,955)	62,316
Contractual services	41,350	54,166	29,126	(25,040)	84,131
Total Parks And Recreation	<u>1,658,456</u>	<u>1,618,238</u>	<u>1,529,639</u>	<u>(88,599)</u>	<u>1,507,580</u>
Capital outlay	<u>383,330</u>	<u>450,996</u>	<u>5,048,176</u>	<u>4,597,180</u>	<u>415,018</u>
Total Expenditures	<u>2,041,786</u>	<u>2,069,234</u>	<u>6,577,815</u>	<u>4,508,581</u>	<u>1,922,598</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,105,735)</u>	<u>(1,125,343)</u>	<u>(5,559,888)</u>	<u>(4,434,545)</u>	<u>(1,006,382)</u>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from notes payable	-	-	4,714,771	4,714,771	-
Transfers in	<u>1,105,735</u>	<u>1,105,735</u>	<u>968,006</u>	<u>(137,729)</u>	<u>1,078,963</u>
Total Other Financing Sources	<u>1,105,735</u>	<u>1,105,735</u>	<u>5,682,777</u>	<u>4,577,042</u>	<u>1,078,963</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>(19,608)</u>	122,889	<u>142,497</u>	<u>72,581</u>
FUND BALANCE, JANUARY 1			<u>124,856</u>		
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 247,745</u>		



**CITY OF WENTZVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - TRANSPORTATION SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE**  
**TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2005			2004	
	Budgeted Amounts		Actual	Over (Under) Budget	Actual
	Original	Final			
<b>REVENUES</b>					
General property and sales taxes	\$ 2,081,000	2,035,356	2,080,799	45,443	1,851,630
Intergovernmental	7,986,483	3,975,420	2,506,799	(1,468,621)	464,760
Total Revenues	<u>10,067,483</u>	<u>6,010,776</u>	<u>4,587,598</u>	<u>(1,423,178)</u>	<u>2,316,390</u>
<b>EXPENDITURES</b>					
General government:					
Other charges and services	657,083	670,361	656,289	(14,072)	666,258
Repairs and maintenance	100,000	150,000	144,582	(5,418)	227,874
Contractual services	128,400	140,400	347,138	206,738	51,034
Total General Government	885,483	960,761	1,148,009	187,248	945,166
Capital outlay	10,160,463	6,498,883	3,743,916	(2,754,967)	1,344,409
Total Expenditures	<u>11,045,946</u>	<u>7,459,644</u>	<u>4,891,925</u>	<u>(2,567,719)</u>	<u>2,289,575</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(978,463)	(1,448,868)	(304,327)	1,144,541	26,815
<b>OTHER FINANCING SOURCES</b>					
Transfers in	784,463	784,463	50,000	(734,463)	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (194,000)</u>	<u>(664,405)</u>	(254,327)	<u>410,078</u>	<u>26,815</u>
FUND BALANCE, JANUARY 1			255,201		
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 874</u>		

**CITY OF WENTZVILLE, MISSOURI  
REQUIRED SUPPLEMENTAL INFORMATION -  
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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**Budgetary Data**

The City follows the procedures outlined below in establishing the budgetary data reflected in the financial statements:

- a. Prior to December, the City Administrator, after receiving input from each department head, submits to the Board of Aldermen the operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to January 1, the budget is legally enacted through passage of an ordinance.
- c. A motion from the Board of Aldermen is required to transfer budgeted amounts between funds, or to transfer substantial budgeted amounts between departments within any fund or for any revisions that would alter the total expenditures of any fund.
- d. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.
- e. Current year budget includes amendments. Management may authorize transfers of appropriations up to \$2,500 within a department. The Board of Aldermen must approve all transfers between departments and/or in excess of \$2,500.

**CITY OF WENTZVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF WENTZVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE**  
**TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2005			2004	
	Budgeted Amounts		Actual	Over (Under) Budget	Actual
	Original	Final			
<b>REVENUES</b>					
General property and sales taxes	\$ 1,792,000	1,786,404	1,869,726	83,322	1,576,738
<b>EXPENDITURES</b>					
General government:					
Other charges and services	503,563	494,052	509,160	15,108	1,337,831
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,288,437	1,292,352	1,360,566	68,214	238,907
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(1,288,437)	(1,288,437)	(1,243,253)	45,184	(204,916)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>3,915</u>	117,313	<u>113,398</u>	<u>33,991</u>
FUND BALANCE, JANUARY 1			<u>229,829</u>		
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 347,142</u>		



**CITY OF WENTZVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - NEIGHBORHOOD IMPROVEMENT DISTRICT CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE**  
**TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	2005			2004	
	Budgeted Amounts		Actual	Over (Under) Budget	Actual
	Original	Final			
<b>REVENUES</b>					
General property and sales taxes	\$ 3,000	3,000	1,835	(1,165)	2,315
NID assessments	165,200	165,200	28,230	(136,970)	165,329
Investment income	3,160	3,160	5,607	2,447	3,124
Total Revenues	<u>171,360</u>	<u>171,360</u>	<u>35,672</u>	<u>(135,688)</u>	<u>170,768</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	69,166	69,166	65,000	(4,166)	65,000
Interest and fiscal charges	102,194	104,639	105,709	1,070	107,058
Total Expenditures	<u>171,360</u>	<u>173,805</u>	<u>170,709</u>	<u>(3,096)</u>	<u>172,058</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>\$ -</u>	<u>(2,445)</u>	<u>(135,037)</u>	<u>(132,592)</u>	<u>(1,290)</u>
FUND BALANCE, JANUARY 1			<u>405,527</u>		
FUND BALANCE, DECEMBER 31			<u>\$ 270,490</u>		

**CITY OF WENTZVILLE, MISSOURI**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUND**  
**DECEMBER 31, 2005**

	<u>Balance December 31 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2005</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 25,511	335,552	324,600	36,463
Accounts receivable	31,726	48,827	31,726	48,827
Total Current Assets	<u>\$ 57,237</u>	<u>384,379</u>	<u>356,326</u>	<u>85,290</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Due to others	<u>\$ 57,237</u>	<u>384,379</u>	<u>356,326</u>	<u>85,290</u>