

CITY OF WASHINGTON, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011





CITY OF WASHINGTON, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011

PREPARED BY: MARY J. SPRUNG, CPA
FINANCE MANAGER

CITY OF WASHINGTON, MISSOURI
FINANCIAL REPORT

	Page
SECTION I - INTRODUCTORY SECTION	
Letter of Transmittal	i
Principal Officials	vii
Organizational Chart	viii
Certificate of Achievement	ix
SECTION II - FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Fiduciary Net Assets - Agency Funds	23
Notes to Financial Statements	24
Required Supplemental Information:	
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund	50
Notes to Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual	52
Other Supplemental Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	55
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Library Special Revenue Fund	56
Downtown TIF Special Revenue Fund	57
Transportation Sales Tax Capital Projects Fund	58
Capital Improvements Sales Tax Capital Projects Fund	59
COPS Debt Service Fund	60
Vehicle and Equipment Replacement Capital Projects Fund	61
Fiduciary Funds:	
Combining Statement of Changes in Assets and Liabilities - Agency Funds	62

CITY OF WASHINGTON, MISSOURI
FINANCIAL REPORT

	Page
SECTION III - STATISTICAL SECTION	
Net Assets by Component - Last Nine Fiscal Years	64
Changes in Net Assets - Last Nine Fiscal Years	65
Program Revenues by Functions/Programs - Last Nine Fiscal Years	67
Fund Balances of Governmental Funds - Last Nine Fiscal Years	68
Changes in Fund Balances, Governmental Funds - Last Nine Fiscal Years	69
Tax Revenues by Source, Governmental Funds - Last Nine Fiscal Years	70
Sales Tax Revenue, Governmental Funds - Last Nine Fiscal Years	71
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	72
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	73
Principal Taxpayers - Current Year and Nine Years Ago	74
Property Tax Levies and Collections - Last Ten Fiscal Years	75
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	76
Direct and Overlapping Governmental Activities Debt	77
Legal Debt Margin Information - Last Ten Fiscal Years	78
Demographic Statistics - Last Ten Fiscal Years	79
Principal Employers - Current Year and Nine Years Ago	80
Full-time Equivalent Employees by Functions/Programs - Last Ten Fiscal Years	81
Operating Indicators by Functions/Programs - Last Ten Fiscal Years	84
Capital Assets Statistics by Functions/Programs - Last Ten Fiscal Years	85

SECTION I - INTRODUCTORY SECTION



March 23, 2012

To the Honorable Mayor, City Council Members, and Citizens of the City of Washington:

We are pleased to present the Comprehensive Annual Financial Report of the City of Washington, Missouri for the fiscal year ended September 30, 2011. The Finance Department prepared this report and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly present the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements were audited by Hochschild, Bloom and Company LLP. The goal of the independent audit was to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has issued an unqualified opinion on these financial statements for the year ended September 30, 2011. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

The Comprehensive Annual Financial Report is presented in three sections:

- The *Introductory* section, which is un-audited, includes the letter of transmittal, an organizational chart, and a list of the City's principal elected and appointed officials.

- The *Financial* section includes the independent auditor’s report, Management’s Discussion and Analysis, basic financial statements for the City, and required and additional supplementary information.
- The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis.

Profile of the City/Local Economy

Lucinda Owens officially founded Washington, on May 29, 1839. A charter was granted to the town by the State Legislature on February 15, 1841. Washington is a city of the third class duly organized under Missouri State laws, with a Council/Administrator form of government. The Council consists of eight members representing four wards plus a mayor that is city selected on a non-partisan basis. The City Administrator is appointed by the Council and is responsible for day-to-day operations of the City.

The City provides its citizens with typical services, such as street maintenance and construction, police and fire protection, code enforcement, engineering and planning, facilities inspections, parks and recreation and library facility. These services are financed from general revenues of the City. The City also, provides water, sewer, and sanitation services derived from revenues from user fees.

The City of Washington is situated along the Missouri River and is located 55 miles west of St. Louis. Highway 100 and Highway 47 are the two state highways leading to the City. Construction converting Missouri State Highway 100 to four lanes from I-44 to Washington began in 2008 and was completed in 2010. Amtrak and the Union Pacific Railroads also serve the City. The City’s Washington Memorial Airport is located in Warren County, approximately two and a half miles North of Washington on Missouri State Highway 47. The airport is home base for 36 airplanes. Ameren UE provides the City with electricity and Laclede Gas provides gas service. Both traditional and cellular phone service is provided by several companies. The Missouri Public Service Commission regulates these companies.

Census population figures for the City in 2000 and 2010 were 13,243 and 13,982, respectively. The City now serves a shopping population of over 150,000. With more than 300 retail stores, it is the largest shopping center between St. Louis and Jefferson City. Phoenix Center II Community Improvement District was established in 2006. This component unit of the City receives 50% of the County and City of Washington’s share of sales tax collected in the District. Anchor stores for this District are Target and Kohl’s.

Over 60 industries are located in Washington, employing an estimated 7,000 people. The City has a growing visitor industry, attracted by the boat access to the Missouri River, historical buildings, and wineries located in the general area.

There are four radio stations, two local television stations and a twice-weekly newspaper. In addition, the cable television company carries a local channel broadcast from East Central College. Additional radio and television services are available from the St. Louis area.

Washington School District operates eight elementary schools, one middle school and a high school for the City and the surrounding area. There are several parochial schools including Immanuel Lutheran School, Our Lady of Lourdes, and St. Francis Borgia Grade school and High School. Four Rivers Career Center provides technical training. Total student attendance at these schools is approximately 5,080 students.

There are currently seven banks with combined assets of approximately \$1.4 billion.

Mercy Hospital has been serving area residents since 1926. Part of the Sisters of Mercy Health System, the 187 bed non-profit facility is a Level III Trauma Center that has received numerous state and national honors over the years.

In 1989, much of the downtown area was placed on the National Register of Historical Places.

Washington was designated as a DREAM community in 2006 by former Governor Matt Blunt. This initiative will help the community to more efficiently and effectively engage in downtown redevelopment and revitalization efforts. In 2006, the Washington Downtown RPA-1 TIF District was established. This District receives 100% of the property tax and 50% of the sales taxes collected in this district above the base amounts established in 2006. In 2010, the Rhine River RPA-2 TIF District was established. This District also receives 100% of the property tax and 50% of the sales taxes collected in this district above the base amounts established in 2010.

Major Initiatives

Again in 2011, the City continued to improve its facilities and infrastructure to serve its citizens. This includes the following projects being funded by a ½% capital improvement sales tax:

- Library Renovation and Expansion project which is expected to be open in April 2012.
- Fire training center - Phase II which is expected to be completed in 2012.
- Highway 100 expansion to four lanes from Jefferson Street to High Street which is expected to begin in 2013.

In addition, the city is in the process of installing new governmental accounting software which will allow for more flexibility and improved efficiency, including on-line access to account information.

The City is making several park improvements including a skate park facility and an all-abilities park which are expected to be completed in 2012. The all-abilities park will be partially funded with community donations through the Washington Jaycees.

In 2012, the City began construction of 1,900 linear feet rail spur for industrial shipping/receiving. The Team Track Facility will be located at 2010 W. Main Street and will be open by 2013.

Finally, the City is implementing an Automated Meter Reading system which will greatly benefit the citizens of Washington. First, over 6,000 meters will be replaced with new meters. This new equipment is more accurate and will enable the City to have actual reads each month thus eliminating estimated reads. In addition, the infrastructure investment will set the City up for the next 20 to 25 years with minimal repairs and meter replacements thus saving money over time. The project is expected to cost approximately \$4.6 million and will be funded through a COP issue with several local banks committing to the project.

Long-Term Financial Planning

The City adopted a five-year capital improvement plan in its 2010-2011 budget. Projecting project costs and estimating revenues for the next five years enables the city to prioritize and prepare for its future capital needs more effectively. The City's 2011-2012 operating budget included a five year budget plan for the general and special revenue funds which will assist management in addressing and estimating future needs of the city.

The City adopted a Fund Balance policy on September 6, 2011 in accordance with GASB 54. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels, raising taxes and fees due to temporary revenue shortfalls or unexpected expenditures. The policy states the City will maintain a reserve level with a minimum 15% of projected annual operating expenditures in the General Fund. As of September 30, 2011, the unreserved fund balance in the General Fund is in compliance with the City's policy. City management also tries to maintain a 25% reserve in its enterprise funds for future debt service requirements. This reserve is not set by ordinance/resolution.

The final scheduled water rate increase took effect to cover costs for future improvements.

Economic Condition

Since 2007, we have experienced a slow but steady decrease in sales tax of 3-6%. In 2010, sales tax remained flat with approximately a 2% decrease in revenue from 2009 while 2011 sales tax increased approximately 7% from 2010 figures. The City is optimistic about future sales tax

estimates but still remains conservative in spending and anticipates additional economic recovery in the next fiscal year or two.

Financial Information

In fulfilling its responsibilities for reliable financial statements, management depends on the City's system of internal control. This system is designed to provide reasonable assurance that assets are effectively safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded.

The annual budget serves as the foundation for the City's financial planning and control. Legal level of budgetary control is maintained at the fund level. The City included a five-year operating budget for the General Fund in the 2012 budget. Transfers of appropriations and any fund level changes require approval of City Council through the budget amendment process. Budget to actual comparisons, which are required for each individual governmental fund for which an appropriated annual budget has been adopted, are included in this report.

Cash Management Policies and Practices

To maximize investment earnings, the City consolidates cash balances of all funds except for certain restricted funds. Cash temporarily idle during the year was invested in demand deposits and money market funds. The City was able to produce a reasonable return on investments, given current market conditions, for the year ending September 30, 2011. The amount of investment income earned on cash accounts was approximately \$526,000 which represents an average yield of 2.5%.

The objective of the City's investment program is to reduce credit and market risk while maximizing return on idle funds, in accordance with State statutes. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the pledging bank's agent in the City's name. For additional information regarding cash deposits and investments, see financial statement Note B.

Risk Management

The City's current property insurance carrier is Daniel & Henry. Policies covered include general liability, and property and casualty insurance. The City purchases worker's compensation, health and dental insurance through private insurance carriers. Additional information on the City's risk management activity can be found in Note K of financial statements.

Retirement System

The City participates in the Missouri Local Government Employees Retirement System. The plan is non-contributory and covers all full-time City employees. The City funds the entire cost of the plan. Contributions, based on actuarial valuations, were 11.6% (general) and 11.2% (police) of annual covered payroll.

The City also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This is solely an employee contributory plan. Additional information can be found in Note I of the notes to the basic financial statements.

Awards

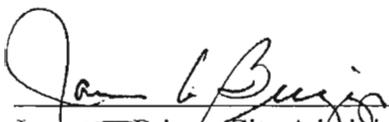
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Washington, Missouri for its comprehensive annual financial report for the fiscal year ended September 30, 2010. This was the second year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

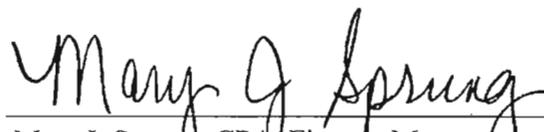
Acknowledgement

Sincere appreciation is extended to the Mayor and City Council for their continued support. This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of the entire staff. Appreciation is also extended to all department personnel. Special acknowledgement is extended to Hochschild, Bloom and Company, LLP for their service in the conduct of the annual audit and assistance in making this report available.

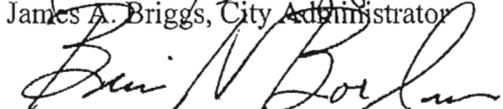
Respectively Submitted,



James A. Briggs, City Administrator



Mary J. Sprung, CPA, Finance Manager



Brian N. Boehmer, Assistant City Administrator

CITY OF WASHINGTON, MISSOURI
PRINCIPAL OFFICIALS

MAYOR

Sandy Lucy

WARD 1

Steve Sullentrup
Walter Meyer

WARD 2

Jeff Mohesky
Mark Hidritch

WARD 3

Connie Groff
Tim Brinker

WARD 4

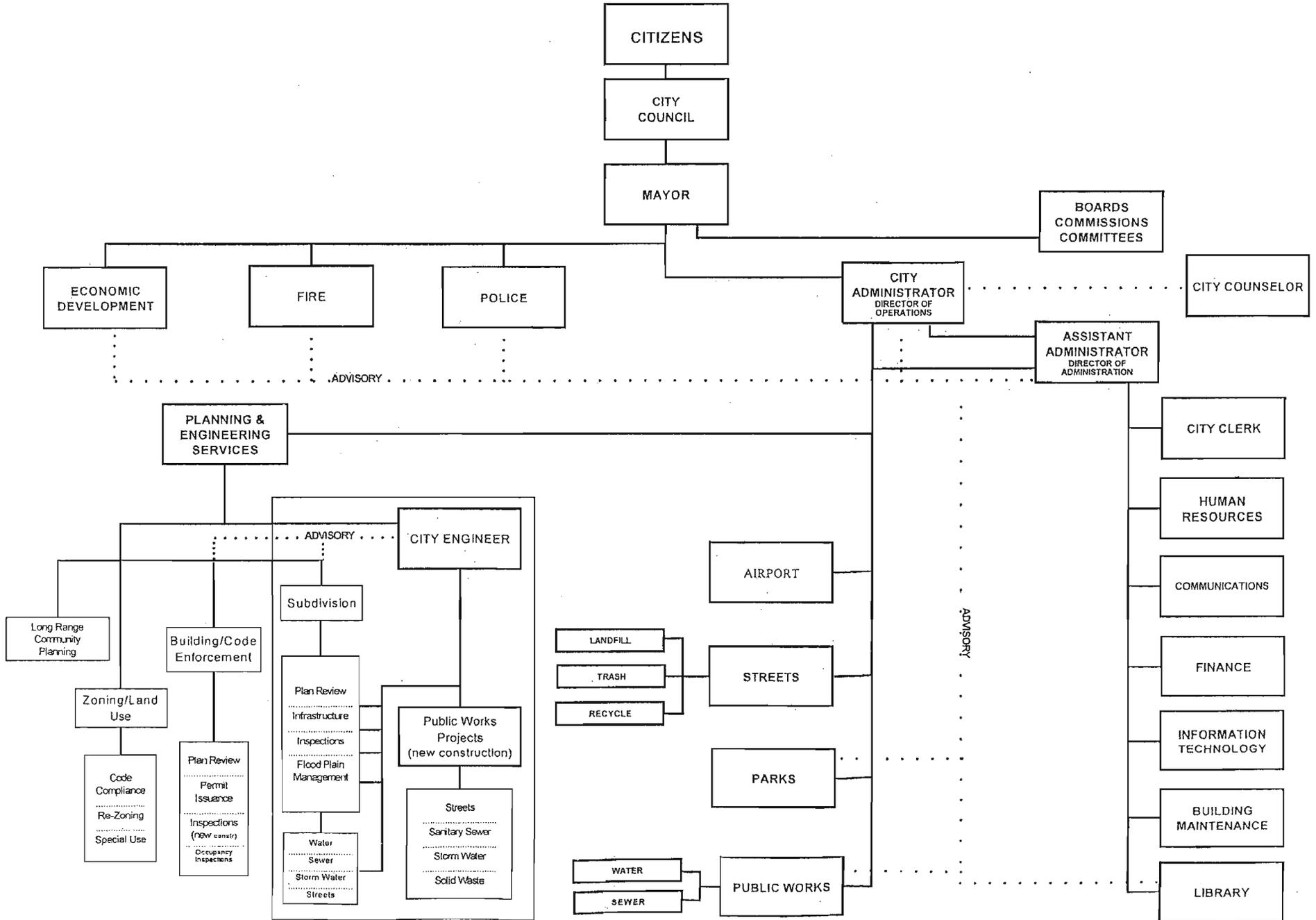
Carolyn Witt
Joe Holtmeier

ALL OTHER CITY OFFICIALS

James Briggs - City Administrator
Brian Boehmer - Assistant City Administrator
Brenda Mitchell - City Clerk
Mark Piontek - City Attorney
Mary Sprung, CPA - Finance Manager/Treasurer/City Collector
Ken Hahn - Police Chief
Lisa Hotsenpillar - Communications Director
W. H. "Bill" Halmich - Fire Chief/Emergency Preparedness Director
Donna Tune - Information Technology Director
Nell Redhage - Librarian
Darren Dunkle - Parks Director
John "Jack" Brinker - Street Superintendent
Darren Lamb - Economic Development Director
Dan Boyce - City Engineer
Kevin Quaethem - Water/Wastewater Superintendent

ORGANIZATIONAL CHART

CITY OF WASHINGTON, MISSOURI



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Washington
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Janson

President

Jeffrey R. Emer

Executive Director

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION II - FINANCIAL SECTION



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

March 23, 2012

Mayor and City Council
CITY OF WASHINGTON, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WASHINGTON, MISSOURI** (the City) as of and for the year ended September 30, 2011 which collectively comprise the City's basic financial statements. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of September 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055

1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

www.hbclp.com

Membership in: **IGAF POLARIS**
© Global Association of Independent Firms

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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 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 supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion thereon.


CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WASHINGTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

This section of the City of Washington, Missouri's (the City) comprehensive annual financial report presents our review of the City's financial performance during the fiscal year that ended on September 30, 2011. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$52,506,301 (net assets). Of this amount, \$4,914,893 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased approximately \$1.8 million. Governmental activities net assets increased by \$1.6 million, while the business-type activities net assets increased by \$125,000.
- General revenues for governmental activities were \$12,848,795, an increase of \$648,000 from the prior year. Revenues included \$9,898,595 (77%) in sales, franchise and tourism taxes. Property taxes accounted for \$2,494,598 (19.4%).
- Net expenditures/expenses from the various functions of governmental activities were \$11,211,163. More specifically, general government was \$1,647,591 (14.7%), public safety was \$3,404,222 (30.4%), and highways and streets amounted to \$1,874,148 (16.7%).
- The City's total debt increased approximately \$11 million during the current fiscal year. A major factor contributing to the increase was the issuance of \$11,365,000 million of 2010 certificate of participation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is provided as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, including component units, in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary fund activities.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Increases or decreases in net assets serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of net activities* represents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected special assessment charges and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, airport, culture and recreation, and economic development. The business-type activities of the City include water operations, sewage treatment system, and solid waste collection including a recycling center.

Two separate organizations are considered component units of the City - the Industrial Development Authority (IDA) and the Phoenix Center II Community Improvement District (the District). The IDA is organized to develop and promote commercial industrial, agricultural, and manufacturing facilities in the City. The financial activity of the IDA is insignificant in relation to the City and the component unit has been excluded from the accompanying basic financial statements. The District is organized

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

to construct public infrastructure improvement projects to serve a new commercial redevelopment project in the City. The District financial activity is discretely presented in the City's basic financial statements.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Sales Tax Fund, Transportation Sales Tax Fund, and COPS Fund, all of which are considered to be major funds. Due to similarity of purpose, the revenue and expenditures of the Storm Water Improvement Fund, the Volunteer Fire Fund, and the General Fund are combined and reported in the General Fund. Data from the four other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Other Supplemental Information Section of this report.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

Proprietary funds. The City maintains *Enterprise funds* to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewage treatment, and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the Water Fund, Sewage Treatment Fund, and Solid Waste Fund operations, all of which are considered to be major funds of the City.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. These funds are Taxable Industrial Revenue Bonds (HBAS Manufacturing, Inc. Project), Series 2005, Taxable Industrial Revenue Bonds (Pauwels Project), Series 2008 A & B, Taxable Industrial Revenue Bonds (Valent Aerostructures), Series 2010 A & B.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Other information. In addition to the basic financial statements and accompanying notes, this report contains certain *required supplementary information* regarding budgetary information. The combining and individual statements for the non-major governmental funds are presented as other supplemental information and immediately follow the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements as required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is also included in this report.

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. As of September 30, 2011, assets exceeded liabilities by \$52.5 million. The largest portion of the City's net assets, \$37.2 million (70.8%) reflects its investment in capital assets (e.g. land and permanent easements, construction in progress, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets may not be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets as of September 30, 2011 and 2010:

	Condensed Statement Of Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and other assets	\$ 32,021,735	19,620,676	5,875,047	4,865,532	37,896,782	24,486,208
Capital assets, net	47,803,954	46,149,238	35,001,239	36,495,807	82,805,193	82,645,045
Total Assets	<u>79,825,689</u>	<u>65,769,914</u>	<u>40,876,286</u>	<u>41,361,339</u>	<u>120,701,975</u>	<u>107,131,253</u>
Liabilities						
Current liabilities	2,736,793	2,161,950	579,510	569,994	3,316,303	2,731,944
Noncurrent liabilities	42,686,942	30,843,642	22,192,429	22,812,269	64,879,371	53,655,911
Total Liabilities	<u>45,423,735</u>	<u>33,005,592</u>	<u>22,771,939</u>	<u>23,382,263</u>	<u>68,195,674</u>	<u>56,387,855</u>
Net Assets						
Invested in capital assets, net of related debt	19,903,202	19,586,634	17,257,501	17,783,318	37,160,703	37,369,952
Restricted	10,227,205	8,910,870	203,500	203,500	10,430,705	9,114,370
Unrestricted	4,271,547	4,266,818	643,346	(7,742)	4,914,893	4,259,076
Total Net Assets	<u>\$ 34,401,954</u>	<u>32,764,322</u>	<u>18,104,347</u>	<u>17,979,076</u>	<u>52,506,301</u>	<u>50,743,398</u>

The City is able to report the following positive balances in all categories of net assets.

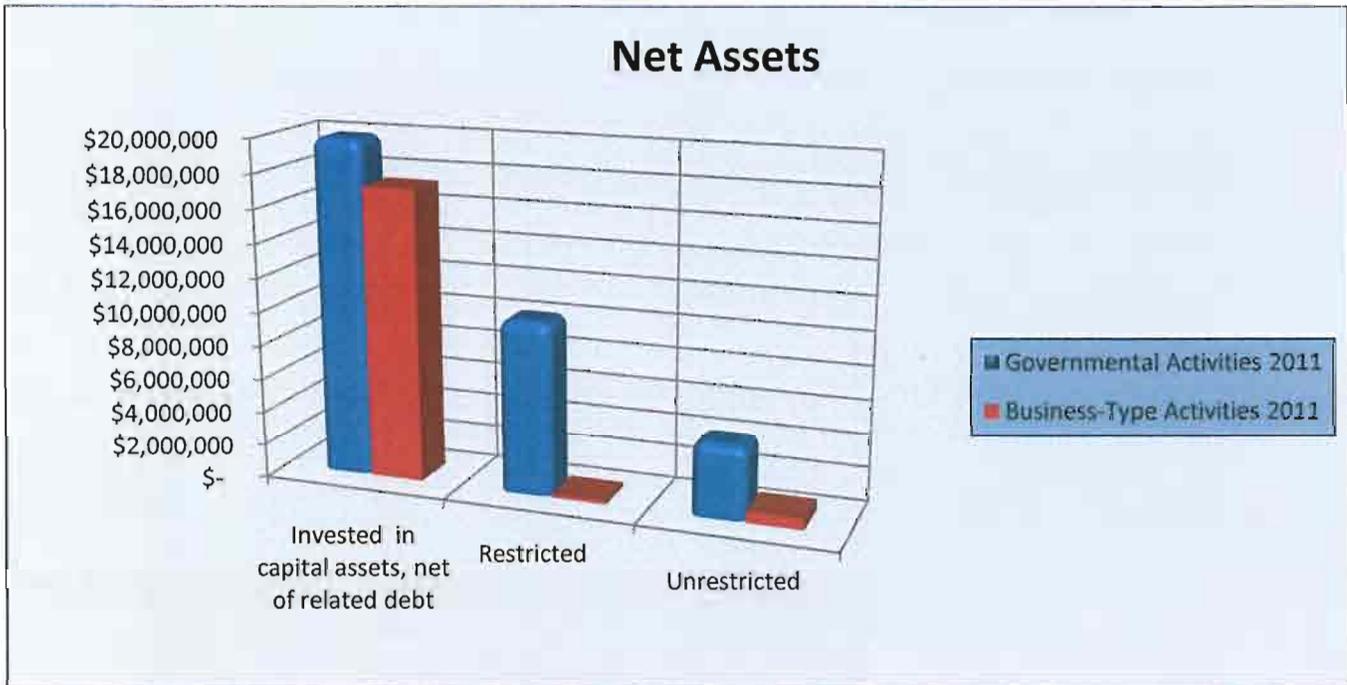
- \$37.2 million Invested in capital assets, net of related debt
- 10.4 million Restricted
- 4.9 million Unrestricted

The City's combined net assets increased to \$52.5 million from \$50.7 million as a result of the year's revenues exceeding expenditures/expenses as reflected in the next table. Governmental activities reflect net assets of \$34.4 million while business-type activities reflect \$18.1 million.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Restricted net assets for governmental and business-type activities are \$10.2 million and \$203,500, respectively. Restricted net assets equal 19.9% of total net assets. These restricted net assets are for capital projects, debt service and TIF districts. Governmental activities restricted net assets increased by \$1.3 million in 2011 as a result of issuing 2010 Certificates of Participation for \$11,365,000. This COP issue is funding several of the capital improvement sales tax projects which are scheduled for completion in the next couple of years including the library renovation project which is scheduled to reopen in April 2012.

The remaining portion of the City's net assets represent *unrestricted net assets*. Total unrestricted net assets of \$4.9 are available to be used to meet the City's ongoing obligations to citizens and creditors. Governmental activities unrestricted net assets increased slightly by \$4,729 leaving a balance of \$4.3 million. Business-type activities unrestricted net assets reflect a balance of \$643,346. This represents an increase of \$650,000 resulting from scheduled water and sewer rate increases in 2010 and 2011.



CHANGES IN NET ASSETS

The following table reflects the revenues and expenses for the City's statement of activities for the years ended September 30:

CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Changes In Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	\$ 2,218,762	1,912,014	6,284,478	5,944,622	8,503,240	7,856,636
Operating grants and contributions	659,758	651,778	-	25,000	659,758	676,778
Capital grants and contributions	349,061	1,040,427	-	25,849	349,061	1,066,276
General revenues:						
Property taxes	2,494,598	2,416,799	-	-	2,494,598	2,416,799
Sales taxes	7,491,229	7,218,424	-	-	7,491,229	7,218,424
Franchise taxes	2,294,682	2,154,923	-	-	2,294,682	2,154,923
Tourism	112,684	102,583	-	-	112,684	102,583
Investment income	325,407	287,603	663,207	681,271	988,614	968,874
Gain on sale of capital assets	-	22,967	779	450	779	23,417
Grants and contributions not re- stricted to specific programs	130,095	-	-	-	130,095	-
Miscellaneous	100	-	53,000	50,909	53,100	50,909
Total Revenues	16,076,376	15,807,518	7,001,464	6,728,101	23,077,840	22,535,619
Expenditures/Expenses						
General government	2,391,957	2,459,637	-	-	2,391,957	2,459,637
Public safety	4,167,300	4,209,328	-	-	4,167,300	4,209,328
Airport	389,357	358,257	-	-	389,357	358,257
Highways and streets	3,138,175	2,993,414	-	-	3,138,175	2,993,414
Culture and recreation	2,036,074	1,862,053	-	-	2,036,074	1,862,053
Economic development	422,541	3,793,925	-	-	422,541	3,793,925
Interest on long-term debt	1,893,340	1,312,223	-	-	1,893,340	1,312,223
Water	-	-	1,432,160	1,319,119	1,432,160	1,319,119
Sewage treatment	-	-	3,028,022	2,964,188	3,028,022	2,964,188
Solid waste	-	-	2,416,011	2,215,213	2,416,011	2,215,213
Total Expenditures/Expenses	14,438,744	16,988,837	6,876,193	6,498,520	21,314,937	23,487,357
Excess (deficiency) before transfers	1,637,632	(1,181,319)	125,271	229,581	1,762,903	(951,738)
Transfers	-	(3,055)	-	3,055	-	-
Increase (decrease) in net assets	1,637,632	(1,184,374)	125,271	232,636	1,762,903	(951,738)
Net assets, beginning	32,764,322	33,948,696	17,979,076	17,746,440	50,743,398	51,695,136
Net Assets, Ending	\$ 34,401,954	32,764,322	18,104,347	17,979,076	52,506,301	50,743,398

GOVERNMENTAL ACTIVITIES

For the fiscal year ended September 30, 2011, total combined revenues are \$23 million (governmental and business-type). Governmental activity revenue totaled \$16 million or 70% of the total City revenues while revenues from business-type activities totaled \$7 million or 30% of total revenue.

Sales tax, the largest governmental category, generated \$7.5 million or 47% of governmental revenue resulting in an increase of \$272,805 or 3.8% over prior year, which showed signs of slight recovery from the impact of the sluggish economy in 2010. Property taxes increased \$77,799 over the prior year due to both new residential and commercial properties that came onto the tax rolls. Franchise fees increased \$139,759 over the prior year primarily due to a rate increase from Ameren, the local electric provider. Capital grants and contributions decreased by \$690,000 mainly due to timing of the currently scheduled projects.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Governmental activities expense decreased \$2.6 million or 15% for the fiscal year ended September 30, 2011 compared to the fiscal year ended September 30, 2010. This decrease is mainly due to the issuance of \$3.8 million in tax increment revenue notes included in economic development category in 2010.

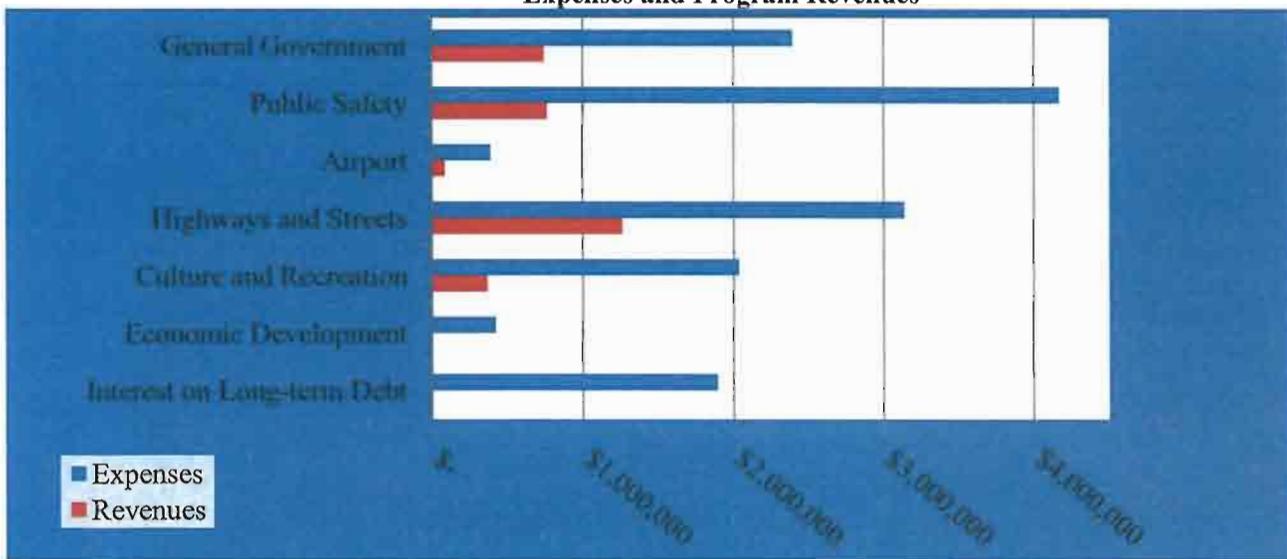
The City has experienced a slight recovery as witnessed by the 3.8% increase in sales tax in 2011. The City remains optimistic about the recovery continuing, but still maintains a proactive approach by curtailing non-essential overtime and adjusting work schedules to coordinate manpower requirements between departments.

Certain revenues are generated specific to governmental program activities. These direct revenues totaled \$3.2 million. The following table shows expenditures for program activities and the effect of these direct revenues to program costs.

	Net Cost Of Governmental Activities			
	Total Cost of Service		Net Cost of Service	
	2011	2010	2011	2010
General government	\$ 2,391,957	2,459,637	(1,647,591)	(1,790,921)
Public safety	4,167,300	4,209,328	(3,404,222)	(3,348,005)
Airport	389,357	358,257	(301,086)	(274,164)
Highway and streets	3,138,175	2,993,414	(1,874,148)	(1,374,756)
Culture and recreation	2,036,074	1,862,053	(1,668,235)	(1,490,624)
Economic development	422,541	3,793,925	(422,541)	(3,793,925)
Interest on long-term debt	1,893,340	1,312,223	(1,893,340)	(1,312,223)
Total	\$ 14,438,744	16,988,837	(11,211,163)	(13,384,618)

Expenditures from governmental activities totaled \$14 million which is a decrease from prior year of \$2 million. However, net costs of these services were \$11.2 million. The reason for this decrease is that in 2010 TIF notes were issued in the amount of \$3.8 million. The difference represents program revenues received from charges for services of \$2.2 million, operating grants and contributions of \$659,758 and capital grants and contributions of \$349,061. Taxes and other revenues of \$12.8 million were generated to cover these net costs.

**Governmental Activities
Expenses and Program Revenues**



**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

BUSINESS-TYPE ACTIVITIES

Business-type program revenues totaled \$6.3 million resulting in an increase of \$289,007 compared to the prior year. Water rate increases scheduled for October 2010 were implemented to provide for operations and debt service obligations. Also, the first trash rate increase began in June 2011 to provide for operations.

The following table shows expenses for program activities and the effect of these revenues to program costs.

	Net Cost Of Business-Type Activities			
	Total Cost Of Service		Net Cost Of Service	
	2011	2010	2011	2010
Water	\$ 1,432,160	1,319,119	(25,572)	(31,406)
Sewage treatment	3,028,022	2,964,188	(363,029)	(304,944)
Solid waste	2,416,011	2,215,213	(203,114)	(166,699)
Total	\$ 6,876,193	6,498,520	(591,715)	(503,049)

Expenses increased by \$370,000 primarily from a full year allocation of departmental services provided by other departments and the cost of asphalt being allocated to each respective department. Prior year figures only included a partial year.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's fund statements can be found in the basic financial statements. Reconciliation to the government-wide financial statement has been provided with these fund statements.

Governmental Funds. The focus of the City's governmental funds is to provide information on inflows, outflows, and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. In 2011, the City adopted a fund balance policy in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions which establishes clearer fund balance classifications that can be more consistently applied and clarifies existing governmental fund types. For all governmental funds, fund balance is now classified into the following five categories with the most restrictive listed first: Nonspendable, Restricted, Committed, Assigned and Unassigned.

General Fund -- The General Fund is the primary operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$0.7 million, while the total fund balance was \$6.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 6% of total General Fund expenditures and transfers out of \$10.9 million; while total fund balance represents 62% of total General Fund expenditures and transfers out. The City's General Fund balance increased \$950,000 from the prior year. The change of the current year's fund balance is partially due to the Volunteer Fire fund being combined with the General Fund in accordance with the fund definitions as presented in GASB Statement No. 54. In addition, both sales tax revenue and franchise were higher than originally anticipated and careful monitoring of expenditures as part of the City's diligence during a period of economic sluggishness contributed to the increase in fund balance.

The City recognizes the need for a fund balance that can absorb an economic downturn or natural disaster to avoid changes and reductions in service levels. On April 4, 2005, the City Council adopted a resolution committed to maintaining at a minimum, an amount equal to 15% of operating expenditures in the General Fund balance. For September 30, 2011, 15% of operating expenditures is \$1,408,021 and fund balance is \$3,451,218 resulting in compliance with the City's resolution.

CITY OF WASHINGTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Capital Improvements Sales Tax -- At the end of the current fiscal year, the total fund balance of this capital projects fund was \$12.8 million, an increase of \$10.4 million over prior year. This increase is due to the 2010 COP proceeds the City received to fund projects such as the library expansion, fire training center, various park improvements and other city projects. The library expansion project was the only major project that was underway in 2011 which resulted in a higher fund balance as of September 30, 2011. Several large projects are scheduled for 2012. The Capital Improvement Sales Tax was initially approved July 1989.

Transportation Sales Tax -- In April 2006, the voters passed a ½-cent sales tax for the purposes of transportation, including, but not limited to, payment of the local share of the cost of expanding Highway 100 from Interstate 44 to High Street from two lanes to four lanes. This is a 50/50 cost-sharing project with the Missouri Highways and Transportation Commission. Phase I is completed (Highway 100 from the city limits to Highway 47). Phase II (City limits to Interstate 44) is completed. Phase III (Highway 100 to High Street) is in design phase with projected construction in 2013. In addition, the City has a ten-year plan for upgrading and improving local roadways. This tax was effective October 1, 2005 and expires June 30, 2030. The fund balance at September 30, 2011 was \$3.7 million, an increase of \$63,000 over prior year. This increase is mainly due to the City having only a couple of street projects scheduled and completed including the annual Ultra-thin bonding surface, asphalt overlay program and Elm Street resurfacing.

COPS -- The COPS fund balance of this debt service fund is \$3.1 million as of September 30, 2011 which was an increase of \$130,000 over prior year as a result of the federal subsidy (Build America Bonds program) received on the 2010 COP issue.

Proprietary Funds. The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

A review of the operations of the enterprise funds indicates water, sewage treatment, and solid waste operations reflect a net operating income totaling \$337,896.

Even though user charges were increased in the current year, the Water Fund operating income showed a loss of \$25,572 but a change in net assets of a \$71,988. During the current fiscal year, weather conditions were more seasonable with consistent rain events that lowered demand for lawn irrigation in particular. The final scheduled water rate increase will take effect on October 1, 2011 to cover operations and future infrastructure requirements.

The sewage treatment operations reported an operating income of \$566,582 which is a slight decrease from 2010 of \$80,000.

Solid waste operations consist of residential solid waste collection, landfill operation, and a recycling center. The City opened the third phase of the landfill in the 2009. The solid waste operations reported an operating loss of \$203,114 which is an increase of \$11,000 from the operating loss of the prior year. The staff has implemented better compaction methods in an effort to extend the life expectancy, monitored operating costs, and evaluated user fees to reduce the loss. In addition, citizens approved a trash rate increase in April 2011 which took effect in June 2011. This increase in revenue will help to cover the increased costs related to the solid waste operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original and the final amended budget can be summarized as follows:

- Total original revenue was budgeted at \$10.7 million which was increased to \$11 million. The budget was amended \$300,000 for an increase in sales tax of \$125,000, an Ameren rate increase of \$250,000, and insurance proceeds from storm damage which was not originally anticipated. The original budget was also decreased by \$105,000 from the elimination of traffic cameras.
- The total original expenditure budget of \$9.4 million increased to \$9.6 million (an increase of \$200,000). This increase was due to adjustments to salary expense and overtime for the police department, roof replacement of a park building,

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

other various park improvements needed as a result of storm damage, and a decrease in contracted services due to the elimination of the operation of traffic violation cameras.

Differences between the final amended budget and actual can be summarized as follows:

Final budgeted revenues were estimated at \$10,982,040 while actual revenues were \$10,967,019. The biggest difference was in rent revenue which was \$53,469 under budget primarily due to the timing of collection of rents. Charges for services and donations were \$39,081 and \$31,774 under budget because both of these vary from year to year. Department allocations are based on actual wages and benefits and one employee retired and a subsequent position was not replaced in the department. Also, health insurance costs were lower than expected. In addition, donations are directly linked to the economy's condition.

Expenditures were estimated at \$9.6 million. Actual expenditures were \$164,214 less than projected. This was primarily due to ongoing monitoring of expenditures and postponement of any unnecessary expenditure in the current year.

- Streets reported \$51,556 under budget projections due mainly to engineering fees incurred for a storm water study and gasoline and diesel prices coming in lower than expected.
- Capital outlay was under budget by \$51,989 due to delaying the purchase of a new fire department vehicle until 2012.
- Culture and recreation reported \$31,720 under budget projections due to reduction of non-essential expenditures and lower cost incurred for contracted services for the aquatic center.

Total other financing uses actual was \$1.5 million or \$62,672 under budget. Transfers are needed to subsidize the operations of the Library and for funding for the Vehicle and Equipment Capital Projects Fund and COPS Fund. Since the library was in the renovation process in 2011, the library was not spending as much in its temporary location, therefore, it did not require the full subsidy that was budgeted.

The General Fund ended the year with actual revenues exceeding actual expenditures by \$1,580,213 and a net increase in change in fund balance of \$947,506.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. Total capital assets for the City as of September 30, 2011, is \$82.8 million, net of accumulated depreciation. Capital assets (net), increased by approximately \$160,000 due to the following:

- Non-essential spending limitation
- Disposal of surplus capital assets
- Increase in construction in progress from the library renovation project

The following chart breaks down the City's capital assets into the various categories of assets:

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	(Net Of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 6,769,950	6,769,950	879,795	879,795	7,649,745	7,649,745
Infrastructure	18,558,521	17,915,184	-	-	18,558,521	17,915,184
Buildings	10,929,066	11,255,202	22,070,112	23,074,057	32,999,178	34,329,259
Improvements other than buildings	5,384,778	5,531,357	11,010,363	11,363,169	16,395,141	16,894,526
Machinery and equipment	3,409,391	3,772,732	1,019,525	1,138,727	4,428,916	4,911,459
Construction in progress	2,752,248	904,813	21,444	40,059	2,773,692	944,872
Total Capital Assets, Net	\$ 47,803,954	46,149,238	35,001,239	36,495,807	82,805,193	82,645,045

Some of the major capital asset transactions during the year include the following:

- Three police vehicles, equipped totaling \$77,500
- Truck for parks - \$25,300
- Snow blower w/truck loading chute - \$5,400
- Elm Street Resurface - \$235,000
- Fulton Street Asphalt Overlay - \$19,050
- Sidewalk Program - \$50,000
- Ultra thin Bond Wear Surface - \$731,500
- Street surfacing Asphalt Overlay- \$538,000
- Scada well system - \$68,500
- Zodiac boat - \$26,000
- Handheld meter readers - \$20,500
- Trailer-valve and vacuum machine - \$46,650
- Time clocks - \$10,500
- Audio Visual Equipment Upgrades - \$43,000
- Fencing-Variou locations - \$100,500
- Parking Lots - Various locations - \$95,000
- Bleachers - \$45,000
- Building roof replacement - \$33,000
- Storm water Improvement - \$13,000

These capital assets are funded by COP financing, user charges, sales tax revenues, and intergovernmental revenues.

Additional information on the City's capital assets can be found in Note D of this report.

Debt Administration. As of September 30, 2011, the City had a total of \$64.8 million of outstanding obligations. This is an increase of \$11 million or 21% from the previous year.

A payment of \$105,000 for Sewage System Revenue Bonds, 2001B Series leaves a principal balance of \$110,000.

In December 2007, the City issued Sewerage System Revenue Bonds, Series 2007 for \$20,000,000 for the construction of the sewage treatment facility. A principal payment of \$855,000 was made in 2011 resulting in a principal balance of \$18,310,000.

The City has \$26,830,000 in 2008 certificates of participation outstanding. In 2008, the City issued these certificates to finance the City's share of the Route 100 widening project and Municipal Complex Enhancement Projects. A principal payment of \$5,000 was made in the current year.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

The City has \$11,365,000 in 2010 certificates of participation outstanding. In 2010, the City issued these certificates to finance the City's share of the Route 100 widening project-Phase 3, the Library renovation projects, fire training center and other various city projects to be funded from the capital improvement sales tax renewal. No principal payments were made in the current year.

The City made its final lease/purchase agreement payment of \$20,647 for the purchase of communications equipment.

In 2011, the City issued tax increment revenue notes in the amount of \$422,212. No principal payments were made in 2011.

Additional information on the City's long-term debt can be found in Note G of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Combined General Fund revenues for fiscal year 2012 are projected to total \$10,444,315. This represents an increase of \$305,000 over the prior year budget.

The City experienced slight recovery in sales tax growth in 2011. In 2012, a 4% sales tax increase was budgeted with the City remaining cautiously optimistic with the current economic conditions.

General Fund expenditures are projected to total \$9,346,370 compared to \$8,826,130 in fiscal year 2011. This represents an increase of \$520,240 primarily due to wage and related benefit increases budgeted in 2012.

The City approved a wage increase for employees for 2012. This was the first increase that has been budgeted for 3 years. The City remains on a hiring freeze and is currently not replacing employees upon termination unless deemed absolutely necessary.

Health insurance premium increases were budgeted with a 10% increase due to the upward spiral in health insurance costs as evidenced the last few years. Indications still predict a higher premium increase for future budgets.

All non-essential capital projects were removed from the budget again in 2012.

A trash rate increase was approved and implemented in June 2011 with subsequent estimated future increases budgeted in subsequent budget years.

A majority of the capital projects funded from the capital improvement sales tax fund are scheduled for 2012 and 2013.

The City is considering expansion of its boundaries by annexation of properties into the city limits. This will not only expand the City's property tax revenue base, but will also challenge the City in its efforts to provide city services to these areas.

By making both revenue and expenditure adjustments as listed above and maintaining a conservative approach, the City feels confident that it will be able to meet the needs of its citizens and services will remain relatively unchanged.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to Mary J. Sprung, CPA, Finance Manager, City of Washington, 405 Jefferson Street, Washington, Missouri 63090.

CITY OF WASHINGTON, MISSOURI

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

	Primary Government			Component Unit - Community Improvement District
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 9,710,742	3,756,645	13,467,387	1,694
Receivables (net of allowance for (uncollectibles))	2,819,090	884,452	3,703,542	125,362
Loans receivable	1,900,694	-	1,900,694	-
Inventory	350,399	125,784	476,183	-
Prepaid items	266,289	60,388	326,677	17,002
Internal balances	185,832	(185,832)	-	-
Bond issue costs	766,772	233,845	1,000,617	26,507
Cash and investments - restricted	-	203,500	203,500	-
Cash and investments with agent - restricted	16,021,917	796,265	16,818,182	363,226
Nondepreciable capital assets:				
Land	6,769,950	879,795	7,649,745	-
Construction in progress	2,752,248	21,444	2,773,692	-
Depreciable capital assets:				
Infrastructure	18,558,521	-	18,558,521	-
Buildings	10,929,066	22,070,112	32,999,178	-
Improvements other than buildings	5,384,778	11,010,363	16,395,141	-
Machinery and equipment	3,409,391	1,019,525	4,428,916	-
Total Assets	<u>79,825,689</u>	<u>40,876,286</u>	<u>120,701,975</u>	<u>533,791</u>
LIABILITIES				
Accounts payable	1,511,982	241,537	1,753,519	11,862
Accrued wages	87,592	20,092	107,684	-
Deposits	46,995	113,850	160,845	-
Accrued interest payable	1,081,792	204,031	1,285,823	531,328
Unearned revenue	8,432	-	8,432	-
Noncurrent liabilities:				
Due within one year	1,185,241	993,721	2,178,962	150,000
Due in more than one year	41,406,378	21,182,409	62,588,787	18,741,679
Due in more than one year - net pension obligation	67,608	16,299	83,907	-
Due in more than one year - net OPEB obligation	27,715	-	27,715	-
Total Liabilities	<u>45,423,735</u>	<u>22,771,939</u>	<u>68,195,674</u>	<u>19,434,869</u>
NET ASSETS				
Invested in capital assets, net of related debt	19,903,202	17,257,501	37,160,703	-
Restricted for:				
Capital projects	4,124,436	-	4,124,436	-
Debt service	5,722,582	203,500	5,926,082	-
TIF districts	380,187	-	380,187	-
Unrestricted	4,271,547	643,346	4,914,893	(18,901,078)
Total Net Assets	<u>\$ 34,401,954</u>	<u>18,104,347</u>	<u>52,506,301</u>	<u>(18,901,078)</u>

CITY OF WASHINGTON, MISSOURI

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Primary Government			Component Unit - Community Improvement District
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 2,391,957	650,501	93,865	-	(1,647,591)	-	(1,647,591)	-
Public safety	4,167,300	711,465	28,261	23,352	(3,404,222)	-	(3,404,222)	-
Airport	389,357	88,271	-	-	(301,086)	-	(301,086)	-
Highways and streets	3,138,175	440,248	505,975	317,804	(1,874,148)	-	(1,874,148)	-
Culture and recreation	2,036,074	328,277	31,657	7,905	(1,668,235)	-	(1,668,235)	-
Economic development	422,541	-	-	-	(422,541)	-	(422,541)	-
Interest on long-term debt	1,893,340	-	-	-	(1,893,340)	-	(1,893,340)	-
Total Governmental Activities	<u>14,438,744</u>	<u>2,218,762</u>	<u>659,758</u>	<u>349,061</u>	<u>(11,211,163)</u>	<u>-</u>	<u>(11,211,163)</u>	<u>-</u>
Business-type Activities								
Water	1,432,160	1,406,588	-	-	-	(25,572)	(25,572)	-
Sewage treatment	3,028,022	2,664,993	-	-	-	(363,029)	(363,029)	-
Solid waste	2,416,011	2,212,897	-	-	-	(203,114)	(203,114)	-
Total Business-type Activities	<u>6,876,193</u>	<u>6,284,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(591,715)</u>	<u>(591,715)</u>	<u>-</u>
Total Primary Government	<u>\$ 21,314,937</u>	<u>8,503,240</u>	<u>659,758</u>	<u>349,061</u>	<u>(11,211,163)</u>	<u>(591,715)</u>	<u>(11,802,878)</u>	<u>-</u>
Component Unit								
Community Improvement District	<u>\$ 1,290,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,290,334)</u>
General Revenues								
Taxes:								
Property					2,494,598	-	2,494,598	-
Sales					7,491,229	-	7,491,229	781,408
Franchise					2,294,682	-	2,294,682	-
Tourism					112,684	-	112,684	-
Gain on sale of capital assets					-	779	779	-
Grants and contributions not restricted to specific programs					130,095	-	130,095	-
Miscellaneous					100	53,000	53,100	-
Investment income					325,407	663,207	988,614	-
Total General Revenues					<u>12,848,795</u>	<u>716,986</u>	<u>13,565,781</u>	<u>781,408</u>
CHANGE IN NET ASSETS					1,637,632	125,271	1,762,903	(508,926)
NET ASSETS, OCTOBER 1					<u>32,764,322</u>	<u>17,979,076</u>	<u>50,743,398</u>	<u>(18,392,152)</u>
NET ASSETS, SEPTEMBER 30					<u>\$ 34,401,954</u>	<u>18,104,347</u>	<u>52,506,301</u>	<u>(18,901,078)</u>

See notes to financial statements

CITY OF WASHINGTON, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	<u>General</u>	<u>Capital Improvements Sales Tax</u>	<u>Transportation Sales Tax</u>	<u>COPS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 3,666,932	187,691	3,477,249	-	2,378,870	9,710,742
Cash and investments with agent - restricted	4,577	12,403,682	-	3,613,149	509	16,021,917
Accounts receivable, net of allowance	1,323,941	863,959	555,545	-	20,558	2,764,003
Loans receivable	1,900,694	-	-	-	-	1,900,694
Inventory	350,399	-	-	-	-	350,399
Prepaid items	259,788	-	-	-	6,501	266,289
Due from other funds	529,472	-	-	-	-	529,472
Advance to other funds	200,000	-	-	-	600,000	800,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,235,803</u>	<u>13,455,332</u>	<u>4,032,794</u>	<u>3,613,149</u>	<u>3,006,438</u>	<u>32,343,516</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 521,557	674,752	285,257	-	30,416	1,511,982
Accrued wages	83,594	-	-	-	3,998	87,592
Deposits	46,995	-	-	-	-	46,995
Due to other funds	-	-	-	529,472	-	529,472
Advance from other funds	614,168	-	-	-	-	614,168
Deferred revenue	172,283	-	-	-	-	172,283
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,438,597</u>	<u>674,752</u>	<u>285,257</u>	<u>529,472</u>	<u>34,414</u>	<u>2,962,492</u>
Fund Balances						
Nonspendable:						
Prepaid items	259,788	-	-	-	6,501	266,289
Inventory	350,399	-	-	-	-	350,399
Loans receivable	1,900,694	-	-	-	-	1,900,694
Advances	200,000	-	-	-	600,000	800,000
Restricted for:						
Debt service	-	2,402,479	-	3,320,103	-	5,722,582
Capital improvements	-	10,378,101	3,747,537	-	-	14,125,638
TIF Districts	-	-	-	-	325,100	325,100
Committed for:						
Purchase of supplies and services	34,403	-	-	-	116,041	150,444
Library	-	-	-	-	168,592	168,592
Stormwater	2,680,428	-	-	-	-	2,680,428
Volunteer fire	633,444	-	-	-	-	633,444
Vehicle and equipment replacement	-	-	-	-	1,755,790	1,755,790
Assigned for:						
Purchase of supplies and services	31,168	-	-	-	-	31,168
Unassigned	706,882	-	-	(236,426)	-	470,456
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>6,797,206</u>	<u>12,780,580</u>	<u>3,747,537</u>	<u>3,083,677</u>	<u>2,972,024</u>	<u>29,381,024</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities And Fund Balances	<u>\$ 8,235,803</u>	<u>13,455,332</u>	<u>4,032,794</u>	<u>3,613,149</u>	<u>3,006,438</u>	<u>32,343,516</u>

See notes to financial statements

CITY OF WASHINGTON, MISSOURI
RECONCILIATION OF THE BALANCE SHEET - GOVERN-
MENTAL FUNDS TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Total Fund Balances - Governmental Funds	\$ 29,381,024
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 governmental funds. The cost of the assets is \$67,505,097 and the accumulated depreciation is \$19,701,143.	47,803,954
Receivables that do not provide current financial resources and, therefore, are not reported in the governmental funds.	55,087
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	163,851
Certain obligations are not financial uses and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension obligation	(67,608)
OPEB obligation	(27,715)
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:	
Certificates of participation	(38,195,000)
Notes payable	(4,216,137)
Accrued compensated absences payable	(180,482)
Accrued interest payable	(1,081,792)
Unamortized bond issue cost	766,772
Total Net Assets Of Governmental Activities	<u>\$ 34,401,954</u>

CITY OF WASHINGTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General	Capital Improvements Sales Tax	Transportation Sales Tax	COPS	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 2,175,200	-	-	-	319,398	2,494,598
Sales	3,963,402	1,757,777	1,757,794	-	25,039	7,504,012
Franchise	2,294,682	-	-	-	-	2,294,682
Tourism	112,684	-	-	-	-	112,684
Licenses and permits	161,408	-	-	-	-	161,408
Fees and fines	286,067	-	-	-	53,126	339,193
Intergovernmental	101,372	94,512	710,887	130,095	10,083	1,046,949
Charges for services	1,588,364	200	-	-	-	1,588,564
Rents	81,631	-	-	-	-	81,631
Contributions and donations	65,226	18,380	-	-	8,359	91,965
Miscellaneous	-	-	-	-	100	100
Investment income	136,983	49,363	82,351	36	56,674	325,407
Total Revenues	<u>10,967,019</u>	<u>1,920,232</u>	<u>2,551,032</u>	<u>130,131</u>	<u>472,779</u>	<u>16,041,193</u>
EXPENDITURES						
Current:						
General government	2,206,519	-	-	-	329	2,206,848
Public safety	3,669,340	56,127	-	-	-	3,725,467
Highways and streets	1,815,053	129,947	18,827	-	-	1,963,827
Airport	150,895	-	-	-	-	150,895
Culture and recreation	1,354,530	-	-	-	425,473	1,780,003
Economic development	-	-	-	-	422,212	422,212
Debt service:						
Principal	-	-	-	5,000	-	5,000
Interest and fiscal charges	6,483	-	-	1,400,104	-	1,406,587
Bond issue costs	-	227,300	-	-	-	227,300
Capital outlay:						
General government	23,327	535,432	-	-	106,445	665,204
Public safety	65,803	65,106	-	-	77,547	208,456
Highways and streets	12,980	161,492	1,308,429	-	-	1,482,901
Airport	562	-	9,768	-	-	10,330
Culture and recreation	81,314	1,460,980	-	-	25,265	1,567,559
Total Expenditures	<u>9,386,806</u>	<u>2,636,384</u>	<u>1,337,024</u>	<u>1,405,104</u>	<u>1,057,271</u>	<u>15,822,589</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>1,580,213</u>	<u>(716,152)</u>	<u>1,214,008</u>	<u>(1,274,973)</u>	<u>(584,492)</u>	<u>218,604</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	-	11,365,000	-	-	422,212	11,787,212
Sale of capital assets	22,551	-	-	-	22,119	44,670
Transfers in	876,460	37,328	255,000	1,405,500	619,670	3,193,958
Transfers out	<u>(1,531,718)</u>	<u>(256,740)</u>	<u>(1,405,500)</u>	<u>-</u>	<u>-</u>	<u>(3,193,958)</u>
Total Other Financing Sources (Uses)	<u>(632,707)</u>	<u>11,145,588</u>	<u>(1,150,500)</u>	<u>1,405,500</u>	<u>1,064,001</u>	<u>11,831,882</u>
NET CHANGE IN FUND BALANCES	947,506	10,429,436	63,508	130,527	479,509	12,050,486
FUND BALANCES, OCTOBER 1	<u>5,849,700</u>	<u>2,351,144</u>	<u>3,684,029</u>	<u>2,953,150</u>	<u>2,492,515</u>	<u>17,330,538</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 6,797,206</u>	<u>12,780,580</u>	<u>3,747,537</u>	<u>3,083,677</u>	<u>2,972,024</u>	<u>29,381,024</u>

CITY OF WASHINGTON, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Net Change In Fund Balances - Governmental Funds \$ 12,050,486

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in 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 (\$3,914,154) exceeded depreciation (\$2,144,614) in the current period. 1,769,540

The net effect of various miscellaneous transactions involving capital assets:

Sale of assets	(60,576)	
Write off old construction in progress projects	(54,248)	(114,824)

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements. 35,183

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, 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 - certificates of participation	(11,365,000)	
Tax increment revenue notes	(422,212)	
Repayments:		
Certificates of participation	5,000	
Capital lease	20,647	
Amortization	(41,140)	
Compensated absences	(14,127)	
Net Adjustment	(11,816,832)	(11,816,832)

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 the governmental funds.

Bond issue costs	227,300	
Accrued interest on bonds	(445,613)	
Net pension obligation	(67,608)	(285,921)

Change In Net Assets Of Governmental Activities \$ 1,637,632

See notes to financial statements

CITY OF WASHINGTON, MISSOURI
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and investments	\$ 621,546	461,222	2,673,877	3,756,645
Accounts receivable (net of allowance)	192,366	406,842	285,244	884,452
Inventory	107,643	18,141	-	125,784
Prepaid items	17,935	25,101	17,352	60,388
Total Current Assets	<u>939,490</u>	<u>911,306</u>	<u>2,976,473</u>	<u>4,827,269</u>
Noncurrent Assets				
Cash and investments - restricted	-	203,500	-	203,500
Cash and investments with agent - restricted	-	796,265	-	796,265
Total Restricted Assets	<u>-</u>	<u>999,765</u>	<u>-</u>	<u>999,765</u>
Bond issue costs	-	233,845	-	233,845
Advance to other funds	614,168	-	-	614,168
Capital assets:				
Land	67,762	767,033	45,000	879,795
Buildings	2,410,917	25,667,073	122,011	28,200,001
Improvements nonbuilding	5,469,101	9,146,036	3,200,255	17,815,392
Machinery and equipment	1,296,654	553,431	1,655,299	3,505,384
Construction in progress	21,444	-	-	21,444
Less - Accumulated depreciation	(4,278,615)	(8,443,371)	(2,698,791)	(15,420,777)
Total Capital Assets	<u>4,987,263</u>	<u>27,690,202</u>	<u>2,323,774</u>	<u>35,001,239</u>
Total Noncurrent Assets	<u>5,601,431</u>	<u>28,923,812</u>	<u>2,323,774</u>	<u>36,849,017</u>
Total Assets	<u>6,540,921</u>	<u>29,835,118</u>	<u>5,300,247</u>	<u>41,676,286</u>
LIABILITIES				
Current Liabilities				
Accounts payable	65,539	62,010	113,988	241,537
Accrued wages	7,171	4,500	8,421	20,092
	<u>72,710</u>	<u>66,510</u>	<u>122,409</u>	<u>261,629</u>
Payable from restricted assets:				
Accrued interest payable	-	204,031	-	204,031
Bonds payable - current installments	-	975,000	-	975,000
	<u>-</u>	<u>1,179,031</u>	<u>-</u>	<u>1,179,031</u>
Total Current Liabilities	<u>72,710</u>	<u>1,245,541</u>	<u>122,409</u>	<u>1,440,660</u>
Noncurrent Liabilities				
Revenue bonds payable	-	17,445,000	-	17,445,000
Less - Unamortized bond discount	-	367,150	-	367,150
Customer deposits	57,990	55,860	-	113,850
Advance from other funds	-	800,000	-	800,000
Landfill care liability	-	-	3,351,538	3,351,538
Compensated absences payable	18,436	9,947	9,059	37,442
Net pension obligation	5,592	3,133	7,574	16,299
Total Noncurrent Liabilities	<u>82,018</u>	<u>18,681,090</u>	<u>3,368,171</u>	<u>22,131,279</u>
Total Liabilities	<u>154,728</u>	<u>19,926,631</u>	<u>3,490,580</u>	<u>23,571,939</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,987,263	9,946,464	2,323,774	17,257,501
Restricted - debt service	-	203,500	-	203,500
Unrestricted	1,398,930	(241,477)	(514,107)	643,346
Total Net Assets	<u>\$ 6,386,193</u>	<u>9,908,487</u>	<u>1,809,667</u>	<u>18,104,347</u>

CITY OF WASHINGTON, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 1,406,588	2,664,993	2,212,897	6,284,478
OPERATING EXPENSES				
Personal services	493,331	277,949	716,483	1,487,763
Contractual services	410,234	410,771	1,301,036	2,122,041
Depreciation	245,529	1,154,836	244,795	1,645,160
Supplies	283,066	254,855	153,697	691,618
Total Operating Expenses	<u>1,432,160</u>	<u>2,098,411</u>	<u>2,416,011</u>	<u>5,946,582</u>
OPERATING INCOME (LOSS)	<u>(25,572)</u>	<u>566,582</u>	<u>(203,114)</u>	<u>337,896</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	20,456	582,189	60,562	663,207
Miscellaneous	53,000	-	-	53,000
Gain on sale of assets	779	-	-	779
Interest and fiscal charges	-	(929,611)	-	(929,611)
Total Nonoperating Revenues (Expenses)	<u>74,235</u>	<u>(347,422)</u>	<u>60,562</u>	<u>(212,625)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>48,663</u>	<u>219,160</u>	<u>(142,552)</u>	<u>125,271</u>
TRANSFERS				
Transfers in	23,325	-	-	23,325
Transfers out	-	(23,325)	-	(23,325)
Total Transfers	<u>23,325</u>	<u>(23,325)</u>	<u>-</u>	<u>-</u>
CHANGES IN NET ASSETS	71,988	195,835	(142,552)	125,271
NET ASSETS, OCTOBER 1	<u>6,314,205</u>	<u>9,712,652</u>	<u>1,952,219</u>	<u>17,979,076</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 6,386,193</u>	<u>9,908,487</u>	<u>1,809,667</u>	<u>18,104,347</u>

See notes to financial statements

CITY OF WASHINGTON, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,399,376	2,630,493	2,098,047	6,127,916
Payments to suppliers	(700,846)	(671,456)	(1,096,492)	(2,468,794)
Payments for employees and benefits	(483,180)	(273,221)	(704,534)	(1,460,935)
Other receipts	53,000	-	-	53,000
Net Cash Provided By Operating Activities	<u>268,350</u>	<u>1,685,816</u>	<u>297,021</u>	<u>2,251,187</u>
Cash flows from noncapital financing activities:				
Due from other funds	(4,674)	2,317	-	(2,357)
Advances	(6,443)	(102,317)	-	(108,760)
Net transfers in (out)	23,325	(23,325)	-	-
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>12,208</u>	<u>(123,325)</u>	<u>-</u>	<u>(111,117)</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of assets	779	-	-	779
Purchase of capital assets	(116,955)	(33,637)	-	(150,592)
Principal paid on capital debt	-	(960,000)	-	(960,000)
Interest and fiscal charges	-	(945,065)	-	(945,065)
Net Cash Used In Capital And Related Financing Activities	<u>(116,176)</u>	<u>(1,938,702)</u>	<u>-</u>	<u>(2,054,878)</u>
Cash flows from investing activities:				
Investment income	20,456	582,189	60,562	663,207
Sale of investments	-	2,363	-	2,363
Net Cash Provided By Investing Activities	<u>20,456</u>	<u>584,552</u>	<u>60,562</u>	<u>665,570</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	184,838	208,341	357,583	750,762
CASH AND CASH EQUIVALENTS, OCTOBER 1 (including \$920,258 for the Sewage Treatment Fund reported in restricted accounts)	<u>436,708</u>	<u>1,172,422</u>	<u>2,316,294</u>	<u>3,925,424</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30 (including \$919,541 for the Sewage Treatment Fund reported in restricted accounts)	<u>\$ 621,546</u>	<u>1,380,763</u>	<u>2,673,877</u>	<u>4,676,186</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (25,572)	566,582	(203,114)	337,896
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	245,529	1,154,836	244,795	1,645,160
Other adjustment to operating activities	53,000	-	-	53,000
(Increase) decrease in:				
Receivables (net)	(23,787)	(51,230)	(114,850)	(189,867)
Inventory	14,317	(154)	-	14,163
Prepays	4,252	3,095	3,208	10,555
Increase (decrease) in:				
Accounts payable	(26,115)	(8,771)	17,460	(17,426)
Landfill care liability	-	-	337,573	337,573
Customer deposits	16,575	16,730	-	33,305
Other liabilities	10,151	4,728	11,949	26,828
Total Adjustments	<u>293,922</u>	<u>1,119,234</u>	<u>500,135</u>	<u>1,913,291</u>
Net Cash Provided By Operating Activities	<u>\$ 268,350</u>	<u>1,685,816</u>	<u>297,021</u>	<u>2,251,187</u>

CITY OF WASHINGTON, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
SEPTEMBER 30, 2011

ASSETS

Cash and investments	<u>\$ 33,208</u>
----------------------	------------------

LIABILITIES

Due to lessee	<u>\$ 33,208</u>
---------------	------------------

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the **CITY OF WASHINGTON, MISSOURI** (the City) in the preparation of the accompanying basic financial statements are summarized below:

1. Reporting Entity

The City was founded in May 1839, chartered by the State in February 1841, and established a mayor/council/city administrator form of government. The City's operations include general administrative services, public safety, street maintenance and improvements, airport, city library, and recreation activities. Enterprise operations owned by the City include water, sewage treatment, and solid waste collection.

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, (GASB 14) as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an Amendment of GASB 14*. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on this criteria the Washington Missouri Redevelopment Corporation is excluded from the accompanying basic financial statements. The Industrial Development Authority (IDA) of the City is organized to develop and promote commercial, industrial, agricultural, and manufacturing facilities in the City. All of the directors of the IDA are appointed by the Mayor of the City and confirmed by the City Council. The IDA is a component unit of the City; however, the financial activity is insignificant in relation to the City and the component unit has been excluded from the accompanying basic financial statements. The Phoenix Center II Community Improvement District (the District) was incorporated in 2006. All directors of the District are appointed by the Mayor of the City and confirmed by the City Council. The District is also included in the City's reporting entity because of the City's ability to impose its will on the District as the City provides administrative support to the District. The District is organized to construct public infrastructure improvement projects to serve a new commercial redevelopment project in the City. The District is a component unit of the City and is discretely presented as such in the basic financial statements. The District issues a separate financial statement which may be obtained from the Finance Manager at 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. For the most part, the effect of interfund activities have been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are 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. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balances for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide 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 funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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 are recorded only when payment is due (i.e., matured).

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

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

General Fund -- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Improvements Sales Tax Fund -- The Capital Improvements Sales Tax Fund, a Capital Projects Fund, is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and agency funds).

Transportation Sales Tax Fund -- The Transportation Sales Tax Fund, a Capital Projects Fund, is used to account for financial resources to be used for purposes of transportation projects. This includes, but not limited to, payment of the local share of the cost of expanding Highway 100 from Interstate Highway 44 to High Street from two lanes to four lanes.

COPS Fund -- The COPS Fund, a Debt Service Fund, is used to account for debt service payments for the City COPS issues.

The other governmental funds of the City are considered nonmajor. They are Special Revenue Funds, which account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes and a Capital Projects Fund, which accounts for financial resources to be used for the acquisition of vehicles and equipment. The nonmajor funds of the City are the Library Fund, Rhine River TIF Fund, Downtown TIF Fund, and Vehicle and Equipment Replacement Fund.

The City reports the following major proprietary funds:

Water Fund -- The Water Fund accounts for the billing and collection of charges for water service for the City's residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Sewage Treatment Fund -- The Sewage Treatment Fund is used to account for the provision of sanitary sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Solid Waste Fund -- The Solid Waste Fund is used to account for solid waste collection, operation of the landfill, and operation of the recycling center.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fiduciary fund type:

Agency Funds -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units. Agency Funds are custodial in nature (assets equal liabilities) and do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables. These funds account for activities of the Taxable Industrial Revenue Bonds, Series 2005; Taxable Industrial Revenue Bonds, Series 2008A and B; and Taxable Industrial Revenue Bonds, Series 2010A and B.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the proprietary fund financial statements to the extent they do not conflict or contradict guidance of GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The City has elected to not 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 general rule include charges between the City's business-type activities/Enterprise Funds, as well as some Special Revenue Funds and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

Amounts reported as program revenues include 1) charges to customers or applications for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments, identifiable with a particular function. Taxes, investment income, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

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 operation. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the costs 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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash and Cash Investments

Cash and cash equivalents include cash on hand, demand deposits, and money market mutual funds. The City considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Cash and investments of the City are stated at cost, which approximates fair value.

5. Inventories and Prepaid Items

Inventory is recorded at the lower of cost or market on the first-in, first-out (FIFO) method.

In governmental fund types, the purchase method for inventory is used. This means that inventory is recorded as an expenditure when acquired regardless of when it is used. Reported inventory is equally offset by a fund balance reserve, which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

In the proprietary fund types, the consumption method is used. This means that acquisition of materials and supplies is recorded initially in inventory accounts and charged as an expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Capital Assets

Capital assets, which include land, permanent easements, buildings, other improvements, vehicles, machinery and equipment, and infrastructure (e.g., streets, sidewalks, bridges, 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, individual cost of \$5,000 or more and an estimated useful life of two years or more. Infrastructure assets are reported when costs are \$25,000 or more.

In accordance with GASB Statement No. 34, infrastructure assets constructed, purchased, or donated effective October 1, 2002 are reported in the government-wide financial statements. All major general infrastructure assets prior to this date will be retroactively reported beginning in the fiscal year after September 30, 2007 or earlier at historical or estimated historical cost.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. Capital assets acquired under lease/purchase agreements are capitalized. Land held for redevelopment is recorded at the lower of cost or net realizable value.

The costs of normal maintenance and repairs, except for any substantial betterment, are not capitalized. "Betterment" is defined as an addition made to, or change made in, a capital asset,

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

which is expected to prolong its life or to increase its efficiency over and above that arising from maintenance. Betterments to general assets should have a cost of \$10,000 or greater to be included as a capital asset. Betterments to infrastructure assets should have a cost of \$25,000 or greater to be included as a capital asset. The cost of which is added to the property records as a separate item and depreciated over the remaining useful lives of the related capital assets, if applicable.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of depreciable capital assets are as follows:

Asset	Years
Infrastructure	20 - 40
Buildings	10 - 50
Improvements other than buildings	10 - 50
Machinery and equipment	2 - 15

7. Restricted Assets

Assets restricted for debt service are segregated on the government-wide statement of net assets and the proprietary fund statement of net assets.

8. Receivables and Payables

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. City property taxes are recognized when levied to the extent they result in current receivables. Property tax receivables are shown net of an allowance for uncollectibles.

Assessment revenues and receivables are recognized at the time property owners are assessed for the property improvement. Assessment receivables are offset by deferred revenue for those property owners who have extended payment plans.

The City records as accounts receivable in the Enterprise Fund's financial statements the amount of accrued, but unbilled revenue for the Water Fund, Sewage Treatment Fund, and Solid Waste Fund determined by prorating actual subsequent billings.

9. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Interfund Transactions (Continued)

fund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

10. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits, a total of 10 to 15 days of vacation and 5 to 15 days of sick leave per year depending on years of service. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A maximum of 20 days of vacation and 180 days of sick leave may be accumulated by each employee. The current portion of compensated absences is estimated at 50% as of September 30, 2011.

11. Long-term Obligations

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 type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The bond discounts and costs of issuance on the Sewage Treatment Fund bonds are being amortized on the straight-line method over the life of the bonds. There is no significant difference between the straight-line method and the present-value method required by U.S. generally accepted accounting principles for the bond discounts.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end amounted to \$65,571, \$2,083,969, \$796,455, and \$116,041 for the General, Capital Improvements Sales Tax, Transportation Sales Tax, and nonmajor funds, respectively.

13. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement or, through constitutional provisions or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the Board of Aldermen, the highest level of decision making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a rolling beginning fund balance of not less than 15% of annual operating expenditures (excluding debt service and capital outlay) for the current fiscal year. Should the balance fall below the 15%, the City will identify a plan to restore the fund balance to its targeted amount as part of the budget proposal.

14. Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Net Assets (Continued)

Invested in Capital Assets, Net of Related Debt -- This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted -- This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted -- This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

15. Capital Contributions

Capital contributions represent government grants and other aid used to fund capital projects. Donations by developers are recognized as revenue when final subdivision plats are accepted by the City. Other capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

16. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and 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 September 30, 2011, 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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

As of September 30, 2011, the discretely presented component units' bank balances were entirely insured or collateralized with securities by the discretely presented component units or by their agents in the discretely presented component units' name.

2. Investments

As of September 30, 2011, the City had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>	
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>		<u>5 - 10 Years</u>
Primary Government						
Money market fund	\$ 16,765,300	16,765,300	-	-	-	Not rated
Guaranteed investment contracts	47,795	-	-	27,500	20,295	AA
Total Primary Government	<u>\$ 16,813,095</u>	<u>16,765,300</u>	<u>-</u>	<u>27,500</u>	<u>20,295</u>	
Component Unit						
Money market fund	<u>\$ 363,226</u>	<u>363,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated
Fiduciary Fund						
Money market fund	<u>\$ 33,208</u>	<u>33,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes credit risk by only investing in very safe or "investment grade" securities and when feasible, diversifying the portfolio so that potential losses on individual securities will be minimized.

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 minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities, money market funds, or similar pools.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by diversifying the portfolio.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Custodial Credit Risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party.

NOTE C - RECEIVABLES

Receivables as of September 30, 2011, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities				Business-type Activities			Total	Component Unit
	General	Capital Improvements Sales Tax	Transportation Sales Tax	Nonmajor Governmental Funds	Water	Sewage Treatment	Solid Waste		
Receivables:									
Taxes	\$ 919,350	255,726	329,242	19,078	-	-	-	1,523,396	125,362
Accounts Intergovernmental	383,209	555,850	811	33	192,520	406,453	286,319	1,825,195	-
Special assessments	22,095	52,383	225,492	2,178	-	-	-	302,148	-
	12,569	-	-	-	-	389	-	12,958	-
Gross receivables	1,337,223	863,959	555,545	21,289	192,520	406,842	286,319	3,663,697	125,362
Less - Allowance for uncollectibles	13,282	-	-	731	154	-	1,075	15,242	-
Total Receivables, Net	\$ 1,323,941	863,959	555,545	20,558	192,366	406,842	285,244	3,648,455	125,362

NOTE D - CAPITAL ASSETS

Following is a summary of changes in capital assets for the year ended September 30, 2011:

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - CAPITAL ASSETS (Continued)

For The Year Ended September 30, 2011

	Balance September 30 2010	Additions And Reclassi- fications	Deletions And Reclassi- fications	Balance September 30 2011
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 6,769,950	-	-	6,769,950
Construction in progress	904,813	2,513,367	665,932	2,752,248
Total Capital Assets Not Being Depreciated	7,674,763	2,513,367	665,932	9,522,198
Capital assets being depreciated:				
Infrastructure	20,678,437	1,585,886	-	22,264,323
Buildings	18,076,490	33,000	-	18,109,490
Improvements other than buildings	8,717,169	206,518	42,827	8,880,860
Machinery and equipment	8,920,025	187,067	378,866	8,728,226
Total Capital Assets Being Depreciated	56,392,121	2,012,471	421,693	57,982,899
Less - Accumulated depreciation for:				
Infrastructure	2,763,253	942,549	-	3,705,802
Buildings	6,821,288	359,136	-	7,180,424
Improvements other than buildings	3,185,812	314,572	4,302	3,496,082
Machinery and equipment	5,147,293	528,357	356,815	5,318,835
Total Accumulated Depreciation	17,917,646	2,144,614	361,117	19,701,143
Total Capital Assets Being Depreciated, Net	38,474,475	(132,143)	60,576	38,281,756
Governmental Activities Capital Assets, Net	<u>\$ 46,149,238</u>	<u>2,381,224</u>	<u>726,508</u>	<u>47,803,954</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 879,795	-	-	879,795
Construction in progress	40,059	15,726	34,341	21,444
Total Capital Assets Not Being Depreciated	919,854	15,726	34,341	901,239
Capital assets being depreciated				
Building	28,200,001	-	-	28,200,001
Improvements other than buildings	17,713,317	102,075	-	17,815,392
Machinery and equipment	3,444,944	67,132	6,692	3,505,384
Total Capital Assets Being Depreciated	49,358,262	169,207	6,692	49,520,777
Less - Accumulated depreciation for:				
Buildings	5,125,944	1,003,945	-	6,129,889
Improvements other than buildings	6,350,148	454,881	-	6,805,029
Machinery and equipment	2,306,217	186,334	6,692	2,485,859
Total Accumulated Depreciation	13,782,309	1,645,160	6,692	15,420,777
Total Capital Assets Being Depreciated, Net	35,575,953	(1,475,953)	-	34,100,000
Business-type Activities Capital Assets, Net	<u>\$ 36,495,807</u>	<u>(1,460,227)</u>	<u>34,341</u>	<u>35,001,239</u>

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - CAPITAL ASSETS (Continued)

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

	For The Year Ended September 30 2011
Governmental Activities	
General government	\$ 154,249
Public safety	463,923
Airport	238,461
Highway and streets	1,042,758
Culture and recreation	<u>245,223</u>
Total	<u>\$2,144,614</u>
Business-type Activities	
Water	\$ 245,529
Sewage treatment	1,154,836
Solid waste	<u>244,795</u>
Total	<u>\$1,645,160</u>

NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The individual interfund balances are as follows:

Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>September 30 2011</u>
General Fund	Sewage Treatment Fund	\$ 200,000
Nonmajor Fund - Vehicle and Equipment Fund	Sewage Treatment Fund	600,000
Water Fund	General Fund	<u>614,848</u>
Total		<u>\$1,414,848</u>

The outstanding balances between funds result from 1) payments to fund deeds of trust issued by the Washington Missouri Redevelopment Corporation, and 2) payments to fund initial sewer treatment project costs. The balances are not expected to be repaid within the fiscal year ending September 30, 2012.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Individual interfund transfers are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>For The Year Ended September 30 2011</u>
General Fund	COPS Fund	\$ 876,460
General Fund	Capital Improvements Sales Tax Fund	37,328
General Fund	Transportation Sales Tax Fund	25,000
General Fund	Nonmajor Fund - Library Fund	127,630
General Fund	Nonmajor Fund - Vehicle and Equipment Fund	465,300
Capital Improvements Sales Tax Fund	Transportation Sales Tax Fund	230,000
Capital Improvements Sales Tax Fund	Nonmajor Fund - Library Fund	26,740
Transportation Sales Tax Fund	General Fund	876,460
Transportation Sales Tax Fund	COPS Fund	529,040
Sewage Treatment Fund	Water Fund	<u>23,325</u>
Total		<u>\$3,217,283</u>

Interfund transfers were used to 1) move unrestricted revenues collected in the General Fund to finance other funds in accordance with budgetary authorization, 2) reimburse one fund for expenses that should have been paid out of a different fund, 3) allocate contribution of equipment purchase to support business operation, and 4) make debt service payments.

Interfund assets and liabilities are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>September 30 2011</u>
General Fund	COPS Fund	<u>\$529,472</u>

Interfund balances are due to negative cash balances and are expected to be repaid during the fiscal year ending September 30, 2012.

NOTE F - TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue notes issued to finance certain improvements in the City. The notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the notes. Total principal and interest remaining on the notes per Note G is payable through July 2033. For the current year, no principal or interest was paid and total incremental tax revenues were \$171,082.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT

Debt payable was comprised of the following:

	<u>September 30</u> <u>2011</u>
Governmental Activities	
\$26,840,000 certificates of participation (Series 2008), due in annual installments through April 1, 2030; interest payable at 2.8% to 4.95%	\$26,830,000
\$11,365,000 certificates of participation (Series 2010 Build America Bonds), due in annual installments through October 1, 2020; interest payable at 2.0% to 6.0%	<u>11,365,000</u>
Total Governmental Activities Long-term Debt	<u>\$38,195,000</u>
Business-type Activities	
\$20,000,000 Sewerage System Revenue Bonds, under the terms of the refinancing agreement Series 2007, due in annual installments through January 1, 2029; interest payable at 4% to 5%.	\$18,310,000
\$1,300,000 Sewage System Revenue Bonds, under the terms of the refinancing agreement Series 2001B, due in annual installments through July 1, 2012; interest payable at 3.75% to 6.55%.	<u>110,000</u>
Total Business-type Activities Long-term Debt	<u>\$18,420,000</u>

The annual debt service requirements for debt payable is as follows:

<u>For The</u> <u>Years Ended</u> <u>September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,095,000	1,753,963	975,000	798,825
2013	1,050,000	1,727,056	880,000	756,720
2014	1,070,000	1,695,156	895,000	721,220
2015	1,220,000	1,658,108	900,000	684,194
2016	1,420,000	1,611,148	930,000	646,469
2017 - 2021	10,965,000	6,805,424	4,880,000	2,648,713
2022 - 2026	8,685,000	4,448,515	5,400,000	1,526,067
2027 - 2030	12,690,000	1,800,138	3,560,000	268,806
Total	<u>\$ 38,195,000</u>	<u>21,499,508</u>	<u>18,420,000</u>	<u>8,051,014</u>

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

The City has tax increment revenue notes which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property and incremental increases in economic activity taxes in the project area. The notes do not constitute a general obligation of the City.

Notes outstanding at September 30, 2011 are as follows:

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Original Amount</u>	<u>Balance September 30 2011</u>
Tax increment revenue notes:				
Bank of Washington - Series A	6/10/2010	2/19/2030	\$ 2,941,137	\$ 2,941,137
Rhine River - Series A	8/20/2010	7/5/2033	900,000	900,000
Rhine River - Series C	8/20/2010	7/5/2033	375,000	<u>375,000</u>
Total				<u>\$ 4,216,137</u>

Changes in Long-term Liabilities

The changes in general long-term debt are as follows:

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

	<u>For The Year Ended September 30, 2011</u>			<u>Balance</u> <u>September 30</u> <u>2011</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
	<u>Balance</u> <u>September 30</u> <u>2010</u>	<u>Additions</u>	<u>Deletions</u>		
Governmental Activities					
Certificates of participation	\$ 26,835,000	11,365,000	5,000	38,195,000	1,095,000
Tax increment revenue notes	3,793,925	422,212	-	4,216,137	-
Capital lease	20,647	-	20,647	-	-
Compensated absences payable	166,355	180,482	166,355	180,482	90,241
Total Governmental Activities Long-term Liabilities	<u>\$ 30,815,927</u>	<u>11,967,694</u>	<u>192,002</u>	<u>42,591,619</u>	<u>1,185,241</u>
Business-type Activities					
Revenue bonds payable	\$ 19,380,000	-	960,000	18,420,000	975,000
Plus - Net premiums (discounts)	387,485	-	20,335	367,150	-
Total Revenue Bonds Payable	19,767,485	-	980,335	18,787,150	975,000
Compensated absences payable	30,819	37,442	30,819	37,442	18,721
Landfill care liability	3,013,965	337,573	-	3,351,538	-
Total Business-type Activities Long-term Liabilities	<u>\$ 22,812,269</u>	<u>375,015</u>	<u>1,011,154</u>	<u>22,176,130</u>	<u>993,721</u>

Compensated absences are generally liquidated by the General Fund.

Component Unit	<u>September 30</u> <u>2011</u>
2006 sales tax revenue notes, interest at 6.75%, due November 1, 2026.	<u>\$18,891,679</u>

In May 2006, the City; Franklin County, Missouri (the County); and Phoenix Center II Development Co., LLC (the Developer) entered into a Development Agreement, whereby the City and the County agreed to use a portion of their sales tax revenues from a shopping center being constructed by the Developer to pay for roads and other public improvements associated with the shopping center.

In November 2006, the District issued its sales tax revenue note for \$6,497,333, Series 2006, in a principal amount not to exceed \$17,997,000, plus interest. The notes are payable from a 0.75% sales tax imposed by the District, from one-half of the sales tax revenue the City receives from within the District, and from one-half of

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

the sales tax revenue the County receives from its general sales tax from within the District. The notes are limited obligations of the District, and are generally payable solely from the City, County, and District sales tax revenues identified above. The notes do not constitute a general obligation of the City, County, District, or State of Missouri.

The following is a summary of the changes in the District's long-term debt:

	For The Year Ended September 30, 2011			Amount Due Within One Year	
	Balance September 30 2010	Additions	Deletions		Balance September 30 2011
	2006 sales tax revenue notes	<u>\$18,342,386</u>	<u>549,293</u>		<u>-</u>

The District makes payments on the sales tax revenue notes based on the amount of sales tax collected and, therefore, there is not a formal debt maturity schedule.

NOTE H - GENERAL FUND'S FUND BALANCE

Due to similarity of purpose, Stormwater Management Improvement Fund and Volunteer Fire Fund revenue and expenditures are reported in the General Fund. After these combinations, the General Fund's fund balance was as follows:

	September 30 2011
General Fund	\$3,451,218
Volunteer Fire Fund	647,857
Stormwater Management Improvement Fund	<u>2,698,131</u>
Total	<u>\$6,797,206</u>

NOTE I - EMPLOYEE RETIREMENT SYSTEMS

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System

1. Plan Description

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 State Statute, Section RSMo 700.600 - 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 City is required to contribute at an actuarially determined rate; the current rate is 11.6% (general) and 11.2% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by State Statute.

3. Annual Pension Cost

The City's annual pension cost and net pension obligation (NPO) for the current year were as follows:

Annual required contribution	\$655,521
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual Pension Cost	<u>655,521</u>
Actual contributions	<u>571,614</u>
Increase (decrease) in NPO	83,907
NPO beginning of year	<u>-</u>
NPO End Of Year	<u>\$ 83,907</u>

The annual required contribution was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; b) projected salary increases of 3.5% per

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Annual Pension Cost (Continued)

year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero years for women; and e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero 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 29, 2008 was 15 years for the General division and 15 years for the Police division. The amortization period as of February 28, 2009 was 30 years for the General division and 30 years for the Police division.

Three-year Trend Information

For The Plan Years Ended June 30	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2011	\$655,521	87.2%	\$83,907
2010	556,564	100	-
2009	580,965	100	-

Schedule of Funding Progress

For The Actuarial Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)
2011	\$11,907,394	\$14,232,704	\$2,325,310
2010	10,668,124	13,504,869	2,836,745
2009	9,582,804	12,537,626	2,954,822

For The Actuarial Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	Unfunded AAL As A Percentage Of Covered Payroll
2011	84%	\$5,047,260	46%
2010	79	5,193,582	55
2009	76	4,924,216	60

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Annual Pension Cost (Continued)

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, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City, MO.

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City provides a single-employer defined benefit plan that provides healthcare benefits to employees who are eligible to retire once they have attained age 55 (police) plus the number of years of service to equal the rule of 80. This benefit terminates at age 65 for both employees and spouses. Employees and their family must be on the plan at time of retirement to be eligible to participate in the plan after retirement. Medical and prescription drug benefits are available to retirees in the City's insurance plan. Retirees must contribute \$446.11/\$1,017.14 per month for single/family coverage. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The latest actuarial valuation was for the plan year ended September 30, 2010. The City's annual OPEB cost for the year and the related information are as follows:

	For The Year Ended September 30 <u>2010</u>
Normal cost	\$16,697
Amortization of unfunded accrued liability	16,771
Interest to end of year	-
Annual Required Contribution	<u>33,468</u>
Interest on net OPEB obligation	-
Annual OPEB Cost	<u>33,468</u>
Contributions made	<u>(5,753)</u>
Increase In Net OPEB Obligation	27,715
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB Obligation - End Of Year	<u>\$27,715</u>

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The Plan was established by City Ordinance, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

In future years, three-year trend information will be presented. Fiscal year 2010 was the year of implementation of GASB 45 and the City has elected to implement prospectively, therefore, prior year comparative funding progress is not available.

Required Supplemental Information

Schedule Of Funding Progress				
Actuarial Valuation Date	Actuarial Value Of Assets (1)	Actuarial Accrued Liability (2)	Unfunded Accrued Liability (UAAL) (1)-(2)	Funded Ratio (1)/(2)
October 1, 2010	\$ -	\$244,981	(\$244,981)	- %

Schedule Of Employer Contributions			
For The Year Ended September 30	Annual OPEB Cost	Percent Of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$33,468	17.2%	\$27,715

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumption about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2010 actuarial valuation, the liabilities were computed using the Projected Unit Credit Method. The initial unfunded actuarial accrued liability is being amortized on an open basis over 20 years. The actuarial assumptions utilized a 5% discount rate. The valuation assumes a 10% premium cost rate for fiscal year 2010, reduced by decrements to an ultimate 5% increase for 2015 and later years which includes the inflation rate.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE K - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for other risks of loss, general liability, property and casualty, and workers' compensation benefits. Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

NOTE L - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its Steutermann and Struckhoff landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,351,538 reported as landfill care liability at September 30, 2011, represents the post-closure care estimate for the Steutermann landfill closed in 1994 and the cumulative amount reported to date based on the use of 41% of the estimated capacity of the Struckhoff landfill. The landfill capacity was revised in fiscal 2002 to 1,767,900 cubic yards, an increase in capacity of 112,900 cubic yards because of improved compaction methods. The City will recognize the remaining estimated cost of closure and post-closure care of \$5.2 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2006. Actual cost may be higher due to inflation, changes in technology, and/or changes in regulations. The current portion of the liability is minimal, therefore all considered long-term.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care.

NOTE M - COMMITMENTS

The City had commitments for water and sewer engineering services and other contracts totaling \$16,065 at September 30, 2011.

NOTE N - CONDUIT DEBT

The City issued industrial revenue bonds to provide funds for the purpose of carrying out industrial development projects by the City providing loans to private corporations pursuant to loan agreements between the City and the private corporation. The loan agreements call for the private corporations to repay the loans in the principal amount of the bonds plus related interest thereon. The related transactions are accounted for in various Agency Funds of the City. The City's conduit debt amounts are as follows:

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE N - CONDUIT DEBT (Continued)

	<u>September 30</u> <u>2011</u>
\$60,000,000 Taxable Industrial Revenue Bonds (Series 2005), due in annual installments through December 1, 2015; interest payable at 5%.	\$48,000,000
\$13,000,000 Taxable Industrial Revenue Bonds (Series 2008B), due in annual installments through December 1, 2018; interest payable at 6%.	9,842,155
\$7,500,000 Variable Rate Demand Industrial Revenue Bonds (Series 2008A), due December 1, 2028.	7,240,000
\$5,635,645 Recovery Zone Facility Revenue Bonds (Series 2010A), due September 1, 2020; interest payable at 2.8%	5,635,645
\$2,391,751 Taxable Industrial Revenue Bonds (Series 2010B), due September 1, 2020; interest payable at 2.8%.	<u>2,255,677</u>
Total	<u>\$72,973,477</u>

NOTE O - RELATED PARTY TRANSACTIONS

The City has entered into transactions with Paper Chase LLC and Washington Fence Company, Inc., owned by two members of the City Council. The expenses totaled \$564 and \$90,495, respectively for the year ended September 30, 2011.

NOTE P - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$10,430,705 of restricted net assets, of which \$4,504,623 is restricted by enabling legislation.

NOTE Q - FEDERAL FORFEITURE ACTIVITY

The City had no revenues, expenses, or ending balance as of September 30, 2011.

NOTE R - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE

During the fiscal year ended September 30, 2011, the City adopted, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes clearer fund balance classifications

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE R - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE (Continued)

that can be more consistently applied and clarifies existing governmental fund types. The governmental fund types used by the City were evaluated and reclassified based on the provisions of GASB 54. The previously stated fund balances have been reclassified as follows:

	<u>Major Fund</u>	<u>Nonmajor Fund</u>
	<u>General</u>	<u>Volunteer Fire</u>
Fund balances, September 30, 2010 as previously stated	\$5,433,685	416,015
Reclassifications	<u>416,015</u>	<u>(416,015)</u>
Fund Balances, September 30, 2010 As Restated	<u>\$5,849,700</u>	<u>-</u>

NOTE S - SUBSEQUENT EVENT

On February 6, 2012, the City issued \$5,610,000 of Certificates of Participation Series 2011.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF WASHINGTON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 2,182,055	2,182,055	2,175,200	(6,855)
Sales	3,915,400	3,965,400	3,963,402	(1,998)
Franchise	2,032,660	2,282,660	2,294,682	12,022
Tourism	105,000	105,000	112,684	7,684
Licenses and permits	146,000	146,000	161,408	15,408
Fees and fines	350,000	245,000	286,067	41,067
Intergovernmental	67,380	87,380	101,372	13,992
Charges for services	1,545,445	1,627,445	1,588,364	(39,081)
Rents	135,100	135,100	81,631	(53,469)
Contributions and donations	97,000	97,000	65,226	(31,774)
Investment income	109,000	109,000	136,983	27,983
Total Revenues	<u>10,685,040</u>	<u>10,982,040</u>	<u>10,967,019</u>	<u>(15,021)</u>
EXPENDITURES				
Current:				
General government:				
Executive	876,095	956,095	970,403	14,308
Financial administration	536,880	506,880	500,799	(6,081)
Technology support	353,820	326,820	318,980	(7,840)
Economic development	153,955	153,955	161,936	7,981
Maintenance - building and grounds	270,380	270,380	254,401	(15,979)
Total General Government	<u>2,191,130</u>	<u>2,214,130</u>	<u>2,206,519</u>	<u>(7,611)</u>
Public safety:				
Judicial	198,390	93,390	92,048	(1,342)
Police	2,370,595	2,433,595	2,435,978	2,383
Communications center	728,085	714,085	706,685	(7,400)
Volunteer Fire	454,890	454,890	434,629	(20,261)
Total Public Safety	<u>3,751,960</u>	<u>3,695,960</u>	<u>3,669,340</u>	<u>(26,620)</u>
Highways and streets:				
Engineering, inspections, and planning	599,135	599,135	604,984	5,849
Streets	1,221,625	1,261,625	1,210,069	(51,556)
Total Highways And Streets	<u>1,820,760</u>	<u>1,860,760</u>	<u>1,815,053</u>	<u>(45,707)</u>
Airport	<u>126,945</u>	<u>144,945</u>	<u>150,895</u>	<u>5,950</u>

(Continued)

CITY OF WASHINGTON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Current (continued):				
Culture and recreation:				
Parks	1,127,355	1,167,355	1,163,307	(4,048)
Aquatic center	218,895	218,895	191,223	(27,672)
Total Culture And Recreation	1,346,250	1,386,250	1,354,530	(31,720)
Debt service:				
Interest expense	13,000	13,000	6,483	(6,517)
Capital outlay:				
General government	-	24,000	23,327	(673)
Public safety	91,645	111,645	65,803	(45,842)
Highways and streets	-	14,000	12,980	(1,020)
Airport	-	-	562	562
Culture and recreation	10,330	86,330	81,314	(5,016)
Total Capital Outlay	101,975	235,975	183,986	(51,989)
Total Expenditures	9,352,020	9,551,020	9,386,806	(164,214)
REVENUES OVER (UNDER) EXPENDITURES	1,333,020	1,431,020	1,580,213	149,193
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	22,551	22,551
Transfers in	876,460	876,460	876,460	-
Transfers out	(1,569,390)	(1,594,390)	(1,531,718)	(62,672)
Total Other Financing Sources (Uses)	(692,930)	(717,930)	(632,707)	(85,223)
NET CHANGE IN FUND BALANCE	\$ 640,090	713,090	947,506	234,416
FUND BALANCE, OCTOBER 1			5,849,700	
FUND BALANCE, SEPTEMBER 30			\$ 6,797,206	

CITY OF WASHINGTON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Budgetary Information

The City follows these procedures in establishing the budgetary data:

- a. Prior to October 1, the City Finance Manager submits to the City Council a proposed operating budget for the fiscal period. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings and open council meetings are held to obtain taxpayer comments.
- c. Prior to October 1, the budget is adopted by the City Council. The Rhine River TIF fund is not budgeted.
- d. Formal budgetary integration is employed as a management control device during the period for all funds. The legal level of budgetary control defined as the budgeted appropriation amount at the fund level of expenditures.
- e. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles except that budgets do not include economic development and debt proceeds related to the tax increment financing projects.
- f. Current year budget includes amendments. Budget amendments must be approved by the City Council.
- g. Unencumbered appropriations at the end of the period are reconsidered for subsequent budgets.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>	<u>Total</u>
	<u>Library</u>	<u>Rhine</u>	<u>Downtown</u>	<u>Fund</u>	
		<u>TIF</u>	<u>TIF</u>	<u>Vehicle And</u>	
				<u>Equipment</u>	
				<u>Replacement</u>	
ASSETS					
Cash and investments	\$ 180,494	101	312,744	1,885,531	2,378,870
Cash with agent	509	-	-	-	509
Accounts receivable, net of allowance	8,270	-	12,255	33	20,558
Prepaid items	6,501	-	-	-	6,501
Advance to other funds	-	-	-	600,000	600,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Total Assets	<u>\$ 195,774</u>	<u>101</u>	<u>324,999</u>	<u>2,485,564</u>	<u>3,006,438</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 16,683	-	-	13,733	30,416
Accrued wages	3,998	-	-	-	3,998
Total Liabilities	<u>20,681</u>	<u>-</u>	<u>-</u>	<u>13,733</u>	<u>34,414</u>
Fund Balances					
Nonspendable:					
Prepaid items	6,501	-	-	-	6,501
Advances	-	-	-	600,000	600,000
Restricted for:					
TIF Districts	-	101	324,999	-	325,100
Committed for:					
Purchase of supplies and services	-	-	-	116,041	116,041
Library	168,592	-	-	-	168,592
Vehicle and equipment replacement	-	-	-	1,755,790	1,755,790
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,755,790</u>	<u>1,755,790</u>
Total Fund Balances	<u>175,093</u>	<u>101</u>	<u>324,999</u>	<u>2,471,831</u>	<u>2,972,024</u>
Total Liabilities And Fund Balances	<u>\$ 195,774</u>	<u>101</u>	<u>324,999</u>	<u>2,485,564</u>	<u>3,006,438</u>

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds			Capital Projects Fund	Total
	Library	Rhine River TIF	Downtown TIF	Vehicle And Equipment Replacement	
REVENUES					
Property taxes	\$ 173,355	-	146,043	-	319,398
Sales tax	-	-	25,039	-	25,039
Fees and fines	53,126	-	-	-	53,126
Intergovernmental	10,083	-	-	-	10,083
Contributions and donations	8,359	-	-	-	8,359
Miscellaneous	-	100	-	-	100
Investment income	7,240	1	6,526	42,907	56,674
Total Revenues	<u>252,163</u>	<u>101</u>	<u>177,608</u>	<u>42,907</u>	<u>472,779</u>
EXPENDITURES					
Current:					
General government	-	-	329	-	329
Culture and recreation:					
Library	425,473	-	-	-	425,473
Economic development	-	422,212	-	-	422,212
Capital outlay:					
General government	-	-	-	106,445	106,445
Public safety:					
Fire	-	-	-	77,547	77,547
Culture and recreation:					
Library	-	-	-	25,265	25,265
Total Expenditures	<u>425,473</u>	<u>422,212</u>	<u>329</u>	<u>209,257</u>	<u>1,057,271</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(173,310)</u>	<u>(422,111)</u>	<u>177,279</u>	<u>(166,350)</u>	<u>(584,492)</u>
OTHER FINANCING SOURCES					
Issuance of long-term debt	-	422,212	-	-	422,212
Sale of capital assets	4,735	-	-	17,384	22,119
Transfers in	154,370	-	-	465,300	619,670
Total Other Financing Sources	<u>159,105</u>	<u>422,212</u>	<u>-</u>	<u>482,684</u>	<u>1,064,001</u>
NET CHANGE IN FUND BALANCES	(14,205)	101	177,279	316,334	479,509
FUND BALANCES, OCTOBER 1	<u>189,298</u>	<u>-</u>	<u>147,720</u>	<u>2,155,497</u>	<u>2,492,515</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 175,093</u>	<u>101</u>	<u>324,999</u>	<u>2,471,831</u>	<u>2,972,024</u>

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Property taxes	\$ 169,935	173,355	3,420
Fees and fines	56,100	53,126	(2,974)
Intergovernmental	7,000	10,083	3,083
Contributions and donations	6,000	8,359	2,359
Investment income	5,000	7,240	2,240
Total Revenues	244,035	252,163	8,128
EXPENDITURES			
Current:			
Library	471,665	425,473	(46,192)
REVENUES UNDER EXPENDITURES	(227,630)	(173,310)	54,320
OTHER FINANCING SOURCES			
Sale of capital assets	-	4,735	4,735
Transfers in	227,630	154,370	(73,260)
Total Other Financing Sources	227,630	159,105	(68,525)
NET CHANGE IN FUND BALANCE	\$ -	(14,205)	(14,205)
FUND BALANCE, OCTOBER 1		189,298	
FUND BALANCE, SEPTEMBER 30		\$ 175,093	

CITY OF WASHINGTON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - DOWNTOWN TIF SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 120,000	120,000	146,043	26,043
Sales	35,000	35,000	25,039	(9,961)
Investment income	2,000	2,000	6,526	4,526
Total Revenues	157,000	157,000	177,608	20,608
EXPENDITURES				
Current:				
General government	-	500	329	(171)
NET CHANGE IN FUND BALANCE	\$ 157,000	156,500	177,279	20,779
FUND BALANCE, OCTOBER 1			147,720	
FUND BALANCE, SEPTEMBER 30			\$ 324,999	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - TRANSPORTATION SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Sales	\$ 1,694,930	1,694,930	1,757,794	62,864
Intergovernmental	1,303,000	1,303,000	710,887	(592,113)
Investment income	50,000	50,000	82,351	32,351
Total Revenues	3,047,930	3,047,930	2,551,032	(496,898)
EXPENDITURES				
Current:				
Highways and streets	-	-	18,827	18,827
Capital outlay:				
Highways and streets	1,505,645	1,505,645	1,308,429	(197,216)
Airport	55,000	55,000	9,768	(45,232)
Total Expenditures	1,560,645	1,560,645	1,337,024	(223,621)
REVENUES OVER EXPENDITURES	1,487,285	1,487,285	1,214,008	(273,277)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	255,000	255,000	-
Transfers out	(1,279,500)	(1,405,500)	(1,405,500)	-
Total Other Financing Sources (Uses)	(1,279,500)	(1,150,500)	(1,150,500)	-
NET CHANGE IN FUND BALANCE	\$ 207,785	336,785	63,508	(273,277)
FUND BALANCE, OCTOBER 1			3,684,029	
FUND BALANCE, SEPTEMBER 30			\$ 3,747,537	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL IMPROVEMENTS SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes:				
Sales	\$ 1,694,930	1,694,930	1,757,777	62,847
Intergovernmental	-	-	94,512	94,512
Charges for services	-	-	200	200
Contributions and donations	-	-	18,380	18,380
Investment income	10,000	10,000	49,363	39,363
Total Revenues	<u>1,704,930</u>	<u>1,704,930</u>	<u>1,920,232</u>	<u>215,302</u>
EXPENDITURES				
Current:				
Public safety	-	-	56,127	56,127
Highways and streets	-	-	129,947	129,947
Debt service:				
Bond issue costs	-	-	227,300	227,300
Capital outlay:				
General government	550,000	550,000	535,432	(14,568)
Public safety	1,749,000	1,749,000	65,106	(1,683,894)
Highways and streets	750,000	750,000	161,492	(588,508)
Culture and recreation	4,550,000	4,550,000	1,460,980	(3,089,020)
Total Capital Outlay	<u>7,599,000</u>	<u>7,599,000</u>	<u>2,223,010</u>	<u>(5,375,990)</u>
Total Expenditures	<u>7,599,000</u>	<u>7,599,000</u>	<u>2,636,384</u>	<u>(4,962,616)</u>
REVENUES UNDER EXPENDITURES	<u>(5,894,070)</u>	<u>(5,894,070)</u>	<u>(716,152)</u>	<u>5,177,918</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	5,000,000	11,365,000	11,365,000	-
Transfers in	-	-	37,328	37,328
Transfers out	-	(230,000)	(256,740)	26,740
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>11,135,000</u>	<u>11,145,588</u>	<u>10,588</u>
NET CHANGE IN FUND BALANCE	<u>\$ (894,070)</u>	<u>5,240,930</u>	10,429,436	<u>5,188,506</u>
FUND BALANCE, OCTOBER 1			<u>2,351,144</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 12,780,580</u>	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - COPS DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental	\$ -	126,000	130,095	4,095
Investment income	-	-	36	36
Total Revenues	-	126,000	130,131	4,131
EXPENDITURES				
Debt service:				
Principal	5,000	5,000	5,000	-
Interest and fiscal charges	1,274,500	1,400,500	1,400,104	(396)
Total Expenditures	1,279,500	1,405,500	1,405,104	(396)
REVENUES UNDER EXPENDITURES	(1,279,500)	(1,279,500)	(1,274,973)	4,527
OTHER FINANCING SOURCES				
Transfers in	1,279,500	1,279,500	1,405,500	126,000
NET CHANGE IN FUND BALANCE	\$ -	-	130,527	130,527
FUND BALANCE, OCTOBER 1			2,953,150	
FUND BALANCE, SEPTEMBER 30			\$ 3,083,677	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
VEHICLE AND EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Investment income	\$ 30,000	42,907	12,907
EXPENDITURES			
Capital outlay:			
General government	250,000	106,445	(143,555)
Public safety	82,500	77,547	(4,953)
Highways and streets	254,000	-	(254,000)
Culture and recreation	38,100	25,265	(12,835)
Total Expenditures	<u>624,600</u>	<u>209,257</u>	<u>(415,343)</u>
REVENUES UNDER EXPENDITURES	<u>(594,600)</u>	<u>(166,350)</u>	<u>428,250</u>
OTHER FINANCING SOURCES			
Sale of capital assets	-	17,384	17,384
Transfers in	465,300	465,300	-
Total Other Financing Sources	<u>465,300</u>	<u>482,684</u>	<u>17,384</u>
NET CHANGE IN FUND BALANCE	<u>\$ (129,300)</u>	316,334	<u>445,634</u>
FUND BALANCE, OCTOBER 1		<u>2,155,497</u>	
FUND BALANCE, SEPTEMBER 30		<u>\$ 2,471,831</u>	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Balance</u> <u>September 30</u> <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30</u> <u>2011</u>
TAXABLE INDUSTRIAL REVENUE BONDS (HBAS MANUFACTURING, INC. PROJECT), SERIES 2005				
Assets - cash and cash investments	\$ -	281,362	281,362	-
Liabilities - due to lessee	\$ -	281,362	281,362	-
TAXABLE INDUSTRIAL REVENUE BONDS (PAUWELS PROJECT), SERIES 2008A AND B				
Assets - cash and cash investments	\$ -	37,504	37,504	-
Liabilities - due to lessee	\$ -	37,504	37,504	-
TAXABLE INDUSTRIAL REVENUE BONDS (VALENT AEROSTRUCTURES, SERIES 2010A AND B)				
Assets - cash and cash investments	\$ 9,788	7,190,424	7,167,004	33,208
Liabilities - due to lessee	\$ 9,788	7,190,424	7,167,004	33,208
ALL AGENCY FUNDS				
Assets - cash and cash investments	\$ 9,788	7,509,290	7,485,870	33,208
Liabilities - due to lessee	\$ 9,788	7,509,290	7,485,870	33,208

SECTION III - STATISTICAL SECTION

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	64 - 71
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	72 - 75
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	76 - 78
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	79 - 83
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	84 - 85

Sources: Unless otherwise noted, the information in these schedules is derived from the CAFRs for the relevant year.

CITY OF WASHINGTON, MISSOURI
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS

	September 30								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in capital assets, net of related debt	\$ 19,903,202	19,586,634	18,496,183	15,218,196	34,824,279	32,150,021	28,607,705	21,402,264	16,448,693
Restricted	10,227,205	8,910,870	7,188,207	7,543,818	2,055,727	3,234,143	2,336,893	3,985,879	4,364,834
Unrestricted	4,271,547	4,266,818	8,264,306	6,746,371	4,026,763	6,014,491	5,721,384	4,757,681	4,149,651
Total Governmental Activities Net Assets	\$ 34,401,954	32,764,322	33,948,696	29,508,385	40,906,769	41,398,655	36,665,982	30,145,824	24,963,178
Business-type Activities									
Invested in capital assets, net of related debt	\$ 17,257,501	17,783,318	18,894,569	20,033,834	15,680,130	13,746,355	12,910,727	12,241,765	10,847,609
Restricted	203,500	203,500	203,500	297,545	146,297	126,521	137,959	224,800	225,240
Unrestricted	643,346	(7,742)	(1,351,629)	(3,779,395)	(773,014)	1,413,186	2,285,676	2,189,718	2,638,509
Total Business-type Activities Net Assets	\$ 18,104,347	17,979,076	17,746,440	16,551,984	15,053,413	15,286,062	15,334,362	14,656,283	13,711,358
Primary Government									
Invested in capital assets, net of related debt	\$ 37,160,703	37,369,952	37,390,752	35,252,030	50,504,409	45,896,376	41,518,432	33,644,029	27,296,302
Restricted	10,430,705	9,114,370	7,391,707	7,841,363	2,202,024	3,360,664	2,474,852	4,210,679	4,590,074
Unrestricted	4,914,893	4,259,076	6,912,677	2,966,976	3,253,749	7,427,677	8,007,060	6,947,399	6,788,160
Total Primary Govern- ment Net Assets	\$ 52,506,301	50,743,398	51,695,136	46,060,369	55,960,182	56,684,717	52,000,344	44,802,107	38,674,536

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF WASHINGTON, MISSOURI

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

	September 30								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES									
Governmental Activities									
General government	\$ 2,391,957	2,459,637	2,450,212	2,746,947	2,310,768	2,015,197	1,861,917	1,906,000	1,712,695
Public safety	4,167,300	4,209,328	4,167,081	4,127,090	3,821,556	3,423,303	3,375,127	3,122,518	2,990,862
Airport	389,357	358,257	315,409	318,800	327,757	308,987	123,243	97,536	98,450
Highways and streets	3,138,175	2,993,414	2,757,131	20,587,741	7,572,762	1,994,062	2,787,179	1,779,304	2,501,898
Culture and recreation	2,036,074	1,862,053	1,784,181	1,842,721	1,649,763	1,624,823	1,507,396	1,472,036	1,429,316
Economic development	422,541	3,793,925	-	-	-	-	-	-	-
Interest on long-term debt	1,893,340	1,312,223	1,482,847	906,982	317,491	185,745	70,005	80,766	111,531
Total Governmental Activities Expenses	14,438,744	16,988,837	12,956,861	30,530,281	16,000,097	9,552,117	9,724,867	8,458,160	8,844,752
Business-type Activities									
Water	1,432,160	1,319,119	1,279,316	1,342,968	1,465,602	1,401,617	1,360,439	1,147,483	1,064,613
Sewer	3,028,022	2,964,188	1,055,581	1,040,995	1,132,035	1,094,885	1,001,500	999,553	1,003,287
Solid waste	2,416,011	2,215,213	1,966,384	2,022,255	1,953,286	1,895,078	1,774,550	1,455,805	1,328,974
Total Business-type Activities Expenses	6,876,193	6,498,520	4,301,281	4,406,218	4,550,923	4,391,580	4,136,489	3,602,841	3,396,874
Total Primary Government	21,314,937	23,487,357	17,258,142	34,936,499	20,551,020	13,943,697	13,861,356	12,061,001	12,241,626
PROGRAM REVENUES									
Governmental Activities									
Charges for services:									
General government	650,501	629,382	562,142	567,567	1,350,504	535,916	491,685	440,893	414,433
Public safety	711,465	790,962	789,842	757,633	660,336	458,891	435,562	344,743	328,226
Airport	88,271	84,093	65,799	72,146	74,398	72,370	70,017	65,630	44,165
Highways and streets	440,248	148,644	340,178	302,063	243,061	212,792	215,693	206,218	171,893
Culture and recreation	328,277	258,933	244,987	261,742	234,071	209,057	238,542	239,272	252,191
Operating grants and contributions	659,758	651,778	917,539	981,166	771,566	662,219	1,352,922	982,312	656,536
Capital grants and contributions	349,061	1,040,427	2,145,388	3,412,588	37,328	1,661,422	5,362,513	3,561,738	3,183,630
Total Governmental Activities Program Revenues	3,227,581	3,604,219	5,065,875	6,354,905	3,371,264	3,812,667	8,166,934	5,840,806	5,051,074
Business-type Activities									
Charges for services:									
Water	1,406,588	1,287,713	1,166,340	1,135,956	1,210,367	1,214,914	1,156,441	1,141,201	1,143,351
Sewer	2,664,993	2,633,395	2,208,748	1,847,759	1,062,103	1,016,435	992,653	1,147,258	1,013,715
Solid waste	2,212,897	2,023,514	1,932,124	1,818,526	1,831,979	1,643,469	1,798,321	1,617,155	1,153,748
Operating grants and contributions	-	25,000	-	-	-	-	-	-	-
Capital grants and contributions	-	25,849	44,000	575,292	-	-	400,205	411,475	403,687
Total Business-type Activities Program Revenue	6,284,478	5,995,471	5,351,212	5,377,533	4,104,449	3,874,818	4,347,620	4,317,089	3,714,501
Total Primary Government Program Revenues	9,512,059	9,599,690	10,417,087	11,732,438	7,475,713	7,687,485	12,514,554	10,157,895	8,765,575

(Continued)

CITY OF WASHINGTON, MISSOURI
CHANGES IN NET ASSETS (Continued)
LAST NINE FISCAL YEARS

	September 30								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
NET REVENUES (EXPENSES)									
Governmental activities	(11,211,163)	(13,384,618)	(7,890,986)	(24,175,376)	(12,628,833)	(5,739,450)	(1,557,933)	(2,617,354)	(3,793,678)
Business-type activities	(591,715)	(503,049)	1,049,931	971,315	(446,474)	(516,762)	211,131	714,248	317,627
Total Primary Government Net Revenues (Expenses)	<u>(11,802,878)</u>	<u>(13,887,667)</u>	<u>(6,841,055)</u>	<u>(23,204,061)</u>	<u>(13,075,307)</u>	<u>(6,256,212)</u>	<u>(1,346,802)</u>	<u>(1,903,106)</u>	<u>(3,476,051)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS									
Governmental Activities									
Taxes:									
Property	2,494,598	2,416,799	2,283,620	2,114,522	1,981,426	1,735,672	1,538,475	1,473,350	1,279,952
Sales	7,491,229	7,218,424	7,353,667	7,887,896	7,681,616	6,959,132	5,169,890	4,948,433	4,741,562
Franchise	2,294,682	2,154,923	2,225,337	2,194,529	1,747,738	1,461,906	1,361,239	1,299,826	1,287,718
Tourism	112,684	102,583	105,274	108,790	80,806	65,315	62,038	50,989	53,171
Investment income	325,407	287,603	357,399	471,255	592,261	457,575	235,722	133,112	182,424
Gain on sale of capital assets	-	22,967	-	-	53,100	5,335	5,493	-	35,835
Grants and contributions not restricted to specific programs	130,095	-	-	-	-	-	-	-	-
Miscellaneous	100	-	-	-	-	-	-	-	-
Transfers	-	(3,055)	6,000	-	-	(212,812)	(294,766)	(105,710)	(360,166)
Total Governmental Activities General Revenues And Other Changes In Net Assets	<u>12,848,795</u>	<u>12,200,244</u>	<u>12,331,297</u>	<u>12,776,992</u>	<u>12,136,947</u>	<u>10,472,123</u>	<u>8,078,091</u>	<u>7,800,000</u>	<u>7,220,496</u>
Business-type Activities									
Miscellaneous	53,000	50,909	50,429	40,139	11,982	41,150	45,041	53,044	30,689
Investment income	663,207	681,271	100,096	173,377	201,843	214,500	127,141	71,422	97,920
Gain on sale of capital assets	779	450	-	-	-	-	-	501	(865)
Transfers	-	3,055	(6,000)	-	-	212,812	294,766	105,710	360,166
Total Business-type Activities General Revenues And Other Changes In Net Assets	<u>716,986</u>	<u>735,685</u>	<u>144,525</u>	<u>213,516</u>	<u>213,825</u>	<u>468,462</u>	<u>466,948</u>	<u>230,677</u>	<u>487,910</u>
Total Primary Government General Revenues And Other Changes In Net Assets	<u>13,565,781</u>	<u>12,935,929</u>	<u>12,475,822</u>	<u>12,990,508</u>	<u>12,350,772</u>	<u>10,940,585</u>	<u>8,545,039</u>	<u>8,030,677</u>	<u>7,708,406</u>
CHANGES IN NET ASSETS									
Governmental activities	1,637,632	(1,184,374)	4,440,311	(11,398,384)	(491,886)	4,732,673	6,520,158	5,182,646	3,426,818
Business-type activities	125,271	232,636	1,194,456	1,184,831	(232,649)	(48,300)	678,079	944,925	805,537
Total Primary Government	<u>\$ 1,762,903</u>	<u>(951,738)</u>	<u>5,634,767</u>	<u>(10,213,553)</u>	<u>(724,535)</u>	<u>4,684,373</u>	<u>7,198,237</u>	<u>6,127,571</u>	<u>4,232,355</u>

Source: Basic financial statements

GASB 34 was implemented in 2003.

Notes: In 2008, \$26.8 million of certificates of participation for the building improvements and Highway 100 widening project. Also, issued \$20 million revenue bonds payable for a new wastewater treatment plant constructed in 2009.

CITY OF WASHINGTON, MISSOURI
PROGRAM REVENUES BY FUNCTIONS/PROGRAMS
LAST NINE FISCAL YEARS

FUNCTIONS/PROGRAMS	Program Revenues								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
General government	\$ 744,366	668,716	602,367	604,567	1,402,881	571,078	544,136	438,382	415,142
Public safety	763,078	861,323	876,502	822,543	692,732	527,034	763,125	471,955	420,790
Airport	88,271	84,093	65,799	372,146	74,398	84,928	3,512,966	1,697,688	626,873
Highways and streets	1,264,027	1,618,658	3,193,749	4,125,170	910,555	2,395,452	2,951,605	2,945,254	3,299,057
Culture and recreation	367,839	371,429	327,458	430,479	290,698	234,175	395,102	287,527	289,212
Total Governmental Activities Program Revenues	<u>3,227,581</u>	<u>3,604,219</u>	<u>5,065,875</u>	<u>6,354,905</u>	<u>3,371,264</u>	<u>3,812,667</u>	<u>8,166,934</u>	<u>5,840,806</u>	<u>5,051,074</u>
Business-type Activities									
Water	1,406,588	1,287,713	1,166,340	1,392,292	1,210,367	1,214,914	1,370,200	1,353,751	1,363,101
Sewer	2,664,993	2,659,244	2,252,748	2,166,715	1,062,103	1,016,435	1,179,099	1,346,183	1,197,652
Solid waste	2,212,897	2,048,514	1,932,124	1,818,526	1,831,979	1,643,469	1,798,321	1,617,155	1,153,748
Total Business-type Activities Program Revenues	<u>6,284,478</u>	<u>5,995,471</u>	<u>5,351,212</u>	<u>5,377,533</u>	<u>4,104,449</u>	<u>3,874,818</u>	<u>4,347,620</u>	<u>4,317,089</u>	<u>3,714,501</u>
Total Primary Government Program Revenues	<u>\$9,512,059</u>	<u>9,599,690</u>	<u>10,417,087</u>	<u>11,732,438</u>	<u>7,475,713</u>	<u>7,687,485</u>	<u>12,514,554</u>	<u>10,157,895</u>	<u>8,765,575</u>

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF WASHINGTON, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

	September 30								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund									
Reserved	\$ -	2,831,117	2,840,423	2,853,708	3,422,273	2,567,531	2,342,160	2,149,656	2,422,738
Unreserved	-	2,602,568	2,290,772	1,854,701	1,030,187	1,187,417	2,967,639	3,067,047	2,442,965
Nonspendable	2,710,881	-	-	-	-	-	-	-	-
Committed	3,348,275	-	-	-	-	-	-	-	-
Assigned	31,168	-	-	-	-	-	-	-	-
Unassigned	706,882	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 6,797,206</u>	<u>5,433,685</u>	<u>5,131,195</u>	<u>4,708,409</u>	<u>4,452,460</u>	<u>3,754,948</u>	<u>5,309,799</u>	<u>5,216,703</u>	<u>4,865,703</u>
All Other Governmental Funds									
Reserved	\$ -	1,180,447	901,763	1,744,378	4,851,927	1,847,880	5,237,059	36,119,859	964,725
Unreserved, reported in:									
Special Revenue Funds	-	726,528	1,156,007	1,011,113	894,740	840,286	935,536	(2,861,452)	759,679
Capital Projects Fund	-	9,989,878	8,412,597	10,483,168	3,544,028	3,640,445	(3,160,141)	2,590,546	3,363,077
Debt Service Fund	-	-	1,587	8,606	-	-	-	-	288,513
Nonspendable	606,501	-	-	-	-	-	-	-	-
Restricted	20,173,320	-	-	-	-	-	-	-	-
Committed	2,040,423	-	-	-	-	-	-	-	-
Unassigned	(236,426)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 22,583,818</u>	<u>11,896,853</u>	<u>10,471,954</u>	<u>13,247,265</u>	<u>9,290,695</u>	<u>6,328,611</u>	<u>3,012,454</u>	<u>35,848,953</u>	<u>5,375,994</u>

Source: Basic financial statements

GASB 34 was implemented in 2003.

Note: Parks and recreation and airport were combined into General Fund in 2006. Leasehold Revenue Bonds Debt Service was closed in 2006. 2008 COPS was created in 2008 when issued.

For fiscal year 2011 GASB 54 was implemented.

CITY OF WASHINGTON, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

	For The Years Ended September 30								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES									
Taxes	\$12,405,976	11,869,859	11,922,898	12,305,737	11,491,586	10,223,724	8,131,642	7,772,598	7,362,403
Licenses and permits	161,408	157,699	257,292	275,501	274,026	243,598	222,720	210,587	190,504
Fees and fines	339,193	385,326	418,607	401,662	367,838	178,555	182,085	141,850	125,659
Intergovernmental	1,046,949	1,796,434	2,436,948	2,606,561	1,160,107	1,656,240	5,196,472	3,454,787	2,478,526
Charges for services	1,588,564	1,221,589	1,215,896	1,171,277	1,822,755	1,577,131	951,972	842,196	841,541
Rents	81,631	104,967	81,815	87,546	102,896	92,406	103,662	102,123	81,867
Contributions and donations	91,965	86,419	79,593	182,875	58,677	64,736	195,342	36,551	126,615
Investment income	325,407	287,603	357,399	471,255	592,261	457,575	235,722	133,112	182,424
Miscellaneous	100	-	-	-	-	-	-	-	709
Total Revenues	<u>16,041,193</u>	<u>15,909,896</u>	<u>16,770,448</u>	<u>17,502,414</u>	<u>15,870,146</u>	<u>14,493,965</u>	<u>15,219,617</u>	<u>12,693,804</u>	<u>11,390,248</u>
EXPENDITURES									
General government	2,206,848	2,208,897	2,219,240	2,117,484	2,091,008	1,825,933	1,699,172	1,711,572	1,511,981
Public safety	3,725,467	3,733,315	3,665,617	3,607,981	3,385,829	3,166,590	3,096,913	2,888,902	2,746,674
Highways and streets	1,963,827	1,993,395	1,896,982	19,961,827	7,040,504	1,711,568	2,554,341	1,621,587	1,462,875
Airport	150,895	147,453	125,228	127,694	163,678	132,816	87,802	81,330	82,244
Culture and recreation	1,780,003	1,620,513	1,542,205	1,616,265	1,471,726	1,453,355	1,359,816	1,370,120	1,294,791
Economic development	422,212	3,793,925	-	-	-	-	-	-	-
Debt service:									
Principal	5,000	5,000	4,125,000	7,814,451	425,000	585,645	545,000	525,000	510,000
Interest and fiscal charges	1,406,587	1,282,518	1,401,027	455,085	207,134	155,122	69,483	86,716	116,801
Bond issue costs	227,300	-	-	662,960	-	-	-	-	-
Capital outlay	3,934,450	3,211,328	4,153,674	3,988,216	4,843,222	8,674,067	7,356,576	4,601,634	4,683,165
Total Expenditures	<u>15,822,589</u>	<u>17,996,344</u>	<u>19,128,973</u>	<u>40,351,963</u>	<u>19,628,101</u>	<u>17,705,096</u>	<u>16,769,103</u>	<u>12,886,861</u>	<u>12,408,531</u>
REVENUES UNDER EXPENDITURES	<u>218,604</u>	<u>(2,086,448)</u>	<u>(2,358,525)</u>	<u>(22,849,549)</u>	<u>(3,757,955)</u>	<u>(3,211,131)</u>	<u>(1,549,486)</u>	<u>(193,057)</u>	<u>(1,018,283)</u>
OTHER FINANCING SOURCES (USES)									
Issuance of debt	11,787,212	3,793,925	-	26,840,000	7,364,451	5,000,000	-	-	-
Proceeds from capital lease	-	-	-	-	-	103,227	-	-	-
Sale of capital assets	44,670	22,967	-	222,068	53,100	5,335	5,493	-	60,000
Transfers in	3,193,958	3,362,184	2,359,746	9,024,818	896,743	3,835,256	2,598,067	2,167,260	1,913,544
Transfers out	(3,193,958)	(3,365,239)	(2,353,746)	(9,024,818)	(896,743)	(3,971,381)	(2,697,477)	(2,272,970)	(2,018,364)
Total Other Financing Sources (Uses)	<u>11,831,882</u>	<u>3,813,837</u>	<u>6,000</u>	<u>27,062,068</u>	<u>7,417,551</u>	<u>4,972,437</u>	<u>(93,917)</u>	<u>(105,710)</u>	<u>(44,820)</u>
NET CHANGES IN FUND BALANCES	<u>\$12,050,486</u>	<u>1,727,389</u>	<u>(2,352,525)</u>	<u>4,212,519</u>	<u>3,659,596</u>	<u>1,761,306</u>	<u>(1,643,403)</u>	<u>(298,767)</u>	<u>(1,063,103)</u>
Debt service as a percentage of non-capital expenditures	11.85 %	8.72	36.76	22.74	4.28	8.20	6.53	7.38	8.11

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF WASHINGTON, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Tourism	Total
2011	\$ 2,494,598	\$ 7,504,012	\$ 2,294,682	\$ 112,684	\$ 12,405,976
2010	2,432,969	7,179,384	2,154,923	102,583	11,869,859
2009	2,283,620	7,308,667	2,225,337	105,274	11,922,898
2008	2,114,522	7,887,896	2,194,529	108,790	12,305,737
2007	1,981,426	7,681,616	1,747,738	80,806	11,491,586
2006	1,737,371	6,959,132	1,461,906	65,315	10,223,724
2005	1,538,475	5,169,890	1,361,239	62,038	8,131,642
2004	1,473,350	4,948,433	1,299,826	50,989	7,772,598
2003	1,279,952	4,741,562	1,287,718	53,171	7,362,403

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF WASHINGTON, MISSOURI
SALES TAX REVENUE - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

Fiscal Year	General Sales Tax (1%)	Capital Improvement Sales Tax (0.25%)	Transporation Sales Tax (0.25%)	Phoenix Center CID Sales Tax Portion	Other Taxes	Total
2011	\$ 3,653,879	\$ 1,826,939	\$ 1,826,956	\$ (338,648)	\$ 534,886	\$ 7,504,012
2010	3,493,564	1,746,782	1,746,671	(335,728)	528,095	7,179,384
2009	3,563,682	1,781,841	1,782,013	(371,835)	552,966	7,308,667
2008	3,773,768	1,886,884	1,888,157	(234,616)	573,703	7,887,896
2007	3,528,884	1,764,443	1,758,421	(49,808)	679,676	7,681,616
2006	3,288,683	1,644,343	1,568,854	-	457,252	6,959,132
2005	3,230,962	1,615,478	-	-	323,450	5,169,890
2004	3,081,855	1,540,927	-	-	325,651	4,948,433
2003	2,974,719	1,487,308	-	-	279,535	4,741,562

Source: Basic financial statemetns

GASB 34 was implemented in 2003.

Note: Transporation sales tax began in 2006 and Phoenix Center II CID was created in 2007.

CITY OF WASHINGTON, MISSOURI
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

CITY OF WASHINGTON

Fiscal Year	Calendar Year	Real Property	Personal Property	Railroads/ Utilities	Downtown TIF District RPA-1	Total		Total Direct Tax Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
						Assessed Value	Estimated Actual Value		
2011	2010	\$ 277,121,790	\$ 48,981,844	\$ 7,937,831	\$ (3,518,747)	\$ 330,522,718	\$ 1,348,095,494	\$ 0.6020	24.5 %
2010	2009	277,734,795	48,432,106	7,118,272	(2,865,744)	330,419,429	1,351,033,504	0.5962	24.5
2009	2008	260,643,192	50,012,813	6,189,799	(359,945)	316,485,859	1,302,633,038	0.5959	24.3
2008	2007	252,186,733	46,877,596	6,178,842	(181,435)	305,061,736	1,260,679,802	0.5941	24.2
2007	2006	223,717,275	53,408,785	6,053,858	-	283,179,918	1,164,609,819	0.5857	24.3
2006	2005	214,831,146	60,192,298	5,939,418	-	280,962,862	1,146,840,486	0.5940	24.5
2005	2004	182,474,026	49,074,019	5,904,714	-	237,452,759	964,585,588	0.5177	24.6
2004	2003	173,287,358	49,529,252	5,384,006	-	228,200,616	926,849,927	0.5412	24.6
2003	2002	164,455,880	47,823,325	5,530,642	-	217,809,847	879,569,911	0.5420	24.8
2002	2001	160,647,081	46,502,327	5,742,470	-	212,891,878	859,061,487	0.4766	24.8

CITY OF WASHINGTON LIBRARY DISTRICT

Fiscal Year	Calendar Year	Real Property	Personal Property	Railroads/ Utilities	Downtown TIF District RPA-1	Total		Total Direct Tax Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
						Assessed Value	Estimated Actual Value		
2011	2010	\$ 129,164,658	\$ 25,837,136	\$ 5,410,591	\$ (3,518,747)	\$ 156,893,638	\$ 651,560,422	\$ 0.0927	24.1 %
2010	2009	127,213,394	25,808,287	4,807,736	(2,865,744)	154,963,673	656,881,861	0.0914	23.6
2009	2008	116,434,894	24,432,450	4,195,869	(359,945)	144,703,268	616,632,013	0.0923	23.5
2008	2007	116,489,943	27,101,310	4,254,559	(181,435)	147,664,377	622,296,806	0.0934	23.7
2007	2006	110,351,766	31,590,770	4,195,858	-	146,138,394	603,560,037	0.0906	24.2
2006	2005	109,312,628	38,111,300	4,232,826	-	151,656,754	618,261,797	0.0905	24.5
2005	2004	95,246,026	28,045,233	4,378,621	-	127,669,880	521,629,743	0.0872	24.5
2004	2003	91,639,672	28,724,652	3,929,319	-	124,293,643	510,512,396	0.0923	24.3
2003	2002	89,640,947	31,290,360	4,142,355	-	125,073,662	507,522,071	0.0915	24.6
2002	2001	89,784,746	30,125,676	4,359,936	-	124,270,358	504,655,523	0.0906	24.6

Source: Franklin County Collector and Assessor's Offices

Property has an assessed value to estimated actual value as follows: commercial real estate 32%, residential real estate 19%, agricultural real estate 12%, and personal property 33 1/3%.

Note: TIF District created in 2007. Estimated Actual Value includes the TIF district because it is not feasible to report it separately.

CITY OF WASHINGTON, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	For The Years Ended September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assessed Valuation Year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
City of Washington (excluding Library District)	0.6020	0.5962	0.5959	0.5941	0.5857	0.5940	0.5177	0.5412	0.5420	0.4766
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Franklin County-General	0.1382	0.1382	0.1173	0.1173	0.1173	0.1161	0.1378	0.1334	0.1398	0.1292
Franklin County-Road and Bridge	0.1978	0.1938	0.1923	0.1941	0.1941	0.2024	0.2223	0.2323	0.2314	0.2314
Developmental Services of Franklin County	0.0935	0.0916	0.0916	0.0925	0.0918	0.0957	0.0957	0.1000	0.0999	0.0999
Washington School District	3.1620	3.7860	3.7923	3.6600	3.6600	3.6600	3.6600	3.6606	3.6031	3.6031
East Central College	0.4385	0.4329	0.4329	0.4348	0.4313	0.4471	0.4473	0.4369	0.4691	0.4540
Washington Library	0.0927	0.0914	0.0923	0.0934	0.0906	0.0905	0.0872	0.0923	0.0915	0.0906
Washington Area Ambulance District	-	-	-	-	0.0500	0.1747	0.1732	0.1825	0.1817	0.1821
Franklin County Library	0.0777	0.0759	0.0758	0.0919	0.0913	0.0959	0.0959	0.1000	0.0999	0.0999
Surtax	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Total Overlapping Governments	4.7104	5.3198	5.3045	5.1940	5.2364	5.3924	5.4294	5.4480	5.4264	5.4002
Total City And Overlapping Governments	5.3124	5.9160	5.9004	5.7881	5.8221	5.9864	5.9471	5.9892	5.9684	5.8768

Source: Franklin County Collector and Assessor's Offices (rates stated per \$100 assessed valuation)

CITY OF WASHINGTON, MISSOURI
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total City Taxable Assessed Value</u>
REAL ESTATE						
Creekside Land & Dev. Co. LLC	\$ 10,462,853	1	3.17 %	\$ -	1	-
Wal-Mart Real Estate Business	5,748,464	2	1.74	-	2	-
Parker-Hannifin Corp.	3,624,292	3	1.10	-	3	-
MCW-RD Washington Crossing LLC	3,217,589	4	0.97	-	4	-
Phoenix Center II Development	2,960,635	5	0.90	-	5	-
Lowe's Home Centers, Inc.	2,688,355	6	0.81	-	6	-
Creekside Land & Dev. Co. LLC	2,635,229	7	0.80	-	7	-
Bank of Washington	2,610,563	8	0.79	-	8	-
Target Corporation Target Pro	2,607,744	9	0.79	-	9	-
Hollingsworth Capital Partner	2,361,635	10	0.71	-	10	-
Total Real Estate	<u>\$ 38,917,359</u>		<u>11.78 %</u>	<u>\$ -</u>		<u>- %</u>
PERSONAL PROPERTY						
PFHC Medical Management LLC	\$ 1,641,158	1	0.50 %	\$ -	1	-
CG Power Systems USA, Inc.	1,183,164	2	0.36	-	2	-
Parker-Hannifin Corp.	1,013,162	3	0.31	-	3	-
Tradco Inc. - Wash, Inc.	993,616	4	0.30	-	4	-
Fricks Meat Products	991,992	5	0.30	-	5	-
Magnet LLC	989,116	6	0.30	-	6	-
Canam Steel Corp. - Midwestern	902,456	7	0.27	-	7	-
GHTM LC	819,437	8	0.25	-	8	-
Wal-Mart Stores, Inc.	713,644	9	0.22	-	9	-
Missourian Publishing Co.	678,582	10	0.21	-	10	-
Total Personal Property	<u>\$ 9,926,327</u>		<u>3.02 %</u>	<u>\$ -</u>		<u>- %</u>

Source: Franklin County Collector's office

Note: 2002 information was not available.

CITY OF WASHINGTON, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy Year	Net Tax Levy	Current Tax Collections	Delinquent Tax (And Penalties) Collections	Percent Collected As Current	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy	Total Tax Collections	Total Collections As Percent Of Levy
2011	2010	\$ 1,989,747	\$ 1,922,631	\$ 67,116	96.6 %	\$ 127,396	6.4 %	\$ 1,862,351	93.6 %
2010	2009	1,969,961	1,926,147	43,814	97.8	50,980	2.6	1,918,981	97.4
2009	2008	1,886,889	1,825,204	61,685	96.7	48,048	2.5	1,838,841	97.5
2008	2007	1,817,863	1,774,524	43,339	97.6	N/A	N/A	1,774,524	97.6
2007	2006	1,682,372	1,653,059	29,313	98.3	N/A	N/A	1,653,059	98.3
2006	2005	1,645,599	1,596,785	48,814	97.0	N/A	N/A	1,596,785	97.0
2005	2004	1,410,469	1,374,216	36,253	97.4	N/A	N/A	1,374,216	97.4
2004	2003	1,181,395	1,144,746	36,649	96.9	N/A	N/A	1,144,746	96.9
2003	2002	1,178,787	1,157,264	21,523	98.2	N/A	N/A	1,157,264	98.2
2002	2001	1,153,874	1,131,026	22,848	98.0	N/A	N/A	1,131,026	98.0

Source: Franklin County Collector's Office. Delinquent tax is as of 9/30. Outstanding Delinquent Taxes is as of 12/31.

Note: N/A = Information not available from Franklin County.

CITY OF WASHINGTON, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						Business-type Activities	Total Primary Government	Percentage Of Personal Income (1)	Per Capita
	Capital Lease Obligations	General Obligation Bonds	Leasehold Revenue Bonds	Certificates Of Participation	Tax Increment Revenue Notes	Loan Payable	Revenue Bonds			
2011	\$ -	\$ -	\$ -	\$ 38,195,000	\$4,216,137	\$ -	\$ 18,420,000	\$ 60,831,137	1,322.42 %	\$ 4,053
2010	20,647	-	-	26,835,000	3,793,925	-	19,380,000	50,029,572	1,083.81	3,307
2009	41,622	-	-	26,840,000	-	-	20,315,000	47,196,622	1,022.43	3,288
2008	61,937	-	-	30,965,000	-	-	20,405,000	51,431,937	1,102.15	3,574
2007	82,582	-	-	4,575,000	-	7,364,451	490,000	12,512,033	288.18	878
2006	82,582	-	-	5,000,000	-	-	570,000	5,652,582	130.19	402
2005	-	-	565,000	-	-	-	645,000	1,210,000	27.87	86
2004	-	-	1,110,000	-	-	-	715,000	1,825,000	42.03	132
2003	-	-	1,635,000	-	-	-	780,000	2,415,000	55.62	177
2002	-	2,870,000	2,145,000	-	-	-	845,000	5,860,000	134.97	434

(1) See Demographics and Economic Statistics Table

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

CITY OF WASHINGTON, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2011

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
Direct:			
City of Washington	\$ 42,411,137	100.00 %	\$ 42,411,137
Overlapping:			
East Central College	18,442,216	23.58	4,349,553
Washington School District	36,145,000	26.87	9,710,678
Franklin County	24,228,635	18.70	<u>4,531,437</u>
			<u><u>\$ 61,002,805</u></u>

Source: Information was obtained by contacting the Taxing Jurisdiction and the Franklin County Collector's Office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF WASHINGTON, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Assessed Value	<u>\$ 330,522,718</u>
Debt Limit - 10% of Total Assessed Valuation	<u>\$ 33,052,272</u>
Amount of Debt Subject to Limit	
Total Bonded Debt	-
Less: Amounts available in Debt Service Fund	-
Total Amount Of Debt Applicable To Debt Limit	<u>-</u>
Legal Debt Margin	<u>\$ 33,052,272</u>

	For The Years Ended September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt Limit	\$ 33,052,272	31,648,586	31,648,586	31,648,586	30,506,174	28,317,992	28,096,286	23,745,276	22,820,062	21,780,985
Net Debt Applicable To Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 33,052,272</u>	<u>31,648,586</u>	<u>31,648,586</u>	<u>31,648,586</u>	<u>30,506,174</u>	<u>28,317,992</u>	<u>28,096,286</u>	<u>23,745,276</u>	<u>22,820,062</u>	<u>21,780,985</u>
Total Net Debt Applicable To The Limit As A Per- centage Of Debt Limit	-	%	-	-	-	-	-	-	-	-

Note: Bonded indebtedness is limited by Sections 95.115 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF WASHINGTON, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Median Age (1)	Median Household Income (1)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)
2011	13,968	N/A	\$ 46,000	N/A	4,925	8.7 %
2010	13,982	N/A	46,161	N/A	4,960	6.8
2009	14,356	N/A	46,665	24,927	5,009	6.4
2008	14,392	35.9	43,417	23,915	5,111	5.2
2007	14,253	N/A	43,417	N/A	5,152	4.4
2006	14,073	N/A	43,417	N/A	5,047	4.3
2005	14,007	N/A	43,417	N/A	4,975	3.1
2004	13,838	N/A	43,417	N/A	4,933	3.1
2003	13,631	N/A	43,417	N/A	N/A	3.1
2002	13,510	N/A	43,417	N/A	N/A	3.1

(1) Source - U.S. Census Bureau (2010 median household income is estimated)

(2) Source - Missouri Department of Elementary and Secondary Education

(3) Source - U.S. Department of Labor Statistics

CITY OF WASHINGTON, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>Type</u>	<u>2011</u>			<u>2002</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>
Parker Hannifin (Sporlan Valve Div)	Manufacturer	1,195	1	5.95 %	732	2	3.64 %
Mercy Hospital	Health Care	1,000	2	4.98	751	1	3.74
Washington School District	School District	600	3	2.99	-	-	-
Harman/Becker Automotive	Manufacturer	455	4	2.26	-	-	-
Wal-Mart Super Center	Retail Merchant	427	5	2.13	450	4	2.24
Patients First Healthcare	Health Care	413	6	2.06	-	-	-
CG Powers (Pauwels Transformers)	Manufacturer	364	7	1.81	260	6	1.29
Magnet	Manufacturer	255	8	1.27	350	5	1.74
RTI Tradco	Manufacturer	220	9	1.09	133	9	0.66
Rawlings Sporting Goods Co.	Manufacturer	173	10	0.86	-	-	-
Eagle OPG	Manufacturer	-	-	-	550	3	2.74
Clemco	Manufacturer	-	-	-	140	8	0.70
Jefferson Products	Manufacturer	-	-	-	159	7	0.79
G H Tool & Mold	Manufacturer	-	-	-	128	10	0.64

Source: Finance Department-Business Licenses

CITY OF WASHINGTON, MISSOURI
FULL-TIME EQUIVALENTS EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Administration:										
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Emergency Preparedness Director	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
City Clerk/Human Resources Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Executive Secretary/Deputy City Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk - Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic development:										
Economic Developer Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Developer	0.5	0.5	-	-	-	-	-	-	-	-
Legal										
Municipal Judge	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
City Attorney	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Court Clerk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Deputy Court Clerk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Building maintenance:										
Building Maintenance Supervisor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodian	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Communications:										
Director of Communications	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Lead Dispatcher	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Dispatcher	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Volunteer fire:										
Fire Chief	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Custodian	0.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Volunteer Fire Fighters	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0
Finance										
Finance Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Finance Manager	-	1.0	1.0	-	-	-	-	-	-	-
General Ledger Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Accounts Payable Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Payroll/Accounts Receivable Clerk	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0	1.0
Special Accounts/Utility Billing Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Utility Billing Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cashier	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Information Technology										
Information Technology Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Information Technology Specialist	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0	1.0
Library:										
Librarian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Librarian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Children's Librarian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Shelvers	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

(Continued)

CITY OF WASHINGTON, MISSOURI
FULL-TIME EQUIVALENTS EMPLOYEES BY FUNCTIONS/PROGRAMS (Continued)
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS (Continued)	Full-Time Equivalent Employees As Of September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Parks and Recreation:										
Director of Parks and Recreation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Director of Parks and Recreation	-	-	-	1.0	1.0	1.0	-	-	-	-
Parks and Recreation Foreman	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation Lead Laborer	2.0	2.0	2.0	1.0	1.0	2.0	2.0	3.0	2.0	1.0
Parks and Recreation Equipment Operator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	1.0	-
Parks and Recreation Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Parks and Recreation Laborer Seasonal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	1.0
	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Planning and Engineering:										
City Engineer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Director of Planning and Engineering Services	0.50	0.50	1.0	1.0	1.0	1.0	1.0	-	-	-
Assistant City Engineer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building Official	1.0	1.0	1.0	1.0	1.0	-	-	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0	2.0	1.0	2.0	2.0	1.0	1.0	1.0
Engineering Technician	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Infrastructure Inspector	1.0	1.0	1.0	-	-	-	-	-	-	-
Zoning Officer	-	-	-	-	-	-	-	-	1.0	1.0
Engineering Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning and Engineering Services Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police:										
Police Chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Police Lieutenant	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Police Sergeant	3.0	3.0	3.0	3.0	3.0	2.0	2.0	1.0	1.0	1.0
Detective	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	-	-
Detective - Narcotics	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Patrol Officer - Canine	-	-	-	-	-	-	-	1.0	-	-
Patrol Officer - D.A.R.E./ School Resource	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Patrol Officer	12.0	12.0	12.0	12.0	12.0	12.0	12.0	16.0	16.0	16.0
Patrol Officer - Traffic Safety	2.0	2.0	2.0	2.0	2.0	1.0	1.0	-	-	-
Office Supervisor/Municipal Court Clerk	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Police Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Animal Control/Nuisance Abatement Officer	-	-	-	-	-	-	-	1.0	1.0	1.0
Police Records Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

(Continued)

CITY OF WASHINGTON, MISSOURI
FULL-TIME EQUIVALENTS EMPLOYEES BY FUNCTIONS/PROGRAMS (Continued)
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS (Continued)	Full-Time Equivalent Employees As Of September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Sanitation/Landfill/Compost/ Recycling:										
Sanitation Foreman/Mechanic	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sanitation and Compost/Recycling Truck Driver	3.0	3.0	4.0	3.0	3.0	2.0	2.0	2.0	1.0	1.0
Landfill Laborer	2.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Landfill Equipment Operator	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Compost Laborer	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Refuse Collector	2.0	2.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Street:										
Streets and Sanitation Super- intendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets Foreman	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Streets Equipment Operator	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Streets Lead Laborer	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets Truck Driver	-	-	1.0	-	-	2.0	2.0	2.0	1.0	1.0
Streets and Sanitation Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets Laborer	4.5	4.0	5.0	4.0	4.0	3.0	3.0	3.0	1.0	1.0
Wastewater:										
Wastewater Treatment Plant Operator III	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Wastewater Plant Operator III	1.0	1.0	1.0	1.0	-	-	-	-	1.0	1.0
Lab Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wastewater Plant Operator II/ Mechanic	1.0	1.0	1.0	1.0	-	-	-	-	1.0	1.0
Wastewater Plant Operator I	3.0	3.0	2.0	1.0	-	-	-	-	1.0	1.0
Secretary	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water:										
Water and Wastewater Super- intendent	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water and Wastewater Assistant Superintendent	-	-	-	1.0	-	-	-	-	-	-
Water and Wastewater Foreman	1.0	1.0	2.0	1.0	2.0	2.0	2.0	2.0	1.0	1.0
Water and Wastewater Lead Laborer	1.0	1.0	3.0	1.0	2.0	2.0	2.0	2.0	-	-
Water and Wastewater Equipment Operator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water and Wastewater Truck Driver	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
Water and Wastewater Secretary	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Meter Reader	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water and Wastewater Laborer	1.0	1.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Water and Wastewater Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	<u>233.8</u>	<u>231.8</u>	<u>237.8</u>	<u>230.8</u>	<u>227.8</u>	<u>226.8</u>	<u>225.8</u>	<u>229.8</u>	<u>222.8</u>	<u>214.8</u>

Source: Finance Department

CITY OF WASHINGTON, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As Of September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Communications:										
Total Calls Handled:										
Police	35,353	34,892	37,525	37,087	25,812	18,378	19,291	29,052	30,018	25,188
Ambulance District	2,703	2,497	2,668	2,650	2,607	2,492	2,498	1,725	1,534	1,494
Fire	740	731	719	745	840	753	768	679	657	754
911 Calls	4,600	6,866	4,900	3,945	4,016	4,017	3,875	3,566	3,276	3,608
Fire:										
Number of Calls	712	731	719	745	841	753	768	679	657	754
Average Response Time	4:55	5:33	5:52	5:22	5:15	4:56	4:17	4:20	4:43	5:05
Number of City Calls	479	477	484	482	527	508	498	426	430	484
Average Response Time	4:42	3:50	4:04	4:14	4:23	4:08	3:29	3:20	3:53	3:26
Number of Rural Calls	149	187	162	190	222	172	194	182	164	197
Average Response Time	6:58	7:07	7:43	7:42	7:36	7:51	6:13	6:40	6:47	6:36
Police:										
Total Calls	38,414	34,922	37,781	36,030	37,491	33,187	33,958	39,020	32,572	27,865
Total Reports Filed	2,780	2,711	2,773	2,614	2,722	2,594	2,791	2,545	2,399	2,509
Municipal court:										
Total Letters	771	1,105	1,093	1,070	996	907	493	454	507	537
Total Continuances	1,905	3,324	3,717	3,775	4,059	3,182	2,534	2,364	2,819	2,844
Trial Setting	78	98	209	175	158	107	127	76	114	115
Total Warrants	724	1,023	1,024	952	927	759	580	659	552	661
Total Probation	128	279	369	410	478	406	305	281	384	370
Total Balance Due Continued	1,916	3,046	2,787	2,658	2,844	2,361	2,327	1,851	1,563	1,899
Total Cases Closed	2,894	5,090	5,567	5,322	4,317	3,257	2,259	1,901	1,852	2,007
Finance:										
Number of Accounts Payable Processed	8,909	8,276	7,686	8,354	10,152	10,307	9,830	9,773	10,010	9,635
Number of Accounts Receivable Processed	1,909	1,949	1,792	2,039	2,219	2,297	2,365	2,192	1,709	1,493
Number of Business Licenses Issued	809	1,131	1,100	1,085	1,084	1,117	1,118	1,109	1,045	1,041
Number of Water Bills Issued	74,611	74,550	74,505	74,496	73,302	72,535	71,390	70,081	70,151	68,581
Number of Tax Bills Assessed	13,326	13,379	13,379	13,247	13,194	13,146	12,956	13,088	12,951	12,718
Information technology**:										
Internet Service Calls	79	86	83	67	72	56	29	26	27	-
Communication Service Calls	65	89	123	93	78	117	57	51	56	-
AS/400 Service Calls	39	53	31	49	60	56	52	51	30	-
Application Service Calls	1,537	1,352	1,284	1,128	1,012	925	1,051	1,107	730	-
Hardware Service Calls	231	193	254	237	306	510	318	355	273	-
City Web Site Hits (average per week)	1,147	1,003	1,221	1,126	Unknown	Unknown	1,100	1,000	500	-

** IT part of Finance Department prior to 2003.

Source: City records - various departments listed

CITY OF WASHINGTON, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As of September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	13	13	14	14	14	13	13	13	12	11
Unmarked patrol units	7	7	7	7	7	7	7	7	7	7
Public works:										
Miles of streets	88.27	88.27	88.15	87.57	N/A	N/A	N/A	N/A	N/A	N/A
Traffic lights and signals	3	3	3	3	3	3	3	3	3	3
Street lights in city limits	1,247	1,241	1,241	1,241	1,204	1,199	1,095	1,095	N/A	N/A
Miles of water lines	109	109	109	109	108	107	102	N/A	N/A	N/A
Miles of sanitary sewers	103	103	103	103	102	101	97	77	N/A	N/A
Miles of sidewalks	31	30	27	27	27	27	27	27	N/A	N/A
Number of wells	9	9	9	9	9	9	9	10	10	10
Number of water towers	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Number of parks	12	12	12	12	11	11	11	11	11	11
Acres of parks	222	222	202	202	202	202	202	202	202	202
Miles of walking trail	9.5	9.5	9.5	9.5	7.5	7.5	7.5	7.5	7.5	4.55
Playgrounds	7	7	7	7	7	6	6	6	6	6
Swimming pools	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

Note: N/A = Not available