

CITY OF WASHINGTON, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013





CITY OF WASHINGTON, MISSOURI

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FINANCIAL REPORT***

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PREPARED BY: MARY J. SPRUNG, CPA
FINANCE MANAGER

CITY OF WASHINGTON, MISSOURI
FINANCIAL REPORT

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SECTION I - INTRODUCTORY SECTION



March 28, 2014

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, 2013. 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, 2013. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic 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 auditor's report.

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 third class city 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 daily operations.

The City provides its citizens with typical services, such as street maintenance and construction, dispatching services, 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 solid waste 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. The second phase of this widening extended the four lanes to High Street and was completed in 2013. 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. The City completed the addition of another 12-hangar unit in 2013. 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. In 2013, the shopping area in Phoenix Center was expanded by adding additional retail stores including Marshall's, Joanne's Fabric, Ulta Cosmetics and Dress Barn. Ross Dress for Less is slated to open in 2014.

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.

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 4,600 students.

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

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 2013, 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 and ½% transportation sales tax funds:

- All-abilities park which is expected to be completed in 2014.
- Airport improvements and layout plan which is expected to be completed in 2014.
- Street improvements-resurfacing Stafford & 14th Streets which is will be complete in 2014.

Finally, the City completed implementation of an Automated Meter Reading system which will greatly benefit the citizens of Washington. Over 6,000 meters were replaced with new meters which will have more accurate reads 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.

Long-Term Financial Planning

The city adopted a five-year capital improvement plan again for the 2014-2018 budget year. 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 began the five-year budget back in 2011. This five-year plan for all city funds 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, 2013, the unreserved fund balance in the General Fund is in compliance with the City's policy. City management also strives to maintain a 25% reserve in its enterprise funds although not required under this policy.

In April 2011, the citizens voted on a refuse rate increase which is scheduled to be implemented over a 3-year period. The final scheduled increase is June 2014.

Economic Condition/Factors Affecting Financial Condition

Sales Tax Revenue: 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 2012 sales tax increased approximately 7% from 2010 figures. Actual sales tax figures for 2013 remain flat as compared to 2012 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.

Housing & Construction Permits: The City has also seen a slight increase in building permits for new construction in 2013 as well as in 2012. This is the first time since the economic downturn that the City has seen an increase in growth in this area signaling the economy has turned a corner in the recovery process.

Property Values: The City experienced a big drop in assessed value in 2013. Assessed value decreased \$34 million resulting in a decrease in estimated revenue of \$140,000. A major medical facility merged with a non-profit medical facility which resulted in approximately 60 % of the decrease in property tax revenue for 2013. As with many other local governments, the City continues to struggle with the aftermath of the deflated real estate market and subsequent plunging appraisal values.

Financial Information

Management depends on the City's internal control system to help safeguard assets and ensure that transactions are in accordance with management's authorization and are properly recorded. Due to inherent limitations in an internal control structure, the cost of a control should not exceed the benefits to be derived; therefore, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The five-year 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 and all funds are budgeted. Transfers of appropriations and any fund level changes require City Council approval through the budget amendment process. Budget to actual schedules, which are required for each individual governmental fund with an adopted annual budget, are included in this report.

Awards

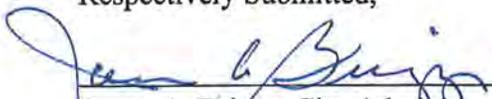
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Washington, Missouri for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the fourth 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.

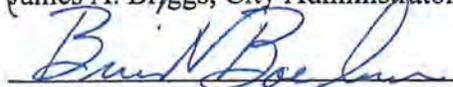
Acknowledgement

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 City staff. Special acknowledgement is extended to Hochschild, Bloom and Company, LLP for their service in conducting the annual audit and assistance with this report.

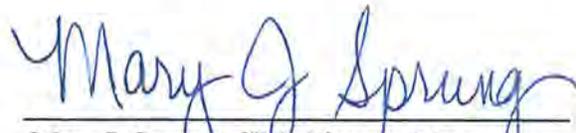
Respectively Submitted,



James A. Briggs, City Administrator



Brian N. Boehmer, Assistant City Administrator



Mary J. Sprung, CPA, Finance Manager

CITY OF WASHINGTON, MISSOURI
PRINCIPAL OFFICIALS

MAYOR

Sandy Lucy

WARD 1

Steve Sullentrup
Walter Meyer

WARD 2

Jeff Mohesky
Mark Hidritch

WARD 3

Jeff Patke
Greg Skornia

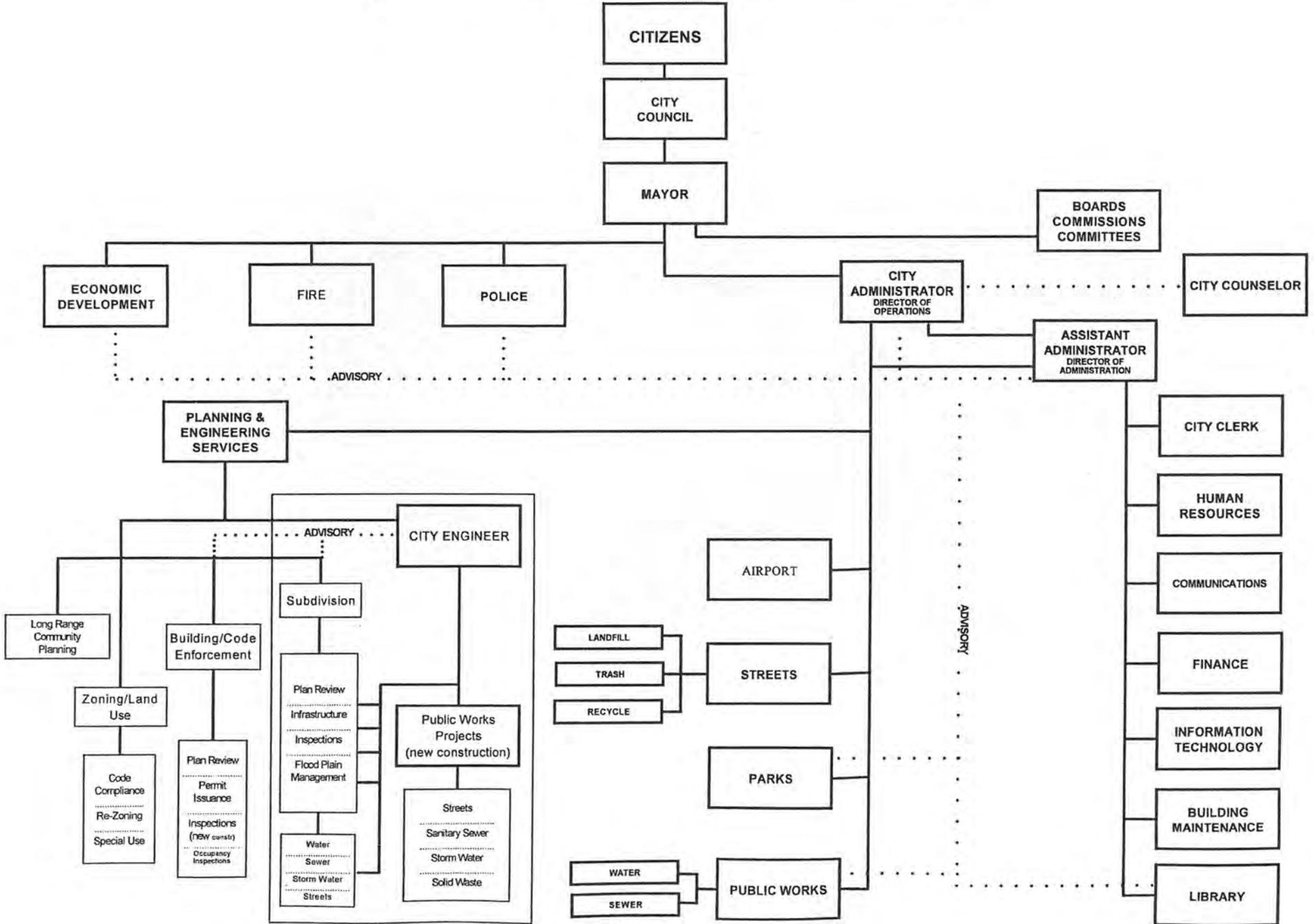
WARD 4

Josh Brinker
Joe Holtmeier

ALL OTHER CITY OFFICIALS

James Briggs - City Administrator
Brian Boehmer - Assistant City Administrator
Mary Sprung, CPA - Finance Manager/City Treasurer/City Collector
Mary Trentmann - City Clerk
Mark Piontek - City Attorney
Ken Hahn - Police Chief
Lisa Hotsenpiller - Communications Director
W. H. "Bill" Halmich - Fire Chief/Emergency Preparedness Director
Donna Tune - Information Technology Director
Jackie Hawes - 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





Government Finance Officers Association

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, 2012

Executive Director/CEO

SECTION II - FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

March 28, 2014

Mayor and City Council
CITY OF WASHINGTON, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial state-

ments or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WASHINGTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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, 2013. 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 \$56,278,691 (net position). Of this amount, \$9,206,662 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased approximately \$200,000. Governmental activities net position increased by approximately \$158,000, while the business-type activities net position decreased by approximately \$360,000.
- General revenues for governmental activities were \$13,330,615, an increase of \$990,000 from the prior year. Revenues included \$10,203,291 (77%) in sales, franchise and tourism taxes. Property taxes accounted for \$2,701,850 (20%).
- Net expenditures/expenses from the various functions of governmental activities were \$13,172,524. More specifically, general government was \$1,656,631 (13%), public safety was \$4,071,471 (30%), and highways and streets amounted to \$4,366,225 (33%).

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

The *statement of activities* represents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 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.

CITY OF WASHINGTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 statements 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 statements 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 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 nonmajor 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 City. 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 (Pauwels Project), Series 2008 A and B, and Taxable Industrial Revenue Bonds (Valent Aerostructures), Series 2010 A and 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.

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

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 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 position may serve over time as a useful indicator of the City's financial position. As of September 30, 2013, assets exceeded liabilities by \$56.3 million. The largest portion of the City's net position, \$38.7 million (69%) 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 position as of September 30, 2013 and 2012:

	Condensed Statement Of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Assets						
Current and other assets	\$ 24,874,452	20,981,917	7,292,106	7,550,091	32,166,558	28,532,008
Capital assets, net	54,261,391	56,174,777	38,177,696	37,251,940	92,439,087	93,426,717
Total Assets	79,135,843	77,156,694	45,469,802	44,802,031	124,605,645	121,958,725
Deferred Outflows of Resources						
	1,730,357	1,631,611	-	-	1,730,357	1,631,611
Liabilities						
Current liabilities	2,268,439	1,401,386	590,610	1,000,114	2,859,049	2,401,500
Noncurrent liabilities	40,827,850	39,458,917	26,169,046	25,451,228	66,996,896	64,910,145
Total Liabilities	43,096,289	40,860,303	26,759,656	26,451,342	69,855,945	67,311,645
Net Position						
Net investment in capital assets	26,117,593	21,387,681	18,527,376	17,326,013	44,644,969	38,713,694
Restricted	3,960,864	8,358,335	-	-	3,960,864	8,358,335
Unrestricted	7,691,454	8,181,986	182,770	1,024,676	7,874,224	9,206,662
Total Net Position	\$ 37,769,911	37,928,002	18,710,146	18,350,689	56,480,057	56,278,691

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

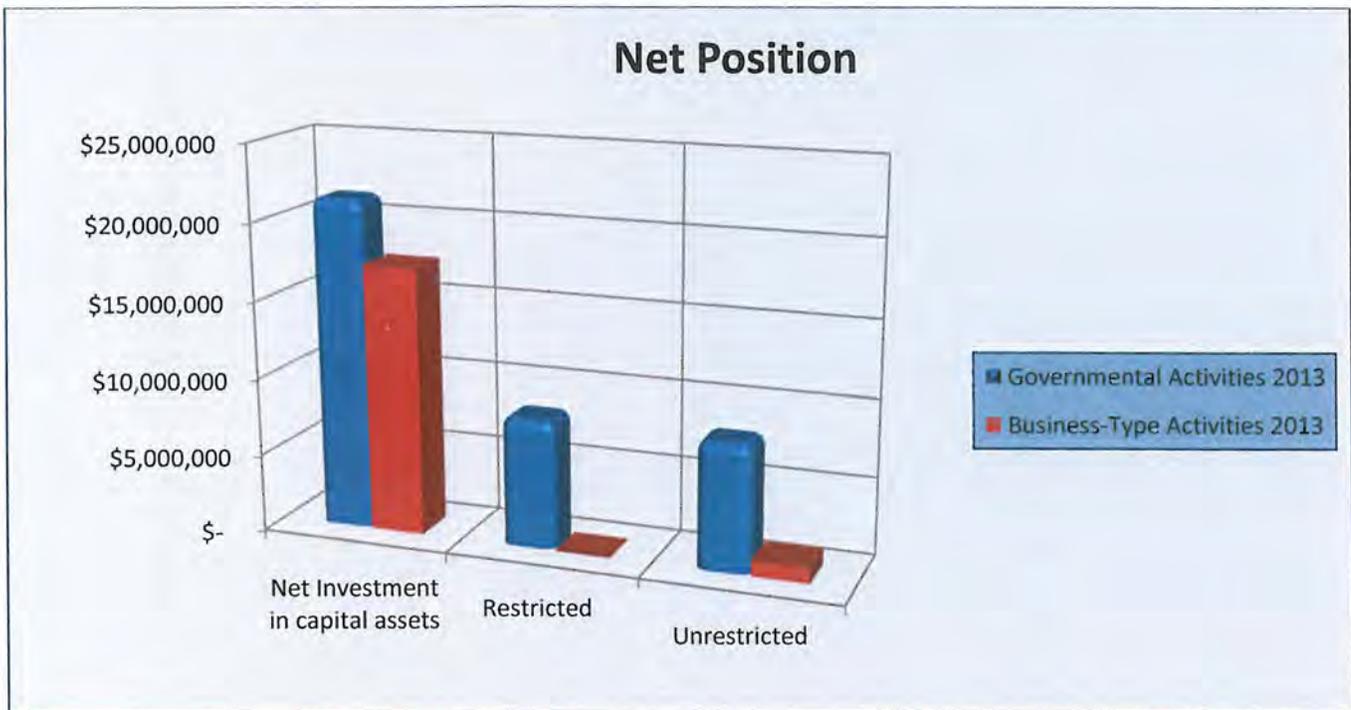
- \$38.7 million Net investment in capital assets
- 8.4 million Restricted
- 9.2 million Unrestricted

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

The City's combined net position decreased to \$56.3 million from \$56.5 million. Governmental activities reflect net position of \$37.9 million while business-type activities reflect \$18.4 million. The prior period adjustment resulted in a decrease in net position of \$1.9 million and \$370,000 for the governmental and business-type activities, respectively. See Note Q for more information relating to the prior period adjustment.

Restricted net position for governmental and business-type activities are \$8 million and \$0, respectively. Restricted net position equals 15% of total net position. The restricted amounts are for capital projects, debt service, and TIF Districts. Governmental activities restricted net position increased by \$4.4 million in 2013 due to funding for future capital projects.

The remaining portion of the City's net position represents *unrestricted net position*. Total unrestricted net position of \$9.2 million is available to be used to meet the City's ongoing obligations to citizens and creditors. Governmental activities unrestricted net position increased by \$491,000 leaving a balance of \$8.2 million. Business-type activities unrestricted net position reflects a balance of \$1 million. This represents an increase of \$900,000 due to the AMR meter project completed in 2013.



CHANGES IN NET POSITION

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, 2013**

	Changes In Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues						
Program revenues:						
Charges for services	\$ 2,247,252	4,044,516	6,345,947	6,240,782	8,593,199	10,285,298
Operating grants and contributions	675,527	996,396	-	-	675,527	996,396
Capital grants and contributions	3,622,700	1,835,807	-	-	3,622,700	1,835,807
General revenues:						
Property taxes	2,612,413	2,701,850	-	-	2,612,413	2,701,850
Sales taxes	7,567,369	7,651,110	-	-	7,567,369	7,651,110
Franchise taxes	2,302,904	2,454,294	-	-	2,302,904	2,454,294
Tourism	123,550	97,887	-	-	123,550	97,887
Investment income	258,158	61,130	628,749	516,120	886,907	577,250
Gain on sale of capital assets	43,210	5,583	-	-	43,210	5,583
Grants and contributions not restricted to specific programs	165,045	152,161	-	-	165,045	152,161
Miscellaneous	-	-	57,382	56,752	57,382	56,752
Total Revenues	<u>19,618,128</u>	<u>20,000,734</u>	<u>7,032,078</u>	<u>6,813,654</u>	<u>26,650,206</u>	<u>26,814,388</u>
Expenditures/Expenses						
General government	2,322,012	2,708,228	-	-	2,322,012	2,708,228
Public safety	4,227,328	4,606,699	-	-	4,227,328	4,606,699
Airport	362,569	456,308	-	-	362,569	456,308
Highways and streets	3,235,149	8,388,955	-	-	3,235,149	8,388,955
Culture and recreation	2,080,185	2,399,430	-	-	2,080,185	2,399,430
Economic development	25,408	32,327	-	-	25,408	32,327
Interest on long-term debt	2,153,977	1,457,296	-	-	2,153,977	1,457,296
Water	-	-	1,552,818	1,570,696	1,552,818	1,570,696
Sewage treatment	-	-	3,019,661	3,136,232	3,019,661	3,136,232
Solid waste	-	-	2,407,304	2,259,583	2,407,304	2,259,583
Total Expenditures/Expenses	<u>14,406,628</u>	<u>20,049,243</u>	<u>6,979,783</u>	<u>6,966,511</u>	<u>21,386,411</u>	<u>27,015,754</u>
Excess (deficiency) before transfers	5,211,500	(48,509)	52,295	(152,857)	5,263,795	(201,366)
Transfers	<u>(729,430)</u>	<u>206,600</u>	<u>729,430</u>	<u>(206,600)</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,482,070	158,091	781,725	(359,457)	5,263,795	(201,366)
Net Position, Beginning	<u>33,287,841</u>	<u>37,769,911</u>	<u>17,928,421</u>	<u>18,710,146</u>	<u>51,216,262</u>	<u>56,480,057</u>
Net Position, Ending	<u>\$ 37,769,911</u>	<u>37,928,002</u>	<u>18,710,146</u>	<u>18,350,689</u>	<u>56,480,057</u>	<u>56,278,691</u>

GOVERNMENTAL ACTIVITIES

For the fiscal year ended September 30, 2013, total combined revenues are \$26.8 million (governmental and business-type). Governmental activity revenue totaled \$20 million or 75% of the total City revenues while revenues from business-type activities totaled \$7 million or 25% of total revenue.

Sales tax, the largest governmental category, generated \$7.6 million or 29% of governmental revenue resulting in an increase of \$84,000 or 1.11% over prior year which remains on target and reasonable overall. Property taxes increased \$90,000 over the prior year due to both new residential and commercial properties that came onto the tax rolls. Franchise fees increased \$150,000 over the prior year primarily due to a rate increase from Ameren, the local electric provider. Capital grants and contributions decreased by \$1.8 million mainly due to several projects being completed including the Team Track project.

Governmental activities expense increased \$5.6 million or 39% from 2012 to 2013. This increase is mainly due to the payments for the Missouri Highway 100 Widening and Missouri Bridge project deposits of approximately \$4 million. The City received

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

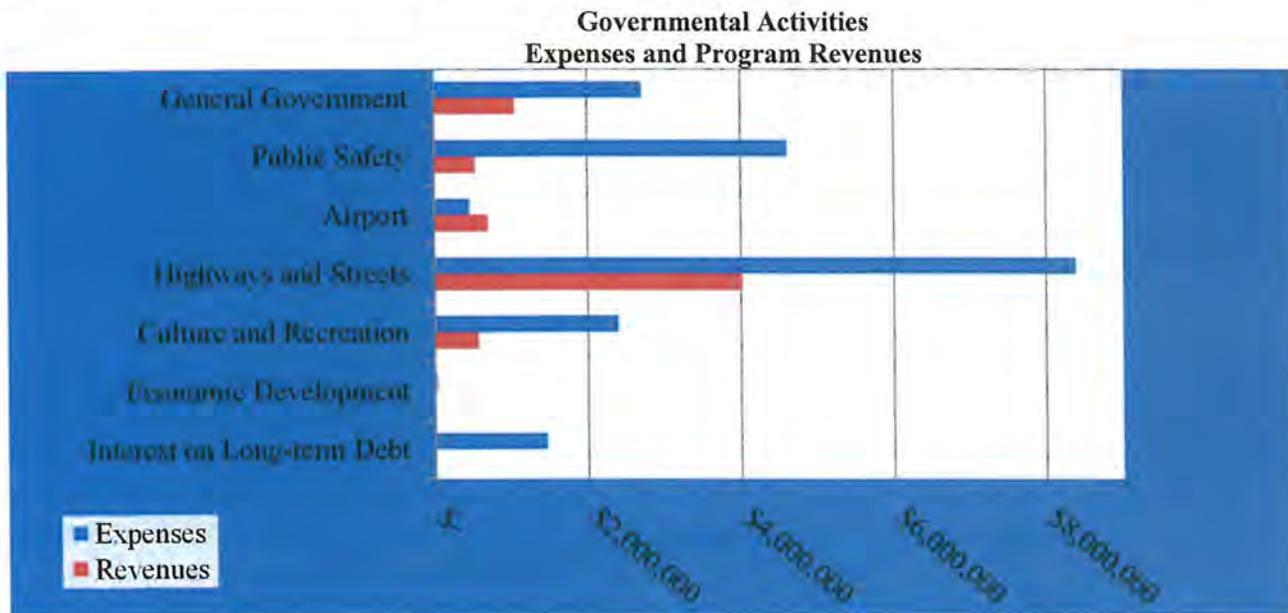
\$2.8 million in grant revenue in 2013 compared to \$4.3 million in 2012. This decrease is mainly due to the completion of the Team Track Facility project.

The City has experienced a slight recovery as witnessed by the 1.5% increase and 0.5% increase in sales tax in 2012 and 2013, respectively. The City remains optimistic about the recovery continuing, but still maintains a proactive approach by curtailing nonessential overtime and adjusting work schedules to coordinate manpower requirements between departments.

Certain revenues are generated specific to governmental program activities. These direct revenues totaled \$6.9 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	
	2012	2013	2012	2013
General government	\$ 2,322,012	2,708,228	1,381,619	(1,656,631)
Public safety	4,227,328	4,606,699	(3,611,769)	(4,071,471)
Airport	362,569	456,308	(40,881)	242,409
Highway and streets	3,235,149	8,388,955	(1,714,542)	(4,366,225)
Culture and recreation	2,080,185	2,399,430	(1,696,191)	(1,830,983)
Economic development	25,408	32,327	(25,408)	(32,327)
Interest on long-term debt	2,153,977	1,457,296	(2,153,977)	(1,457,296)
Total	\$ 14,406,628	20,049,243	(7,861,149)	(13,172,524)

Expenditures from governmental activities totaled \$20 million which is an increase from prior year of \$5.6 million. However, net costs of these services were \$13.2 million in 2013 compared to \$7.9 million in 2012. The main reason for this increase in expenditures is that the City paid \$4 million dollars to MO DOT for the bridge and Highway 100 Widening-Phase 3 projects. Both of these projects were not grant projects so there is no revenue stream to offset the expenditure. Other differences are that grant revenue is \$1.5 million lower in 2013 due to projects being completed in 2012 and/or the first part of 2013. Taxes and other revenues of \$13.3 million were generated to cover these net costs.



**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

BUSINESS-TYPE ACTIVITIES

Business-type program revenues totaled \$6.2 million resulting in a slight decrease of \$105,000 compared to the prior year. A 3-year trash rate increase began in June 2011 to provide for cost of 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	
	2012	2013	2012	2013
Water	\$ 1,552,818	1,570,696	27,307	(68,988)
Sewage treatment	3,019,661	3,136,232	(487,794)	(572,555)
Solid waste	2,407,304	2,259,583	(173,349)	(84,186)
Total	\$ 6,979,783	6,966,511	(633,836)	(725,729)

Expenses decreased slightly by \$10,000 due to normal activity and slightly higher depreciation due to the new water meter system while charges for services revenue decreased by \$105,000 due to a milder summer in 2013 with less water usage for 2013.

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 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 \$1.7 million, while the total fund balance was \$8.8 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 15% of total General Fund expenditures and transfers out of \$11.4 million; while total fund balance represents 78% of total General Fund expenditures and transfers out. The City's General Fund balance increased approximately \$740,000 from the prior year. The change of the current year's fund balance is partially due to slight increases in property and sales tax and franchise taxes. The refunding of the 2008 and 2012 COP issues resulted in a slightly lower debt service payment in 2013. In addition, 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. In accordance with the City's fund balance policy adopted in 2011, an amount equal to 15% of operating expenditures in the General Fund balance should be maintained. For September 30, 2013, 15% of operating expenditures (excludes debt service and capital outlay) is \$1,536,718 and unassigned fund balance is \$1,675,129 resulting in compliance with the City's resolution.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Capital Improvements Sales Tax -- At the end of the current fiscal year, the total fund balance of this capital projects fund was \$4.2 million, a decrease of \$4.4 million over the prior year. This decrease is due to the Fire Training Center, Skatepark, and Team Track Projects being constructed in 2012 and completed in 2013 for a total cost of over \$5 million. The Capital Improvement Sales Tax was initially approved July 1989 and is scheduled to expire in 2018.

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) was completed 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, 2013 was \$3.3 million, an increase of \$500,000 from prior year. This increase is mainly due to the timing of various grant projects and the City having only 1 grant related project in 2013 that was in construction phase. Revenue was up \$1 million in 2013 due to federal grants associated with these various projects.

COPS -- The fund balance of this capital projects fund is \$479,888 as of September 30, 2013 which was an increase of \$192,285 from the prior year. This increase is due to the timing of the debt service payments associated with the 2012B 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. As of September 30, 2013 and 2012, the net position for these funds decreased by \$360,000. Individual fund changes were as follows:

- Water decreased by \$213,000 or 3.3% due to lower summer water usage and higher expenses including an increase of \$205,000 in depreciation and interest expense from the new automatic meter reading system the City implemented in 2013.
- Sewage Treatment decreased by \$74,000 or 1% due to having no capital contributions in 2013 but \$790,000 was reported in 2012.
- Solid Waste decreased by \$73,000 or 4% mainly due to lower landfill revenues from landfill usage.

A review of the operations of the enterprise funds indicates water, sewage treatment, and solid waste operations reflect a net operating income totaling \$224,864 which is consist with prior year.

The Water Fund operating income showed operating income of \$66,555 with a change in net position of (\$212,753). During the current fiscal year, the summer was relatively wet, therefore, water usage was lower in 2013. In addition, the AMR meter was completed in 2013. Therefore, the City's revenue is lower in 2013 due to less irrigation meter usage and higher debt service payments associated with the AMR project.

The Sewage Treatment Fund operations reported an operating income of \$242,495 with a change in net position of (\$74,161) which is a decrease from 2012 of \$800,000. As stated above, the reason for this decrease is mainly due to capital contributions of \$790,000 in 2012 with \$0 in 2013.

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 \$84,186 which is a decrease of \$90,000 from the operating loss of the prior year resulting primarily from an increase in trash revenue as a result of a trash rate increase approved in April 2011. 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. This increase in revenue will help to cover the increased costs related to the solid waste operations.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Total original revenue was budgeted at \$11.2 million which was increased to \$11.3 million. The budget was amended for a decrease in expected sales tax revenues of \$74,000 and increased for an Ameren rate increase resulting in \$160,000 additional revenues.
- The total original expenditure budget of \$10.4 million increased to \$10.6 million (an increase of \$140,000). This increase was due to a land purchase and audio/visual upgrade in Council Chambers of \$40,000. In addition, several increases were made for various small projects and attorney fees.

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

Final budgeted revenues were estimated at \$11,312,115 while actual revenues were \$11,342,382. Charges for services was \$60,000 over budget and Intergovernmental revenue was \$40,000 under budget because these vary from year to year.

Expenditures were estimated at \$10.5 million. Actual expenditures were \$260,000 less than projected. This was primarily due to ongoing monitoring of expenditures and postponement of any unnecessary expenditure in the current year.

- Aquatic Center was \$68,000 under budget due to Building Repairs and Maintenance and other Contracted Services both being lower than anticipated and/or not needed.
- Streets reported \$110,778 under budget projections due mainly to the mild winter resulting in less spent for chemicals for the winter season. Also, some small tool purchases were delayed until 2014.
- Volunteer Fire reported \$81,462 under budget projections due to a part-time position not being filled in 2013 and the Lukas Tool Replacement not being purchased until 2014.
- Other departments were slightly under budget due to various factors including lower health insurance and property insurance premiums.

Total other financing sources is \$70,000 under budget due to the lower debt service payments associated with the 2012B COP issue. Total other financing uses actual was \$56,000 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. The savings here resulted from the fact that the library did not spend as much as anticipated, therefore, it did not require the full subsidy that was budgeted.

The General Fund ended the year with actual revenues exceeding actual expenditures by \$1,040,000 and a net increase in change in fund balance of \$740,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. Total capital assets for the City as of September 30, 2013, is \$93.4 million, net of accumulated depreciation. Capital assets (net), increased by approximately \$1 million due to the following:

- Nonessential spending limitation
- Disposal of surplus capital assets
- Essential capital assets constructed/purchased -- see list following for capital asset transactions.

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, 2013**

	(Net Of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Land	\$ 6,769,950	6,812,240	879,795	879,795	7,649,745	7,692,035
Infrastructure	17,938,527	19,061,374	-	-	17,938,527	19,061,374
Buildings	14,298,922	15,435,961	21,068,882	20,086,417	35,367,804	35,522,378
Improvements other than buildings	5,139,940	10,947,717	11,250,293	15,269,215	16,390,233	26,216,932
Machinery and equipment	3,647,868	3,799,583	930,111	825,842	4,577,979	4,625,425
Construction in progress	6,466,184	117,902	4,048,615	190,671	10,514,799	308,573
Total Capital Assets, Net	\$ 54,261,391	56,174,777	38,177,696	37,251,940	92,439,087	93,426,717

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

- Land \$41,000
- Three police vehicles, equipped totaling \$96,000
- Team Track Facility \$4.2 million
- Automatic Meter Read System - \$4.7 million
- Radio Network Conversion and Outdoor Warning Siren- \$201,000
- Multi-Street Resurfacing Project - \$700,000
- Ultra thin Bond Wear Surface - \$285,000
- Street surfacing Asphalt Overlay- \$300,000
- Pool Splash Area and Leisure pool resurfacing - \$93,000
- Tennis Courts/Restroom - \$643,000
- Skatepark - \$279,000
- Fire Training Center - \$1.6 million
- Airport Taxiway and Hangar Addition - \$896,000

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, 2013, the City had a total of \$64.9 million of outstanding obligations. This is a decrease of \$2 million from the previous year.

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 \$880,000 was made in 2013 resulting in a principal balance of \$16,565,000.

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. These certificates were re-funded with the issuance of 2012B certificates of participation.

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. A principal payment of \$1,035,000 was made in 2013 resulting in a principal balance of \$9,310,000.

**CITY OF WASHINGTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

The City issued \$4,610,000 of revenue bonds in 2012 for the AMR meter project which paid for new meters for the entire City. This bond issue was subsequently refunded in 2012.

The City has \$30,435,000 in 2012B certificates of participation outstanding. In 2012, the City issued these certificates to refund the 2008 and 2012 COP issues. This issue is divided into \$25,825,000 original principal for governmental activities and \$4,610,000 for business-type activities. A principal payment of \$347,900 was made in 2013 resulting in a principal balance of \$25,477,100 for governmental activities. A principal payment of \$62,100 was made in 2013 resulting in a principal balance of \$4,547,900 for business-type activities.

The Tax Increment Revenue outstanding balance is \$4,247,879. Principal payments of \$16,912 were made in 2013.

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 2014 are projected to total \$10.8 million. This represents a decrease of \$470,000 over the prior year budget. The City experienced a big drop in assessed valuation for 2014 resulting in a decrease in projected property tax revenues of \$170,000.

In addition, the City experienced no recovery in sales tax growth in 2013. As a result, in 2014, a 4% sales tax decrease was budgeted with the City remaining cautiously optimistic with the current economic conditions for sales tax in future years to recover.

General Fund expenditures are projected to total \$9.8 million compared to \$10.3 in fiscal year 2013. This represents a decrease of \$500,000 primarily due essential spending only since revenues are projected lower.

The City did not budget a wage increase in 2014. 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 nonessential capital projects were removed from the budget again in 2014.

A trash rate increase was approved and implemented in June 2011 with subsequent estimated future increases budgeted in subsequent budget years. The final year for the increase was implemented in June 2013.

A majority of the capital projects funded from the capital improvement sales tax fund are scheduled for 2014 and 2015.

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 POSITION

SEPTEMBER 30, 2013

	Primary Government			Component Unit - Community Improvement District
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 12,479,212	5,652,572	18,131,784	2,787
Receivables (net of allowance for uncollectibles)	2,773,212	850,700	3,623,912	119,548
Loans receivable	1,906,480	-	1,906,480	-
Inventory	361,156	145,929	507,085	-
Prepaid items	530,499	96,739	627,238	17,002
Internal balances	(16,038)	16,038	-	-
Cash and investments with agent - restricted	2,947,396	788,113	3,735,509	2,084,112
Nondepreciable capital assets:				
Land	6,812,240	879,795	7,692,035	-
Construction in progress	117,902	190,671	308,573	-
Depreciable capital assets:				
Infrastructure	19,061,374	-	19,061,374	-
Buildings	15,435,961	20,086,417	35,522,378	-
Improvements other than buildings	10,947,717	15,269,215	26,216,932	-
Machinery and equipment	3,799,583	825,842	4,625,425	-
Total Assets	<u>77,156,694</u>	<u>44,802,031</u>	<u>121,958,725</u>	<u>2,223,449</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,631,611	-	1,631,611	-
LIABILITIES				
Accounts payable	793,160	603,656	1,396,816	7,151
Accrued wages	125,535	27,623	153,158	-
Deposits	48,721	173,121	221,842	-
Accrued interest payable	429,010	195,714	624,724	238,079
Unearned revenue	4,960	-	4,960	-
Noncurrent liabilities:				
Due within one year	1,566,348	988,792	2,555,140	250,000
Due in more than one year	37,668,280	24,409,933	62,078,213	21,661,235
Due in more than one year - net pension obligation	132,071	29,659	161,730	-
Due in more than one year - net OPEB obligation	92,218	22,844	115,062	-
Total Liabilities	<u>40,860,303</u>	<u>26,451,342</u>	<u>67,311,645</u>	<u>22,156,465</u>
NET POSITION				
Net investment in capital assets	21,387,681	17,326,013	38,713,694	-
Restricted for:				
Capital projects	7,538,451	-	7,538,451	-
Debt service	479,921	-	479,921	-
TIF districts	339,963	-	339,963	-
Unrestricted net position	8,181,986	1,024,676	9,206,662	(19,933,016)
Total Net Position	<u>\$ 37,928,002</u>	<u>18,350,689</u>	<u>56,278,691</u>	<u>(19,933,016)</u>

See notes to financial statements

CITY OF WASHINGTON, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Position							Component Unit - Community Improvement District
	Expenses	Program Revenues			Primary Government			
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 2,708,228	900,778	50,265	100,554	(1,656,631)	-	(1,656,631)	-
Public safety	4,606,699	516,419	17,384	1,425	(4,071,471)	-	(4,071,471)	-
Airport	456,308	114,359	-	584,358	242,409	-	242,409	-
Highways and streets	8,388,955	2,045,897	827,363	1,149,470	(4,366,225)	-	(4,366,225)	-
Culture and recreation	2,399,430	467,063	101,384	-	(1,830,983)	-	(1,830,983)	-
Economic development	32,327	-	-	-	(32,327)	-	(32,327)	-
Interest on long-term debt	1,457,296	-	-	-	(1,457,296)	-	(1,457,296)	-
Total Governmental Activities	<u>20,049,243</u>	<u>4,044,516</u>	<u>996,396</u>	<u>1,835,807</u>	<u>(13,172,524)</u>	<u>-</u>	<u>(13,172,524)</u>	<u>-</u>
Business-type Activities								
Water	1,570,696	1,501,708	-	-	-	(68,988)	(68,988)	-
Sewage treatment	3,136,232	2,563,677	-	-	-	(572,555)	(572,555)	-
Solid waste	2,259,583	2,175,397	-	-	-	(84,186)	(84,186)	-
Total Business-type Activities	<u>6,966,511</u>	<u>6,240,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(725,729)</u>	<u>(725,729)</u>	<u>-</u>
Total Primary Government	<u>\$ 27,015,754</u>	<u>10,285,298</u>	<u>996,396</u>	<u>1,835,807</u>	<u>(13,172,524)</u>	<u>(725,729)</u>	<u>(13,898,253)</u>	<u>-</u>
Component Unit								
Community Improvement District	\$ 1,336,038	-	-	-	-	-	-	(1,336,038)
General Revenues								
Taxes:								
Property					2,701,850	-	2,701,850	-
Sales					7,651,110	-	7,651,110	846,443
Franchise					2,454,294	-	2,454,294	-
Tourism					97,887	-	97,887	-
Gain on sale of capital assets					5,583	-	5,583	-
Grants and contributions not restricted to specific programs					152,161	-	152,161	-
Miscellaneous					-	56,752	56,752	-
Investment income					61,130	516,120	577,250	564
Transfers					206,600	(206,600)	-	-
Total General Revenues					<u>13,330,615</u>	<u>366,272</u>	<u>13,696,887</u>	<u>847,007</u>
CHANGE IN NET POSITION					158,091	(359,457)	(201,366)	(489,031)
NET POSITION, OCTOBER 1					<u>37,769,911</u>	<u>18,710,146</u>	<u>56,480,057</u>	<u>(19,443,985)</u>
NET POSITION, SEPTEMBER 30					<u>\$ 37,928,002</u>	<u>18,350,689</u>	<u>56,278,691</u>	<u>(19,933,016)</u>

CITY OF WASHINGTON, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	<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	\$ 6,045,513	1,305,981	2,885,568	-	2,242,150	12,479,212
Cash and investments with agent - restricted	4,380	2,426,699	-	515,738	579	2,947,396
Accounts receivable, net of allowance	1,243,072	818,906	587,609	-	68,538	2,718,125
Loans receivable	1,906,480	-	-	-	-	1,906,480
Inventory	361,156	-	-	-	-	361,156
Prepaid items	513,327	-	-	-	17,172	530,499
Due from other funds	35,850	-	-	-	-	35,850
Advance to other funds	-	-	-	-	600,000	600,000
Total Assets	<u>\$ 10,109,778</u>	<u>4,551,586</u>	<u>3,473,177</u>	<u>515,738</u>	<u>2,928,439</u>	<u>21,578,718</u>
LIABILITIES						
Accounts payable	\$ 299,388	333,916	152,363	-	7,493	793,160
Accrued wages	119,133	-	-	-	6,402	125,535
Deposits	48,721	-	-	-	-	48,721
Due to other funds	-	-	-	35,850	-	35,850
Unearned revenue	4,960	-	-	-	-	4,960
Advance from other funds	616,038	-	-	-	-	616,038
Total Liabilities	<u>1,088,240</u>	<u>333,916</u>	<u>152,363</u>	<u>35,850</u>	<u>13,895</u>	<u>1,624,264</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - Court	<u>178,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,967</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	513,327	-	-	-	17,172	530,499
Inventory	361,156	-	-	-	-	361,156
Loans receivable	1,906,480	-	-	-	-	1,906,480
Advances	-	-	-	-	600,000	600,000
Restricted for:						
Debt service	-	33	-	479,888	-	479,921
Capital improvements	-	4,217,637	3,320,814	-	-	7,538,451
TIF Districts	-	-	-	-	339,963	339,963
Committed for:						
Purchase of supplies and services	17,279	-	-	-	4,797	22,076
Library	-	-	-	-	111,316	111,316
Stormwater	3,404,829	-	-	-	-	3,404,829
Volunteer fire	964,371	-	-	-	-	964,371
Vehicle and equipment replacement	-	-	-	-	1,841,296	1,841,296
Unassigned	1,675,129	-	-	-	-	1,675,129
Total Fund Balances	<u>8,842,571</u>	<u>4,217,670</u>	<u>3,320,814</u>	<u>479,888</u>	<u>2,914,544</u>	<u>19,775,487</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 10,109,778</u>	<u>4,551,586</u>	<u>3,473,177</u>	<u>515,738</u>	<u>2,928,439</u>	<u>21,578,718</u>

CITY OF WASHINGTON, MISSOURI
RECONCILIATION OF THE BALANCE SHEET - GOVERN-
MENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Total Fund Balances - Governmental Funds	\$ 19,775,487
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$81,756,442 and the accumulated depreciation is \$25,581,665.	56,174,777
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.	178,967
Certain obligations are not financial uses and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension obligation	(132,071)
OPEB obligation	(92,218)
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	(34,787,100)
Notes payable	(4,247,879)
Accrued compensated absences payable	(199,649)
Accrued interest payable	(429,010)
Unamortized bond deferred charges	1,631,611
Total Net Position Of Governmental Activities	\$ 37,928,002

CITY OF WASHINGTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General	Capital Improvements Sales Tax	Transportation Sales Tax	COPS	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 2,293,509	-	-	-	408,341	2,701,850
Sales	4,060,506	1,761,289	1,768,781	-	60,534	7,651,110
Franchise	2,454,294	-	-	-	-	2,454,294
Tourism	97,887	-	-	-	-	97,887
Licenses and permits	190,637	-	-	-	-	190,637
Fees and fines	111,842	-	-	-	58,005	169,847
Intergovernmental	46,939	100,554	2,426,395	-	9,482	2,583,370
Charges for services	1,818,875	-	1,589,523	-	-	3,408,398
Rents	128,733	-	-	-	-	128,733
Contributions and donations	99,074	195,000	-	-	14,963	309,037
Investment income	40,086	5,103	6,553	152,161	9,388	213,291
Total Revenues	<u>11,342,382</u>	<u>2,061,946</u>	<u>5,791,252</u>	<u>152,161</u>	<u>560,713</u>	<u>19,908,454</u>
EXPENDITURES						
Current:						
General government	2,490,809	54,961	-	-	31,182	2,576,952
Public safety	4,066,023	-	-	-	-	4,066,023
Highways and streets	2,095,696	-	4,863,595	-	-	6,959,291
Airport	159,320	-	-	-	-	159,320
Culture and recreation	1,432,934	-	-	-	519,269	1,952,203
Debt service:						
Principal	-	-	-	1,382,900	16,912	1,399,812
Interest and fiscal charges	948	-	-	1,287,176	119,595	1,407,719
Capital outlay:						
General government	41,098	722,834	-	-	-	763,932
Public safety	-	1,338,092	-	-	95,555	1,433,647
Highways and streets	-	-	1,191,758	-	-	1,191,758
Airport	-	-	724,802	-	-	724,802
Culture and recreation	15,057	396,536	-	-	56,468	468,061
Total Expenditures	<u>10,301,885</u>	<u>2,512,423</u>	<u>6,780,155</u>	<u>2,670,076</u>	<u>838,981</u>	<u>23,103,520</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,040,497</u>	<u>(450,477)</u>	<u>(988,903)</u>	<u>(2,517,915)</u>	<u>(278,268)</u>	<u>(3,195,066)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	792,700	-	3,000,000	2,710,200	300,000	6,802,900
Transfers out	<u>(1,092,700)</u>	<u>(3,990,880)</u>	<u>(1,512,720)</u>	<u>-</u>	<u>-</u>	<u>(6,596,300)</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(3,990,880)</u>	<u>1,487,280</u>	<u>2,710,200</u>	<u>300,000</u>	<u>206,600</u>
NET CHANGE IN FUND BALANCES	740,497	(4,441,357)	498,377	192,285	21,732	(2,988,466)
FUND BALANCES, OCTOBER 1	<u>8,102,074</u>	<u>8,659,027</u>	<u>2,822,437</u>	<u>287,603</u>	<u>2,892,812</u>	<u>22,763,953</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 8,842,571</u>	<u>4,217,670</u>	<u>3,320,814</u>	<u>479,888</u>	<u>2,914,544</u>	<u>19,775,487</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, 2013

Net Change In Fund Balances - Governmental Funds \$ (2,988,466)

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 (\$4,604,171) exceeded depreciation (\$2,804,782) in the current period. 1,799,389

The net effect of various miscellaneous transactions involving capital assets:

Contributed assets	134,796	
Sale of assets	(7,089)	
Write off old construction in progress projects	<u>(13,710)</u>	113,997

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements. (35,427)

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 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		
Tax increment revenue notes		(1,145)
Repayments:		
Certificates of participation	1,382,900	
Tax increment revenue notes	16,912	
Amortization	(98,746)	
Compensated absences	<u>(1,186)</u>	
Net Adjustment		1,299,880

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.

Accrued interest on bonds	48,221	
Net pension obligation	(13,855)	
OPEB obligation	<u>(64,503)</u>	<u>(30,137)</u>

Change In Net Position Of Governmental Activities \$ 158,091

CITY OF WASHINGTON, MISSOURI
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Water	Sewage Treatment	Solid Waste	Total
ASSETS				
Current Assets				
Cash and investments	\$ 1,192,763	958,352	3,501,457	5,652,572
Accounts receivable (net of allowance)	233,574	365,249	251,877	850,700
Inventory	129,838	16,091	-	145,929
Prepaid items	30,367	33,688	32,684	96,739
Total Current Assets	<u>1,586,542</u>	<u>1,373,380</u>	<u>3,786,018</u>	<u>6,745,940</u>
Noncurrent Assets				
Cash and investments with agent - restricted	-	788,113	-	788,113
Advance to other funds	616,038	-	-	616,038
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	10,086,432	9,838,353	3,228,741	23,153,526
Machinery and equipment	1,393,365	650,544	1,662,029	3,705,938
Construction in progress	2,000	-	188,671	190,671
Less - Accumulated depreciation	(4,875,735)	(10,809,034)	(3,193,222)	(18,877,991)
Total Capital Assets	<u>9,084,741</u>	<u>26,113,969</u>	<u>2,053,230</u>	<u>37,251,940</u>
Total Noncurrent Assets	<u>9,700,779</u>	<u>26,902,082</u>	<u>2,053,230</u>	<u>38,656,091</u>
Total Assets	<u>11,287,321</u>	<u>28,275,462</u>	<u>5,839,248</u>	<u>45,402,031</u>
LIABILITIES				
Current Liabilities				
Accounts payable	358,313	54,284	191,059	603,656
Accrued wages	8,843	6,626	12,154	27,623
Compensated absences payable - current	9,390	3,661	7,263	20,314
	<u>376,546</u>	<u>64,571</u>	<u>210,476</u>	<u>651,593</u>
Payable from restricted assets:				
Accrued interest payable	10,934	184,780	-	195,714
Bonds payable - current installments	73,478	895,000	-	968,478
	<u>84,412</u>	<u>1,079,780</u>	<u>-</u>	<u>1,164,192</u>
Total Current Liabilities	<u>460,958</u>	<u>1,144,351</u>	<u>210,476</u>	<u>1,815,785</u>
Noncurrent Liabilities				
Revenue bonds payable	4,474,422	15,670,000	-	20,144,422
Plus - Unamortized premiums	-	325,471	-	325,471
Customer deposits	88,264	84,857	-	173,121
Advance from other funds	-	600,000	-	600,000
Landfill care liability	-	-	3,919,725	3,919,725
Compensated absences payable	9,390	3,661	7,264	20,315
Net pension obligation	9,682	6,866	13,111	29,659
OPEB obligation	7,686	4,302	10,856	22,844
Total Noncurrent Liabilities	<u>4,589,444</u>	<u>16,695,157</u>	<u>3,950,956</u>	<u>25,235,557</u>
Total Liabilities	<u>5,050,402</u>	<u>17,839,508</u>	<u>4,161,432</u>	<u>27,051,342</u>
NET POSITION				
Net investment in capital assets	5,052,545	10,220,238	2,053,230	17,326,013
Unrestricted	1,184,374	215,716	(375,414)	1,024,676
Total Net Position	<u>\$ 6,236,919</u>	<u>10,435,954</u>	<u>1,677,816</u>	<u>18,350,689</u>

See notes to financial statements

CITY OF WASHINGTON, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 1,501,708	2,563,677	2,175,397	6,240,782
OPERATING EXPENSES				
Personal services	484,167	343,072	679,647	1,506,886
Contractual services	424,985	476,101	1,167,830	2,068,916
Depreciation	317,061	1,197,728	246,035	1,760,824
Supplies	208,940	304,281	166,071	679,292
Total Operating Expenses	<u>1,435,153</u>	<u>2,321,182</u>	<u>2,259,583</u>	<u>6,015,918</u>
OPERATING INCOME (LOSS)	<u>66,555</u>	<u>242,495</u>	<u>(84,186)</u>	<u>224,864</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	6,083	498,394	11,643	516,120
Miscellaneous	56,752	-	-	56,752
Interest and fiscal charges	<u>(135,543)</u>	<u>(815,050)</u>	<u>-</u>	<u>(950,593)</u>
Total Nonoperating Revenues (Expenses)	<u>(72,708)</u>	<u>(316,656)</u>	<u>11,643</u>	<u>(377,721)</u>
LOSS BEFORE TRANSFERS	(6,153)	(74,161)	(72,543)	(152,857)
TRANSFERS OUT	<u>(206,600)</u>	<u>-</u>	<u>-</u>	<u>(206,600)</u>
CHANGE IN NET POSITION	(212,753)	(74,161)	(72,543)	(359,457)
NET POSITION, OCTOBER 1	<u>6,449,672</u>	<u>10,510,115</u>	<u>1,750,359</u>	<u>18,710,146</u>
NET POSITION, SEPTEMBER 30	<u>\$ 6,236,919</u>	<u>10,435,954</u>	<u>1,677,816</u>	<u>18,350,689</u>

CITY OF WASHINGTON, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<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	\$ 1,539,271	2,665,982	2,204,769	6,410,022
Payments to suppliers	(417,125)	(776,927)	(971,188)	(2,165,240)
Payments for employees and benefits	(477,695)	(339,700)	(665,750)	(1,483,145)
Other receipts	56,752	-	-	56,752
Net Cash Provided By Operating Activities	<u>701,203</u>	<u>1,549,355</u>	<u>567,831</u>	<u>2,818,389</u>
Cash flows from noncapital financing activities:				
Advances	(948)	(100,000)	-	(100,948)
Net transfers in (out)	(206,600)	-	-	(206,600)
Net Cash Used In Noncapital Financing Activities	<u>(207,548)</u>	<u>(100,000)</u>	<u>-</u>	<u>(307,548)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(646,396)	-	(188,672)	(835,068)
Principal paid on capital debt	(62,100)	(880,000)	-	(942,100)
Interest and fiscal charges	(144,263)	(845,193)	-	(989,456)
Net Cash Used In Capital And Related Financing Activities	<u>(852,759)</u>	<u>(1,725,193)</u>	<u>(188,672)</u>	<u>(2,766,624)</u>
Cash flows provided by investing activities:				
Investment income	6,083	498,394	11,643	516,120
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(353,021)</u>	<u>222,556</u>	<u>390,802</u>	<u>260,337</u>
CASH AND CASH EQUIVALENTS, OCTOBER 1 (including \$779,809 for the Sewage Treatment Fund reported in restricted accounts)	<u>1,545,784</u>	<u>1,523,909</u>	<u>3,110,655</u>	<u>6,180,348</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30 (including \$788,113 for the Sewage Treatment Fund reported in restricted accounts)	<u>\$ 1,192,763</u>	<u>1,746,465</u>	<u>3,501,457</u>	<u>6,440,685</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 66,555	242,495	(84,186)	224,864
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	317,061	1,197,728	246,035	1,760,824
Other adjustment to operating activities	56,752	-	-	56,752
(Increase) decrease in:				
Receivables (net)	23,709	88,674	29,372	141,755
Inventory	(35,606)	5,157	-	(30,449)
Prepays	(1,832)	646	(6,820)	(8,006)
Increase (decrease) in:				
Accounts payable	254,238	(2,348)	143,854	395,744
Landfill care liability	-	-	225,679	225,679
Customer deposits	13,854	13,642	-	27,496
Other liabilities	6,472	3,361	13,897	23,730
Total Adjustments	<u>634,648</u>	<u>1,306,860</u>	<u>652,017</u>	<u>2,593,525</u>
Net Cash Provided By Operating Activities	<u>\$ 701,203</u>	<u>1,549,355</u>	<u>567,831</u>	<u>2,818,389</u>

CITY OF WASHINGTON, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Water	Sewage Treatment	Solid Waste	Total
Supplemental disclosure of cash flow information:				
Noncash investing, capital, and financing activities:				
Contributions of capital assets from general government	\$ -	-	6,730	6,730

CITY OF WASHINGTON, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
AGENCY FUNDS
SEPTEMBER 30, 2013

ASSETS

Cash and investments

\$ 1

LIABILITIES

Due to lessee

\$ 1

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 Governmental Accounting Standards Board Statement No. 14 (GASB 14), *The Financial Reporting Entity*, 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 position 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 non-exchange 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 position for governmental activities as shown on the statement of net position. The net change in fund balances for all governmental funds is reconciled to the total change in net position 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 cur-

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

rent 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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 2008A and B; and Taxable Industrial Revenue Bonds, Series 2010A and B.

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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Inventories and Prepaid Items

Inventory is recorded at cost 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.

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 on the consumption method. Prepaid items are recorded as expenditures when consumed rather than purchased.

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 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, 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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

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 position and the proprietary fund statement of net position.

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 interfund 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2013.

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 are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The bond discounts 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 accounting principles generally accepted in the United States of America 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.

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisi-

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Deferred Outflows/Inflows of Resources (Continued)

tion of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from courts. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

13. 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 \$17,279, \$21,525, \$221,872, and \$4,797 for the General, Capital Improvements Sales Tax, Transportation Sales Tax, and nonmajor funds, respectively.

14. 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, 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 City Administrator or Finance Manager based on the Board of Aldermen direction. Intent can be expressed by the Board of Aldermen in the form of a motion. Action by the City Council must occur prior to year-end.

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 restricted amounts and then the least restricted - committed, assigned, and then unassigned.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

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.

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 accounting principles generally accepted in the United States of America 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, 2013, 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.

As of September 30, 2013, 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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments

As of September 30, 2013, the City had the following investments:

Investments	Fair Value	Maturities			Credit Risk	
		No Maturity	Less Than One Year	1 - 5 Years		5 - 10 Years
Primary Government						
Money market fund	\$ 2,576,026	2,576,026	-	-	-	Not rated
U.S. Government and Municipal Bonds	1,122,095	-	-	1,122,095	-	AAA
Total Primary Government	<u>\$ 3,698,121</u>	<u>2,576,026</u>	<u>-</u>	<u>1,122,095</u>	<u>-</u>	
Component Unit						
Money market fund	\$ 1,577,979	1,577,979	-	-	-	Not rated
Certificates of deposit	500,384	-	500,384	-	-	N/A
Total Component Unit	<u>\$ 2,078,363</u>	<u>1,577,979</u>	<u>500,384</u>	<u>-</u>	<u>-</u>	
Fiduciary Fund						
Money market fund	<u>\$ 1</u>	<u>1</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, 2013, 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	\$ 956,369	263,056	335,446	67,225	-	-	-	1,622,096	119,548
Accounts Intergovernmental	285,164	555,850	5,843	-	234,149	365,249	257,198	1,703,453	-
Gross receivables	14,553	-	246,320	2,178	-	-	-	263,051	-
Less - Allowance for uncollectibles	1,256,086	818,906	587,609	69,403	234,149	365,249	257,198	3,588,600	119,548
	13,014	-	-	865	575	-	5,321	19,775	-
Total Receivables, Net	\$ 1,243,072	818,906	587,609	68,538	233,574	365,249	251,877	3,568,825	119,548

NOTE D - CAPITAL ASSETS

Following is a summary of changes in capital assets for the year ended September 30, 2013:

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - CAPITAL ASSETS (Continued)

For The Year Ended September 30, 2013

	Balance September 30 2012	Additions And Reclassi- fications	Deletions And Reclassi- fications	Balance September 30 2013
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 6,769,950	42,290	-	6,812,240
Construction in progress	6,466,184	49,874	6,398,156	117,902
Total Capital Assets Not Being Depreciated	<u>13,236,134</u>	<u>92,164</u>	<u>6,398,156</u>	<u>6,930,142</u>
Capital assets being depreciated:				
Infrastructure	23,494,539	2,426,391	-	25,920,930
Buildings	21,815,686	1,564,524	-	23,380,210
Improvements other than buildings	8,992,439	6,156,125	-	15,148,564
Machinery and equipment	9,774,524	884,209	282,137	10,376,596
Total Capital Assets Being Depreciated	<u>64,077,188</u>	<u>11,031,249</u>	<u>282,137</u>	<u>74,826,300</u>
Less - Accumulated depreciation for:				
Infrastructure	5,556,012	1,303,544	-	6,859,556
Buildings	7,516,764	427,485	-	7,944,249
Improvements other than buildings	3,852,499	348,348	-	4,200,847
Machinery and equipment	6,126,656	725,405	275,048	6,577,013
Total Accumulated Depreciation	<u>23,051,931</u>	<u>2,804,782</u>	<u>275,048</u>	<u>25,581,665</u>
Total Capital Assets Being Depreciated, Net	<u>41,025,257</u>	<u>8,226,467</u>	<u>7,089</u>	<u>49,244,635</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,261,391</u>	<u>8,318,631</u>	<u>6,405,245</u>	<u>56,174,777</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 879,795	-	-	879,795
Construction in progress	4,048,615	190,670	4,048,614	190,671
Total Capital Assets Not Being Depreciated	<u>4,928,410</u>	<u>190,670</u>	<u>4,048,614</u>	<u>1,070,466</u>
Capital assets being depreciated				
Building	28,200,001	-	-	28,200,001
Improvements other than buildings	18,532,437	4,621,089	-	23,153,526
Machinery and equipment	3,627,285	78,653	-	3,705,938
Total Capital Assets Being Depreciated	<u>50,359,723</u>	<u>4,699,742</u>	<u>-</u>	<u>55,059,465</u>
Less - Accumulated depreciation for:				
Buildings	7,131,119	982,465	-	8,113,584
Improvements other than buildings	7,282,144	602,167	-	7,884,311
Machinery and equipment	2,697,174	182,922	-	2,880,096
Total Accumulated Depreciation	<u>17,110,437</u>	<u>1,767,554</u>	<u>-</u>	<u>18,877,991</u>
Total Capital Assets Being Depreciated, Net	<u>33,249,286</u>	<u>2,932,188</u>	<u>-</u>	<u>36,181,474</u>
Business-type Activities Capital Assets, Net	<u>\$ 38,177,696</u>	<u>3,122,858</u>	<u>4,048,614</u>	<u>37,251,940</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 2013
Governmental Activities	
General government	\$ 235,642
Public safety	486,948
Airport	296,988
Highway and streets	1,351,214
Culture and recreation	<u>433,990</u>
Total	<u>\$2,804,782</u>
Business-type Activities	
Water	\$ 317,061
Sewage treatment	1,197,728
Solid waste	<u>246,035</u>
Total	<u>\$1,760,824</u>

A transfer was made to the solid waste fund from the governmental activities of a fully depreciated asset with an original cost of \$6,730.

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 2013</u>
Nonmajor Fund - Vehicle and Equipment Fund	Sewage Treatment Fund	\$ 600,000
Water Fund	General Fund	<u>616,038</u>
Total		<u>\$1,216,038</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, 2014.

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 2013</u>
General Fund	Nonmajor Fund - Library Fund	\$ 200,000
General Fund	Nonmajor Fund - Vehicle and Equipment Fund	100,000
General Fund	COPS Fund	792,700
Transportation Sales Tax Fund	General Fund	792,700
Transportation Sales Tax Fund	COPS Fund	720,020
Capital Improvements Sales Tax Fund	COPS Fund	990,880
Capital Improvements Sales Tax Fund	Transportation Sales Tax Fund	3,000,000
Water	COPS Fund	<u>206,600</u>
Total		<u>\$6,802,900</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 2013</u>
General Fund	COPS Fund	<u>\$35,850</u>

Interfund balances are due to negative cash balances and are expected to be repaid during the fiscal year ending September 30, 2014.

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, principal and interest and incremental tax revenues were \$136,507 and \$288,917, respectively.

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>2013</u>
Governmental Activities	
\$25,825,000 certificates of participation, under the terms of the refinancing agreement, Series 2012 B, due in annual installments through April 1, 2030; interest payable at 0.7% to 3.5%.	\$25,477,100
\$11,365,000 certificates of participation (Series 2010 Build America Bonds), due in annual installments through October 1, 2020; interest payable at 2% to 6%.	<u>9,310,000</u>
Total Governmental Activities Long-term Debt	<u>\$34,787,100</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%.	\$16,565,000
\$4,610,000 certificates of participation, under the terms of the refinancing agreement Series 2012B, due in annual installments through April 1, 2030; interest payable at 0.7% to 3.5%.	<u>4,547,900</u>
Total Business-type Activities Long-term Debt	<u>\$21,112,900</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>
2014	\$ 1,466,522	1,158,714	968,478	852,055
2015	1,605,312	1,116,847	994,688	814,070
2016	1,783,800	1,066,993	1,051,200	774,844
2017	1,873,195	1,007,237	1,076,805	735,281
2018	2,400,325	933,119	1,179,675	692,631
2019 - 2023	11,236,800	3,288,025	6,393,200	2,759,255
2024 - 2028	10,041,998	1,635,657	7,448,002	1,294,261
2029 - 2030	<u>4,379,148</u>	<u>152,348</u>	<u>2,000,852</u>	<u>57,702</u>
Total	<u>\$ 34,787,100</u>	<u>10,358,940</u>	<u>21,112,900</u>	<u>7,980,099</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, 2013 are as follows:

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Original Amount</u>	<u>Balance September 30 2013</u>
Tax increment revenue notes:				
Bank of Washington - Series A	6/10/2010	2/19/2030	\$ 2,941,137	\$ 2,989,791
Rhine River - Series A	8/20/2010	7/5/2033	900,000	886,470
Rhine River - Series C	8/20/2010	7/5/2033	375,000	371,618
Total				<u>\$ 4,247,879</u>

Changes in Long-term Liabilities

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

	<u>For The Year Ended September 30, 2013</u>			<u>Balance September 30 2013</u>	<u>Amounts Due Within One Year</u>
	<u>Balance September 30 2012</u>	<u>Additions</u>	<u>Deletions</u>		
Governmental Activities					
Certificates of participation	\$ 36,170,000	-	1,382,900	34,787,100	1,466,522
Tax increment revenue notes	4,263,646	1,145	16,912	4,247,879	-
Compensated absences payable	198,463	199,649	198,463	199,649	99,826
Total Governmental Activities Long- term Liabilities	<u>\$ 40,632,109</u>	<u>200,794</u>	<u>1,598,275</u>	<u>39,234,628</u>	<u>1,566,348</u>
Business-type Activities					
Revenue bonds payable	\$ 22,055,000	-	942,100	21,112,900	968,478
Plus - Net premiums (discounts)	346,814	-	21,343	325,471	-
Total Revenue Bonds Payable	22,401,814	-	963,443	21,438,371	968,478
Compensated absences payable	44,229	40,629	44,229	40,629	20,314
Landfill care liability	3,694,046	225,679	-	3,919,725	-
Total Business-type Activities Long- term Liabilities	<u>\$ 26,140,089</u>	<u>266,308</u>	<u>1,007,672</u>	<u>25,398,725</u>	<u>988,792</u>

Compensated absences are generally liquidated by the General Fund.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM DEBT (Continued)

	<u>September 30</u> <u>2013</u>
Component Unit	
Series 2013A refunding revenue bonds, authorized \$10,150,000, interest rate of 4.0 - 5.0%, interest payable semi-annually May 1 and November 1, due per the trust indenture with final maturity on November 1, 2037.	\$10,150,000
Series 2013B subordinate refunding revenue bonds, authorized \$11,801,153, interest rate of 6.75%, interest payable semi-annually May 1 and November 1, due per the trust indenture with final maturity on March 1, 2037	<u>11,801,153</u>
Total Long-term Debt	<u>\$21,951,153</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.

On March 1, 2013 the Series 2013A refunding revenue bonds in the amount of \$10,150,000 were issued to refund the Series 2006 sales tax revenue notes (principal and accreted interest). The Series 2013B subordinate refunding revenue bonds in the amount of \$11,801,153 were also issued to refund the Series 2006 sales tax revenue notes (principal and accreted interest).

The refunding revenue bonds, which are limited obligations of the District, are payable solely from sales tax revenues and special assessments as provided in the indenture. The bonds do not constitute a general obligation of the District, the City, or the Missouri Highways and Transportation Commission.

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

	For The Year Ended September 30, 2013			<u>Balance</u> <u>September 30</u> <u>2013</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
	<u>Balance</u> <u>September 30</u> <u>2012</u>	<u>Additions</u>	<u>Deletions</u>		
2006 Sales tax revenue notes	\$ 19,379,024	268,378	19,647,402	-	-
Sales Tax Refunding Revenue Bonds					
Series 2013A	-	10,150,000	-	10,150,000	250,000
Less - Discount	-	(40,750)	(832)	(39,918)	-
Taxable Subordinate Sales Tax Refunding Revenue Bonds Series 2013B	-	11,801,153	-	11,801,153	-
Total	\$ 19,379,024	22,178,781	19,646,570	21,911,235	250,000

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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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:

	<u>September 30</u> <u>2013</u>
General Fund	\$4,473,371
Volunteer Fire Fund	964,371
Stormwater Management Improvement Fund	<u>3,404,829</u>
Total	<u>\$8,842,571</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. In accordance with provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the City's basic financial statements.

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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 13.6% (general) and 13.2% (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 (APC)

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

Annual required contribution (ARC)	\$738,862
Interest on NPO	10,670
Adjustment to ARC	<u>(10,890)</u>
APC	738,642
Actual contributions	<u>724,085</u>
Increase (decrease) in NPO	14,557
NPO, beginning of year	<u>147,173</u>
 NPO, End Of Year	 <u>\$161,730</u>

The ARC was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 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 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 28, 2010 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2011 was 21 years for the General division and 30 years for the Police division.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Annual Pension Cost (APC) (Continued)

Three-year Trend Information

<u>For The Plan Years Ended June 30</u>	<u>APC</u>	<u>Percentage Of APC Contributed</u>	<u>NPO</u>
2013	\$738,642	98.0%	\$161,730
2012	689,008	90.8	147,173
2011	655,521	87.2	83,907

Schedule of Funding Progress

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Accrued Liability (UAL)</u>
2013	\$14,127,196	\$16,259,613	\$2,132,417
2012	12,889,008	14,685,323	1,796,315
2011	11,907,394	14,232,704	2,325,310

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAL As A Percentage Of Covered Payroll</u>
2013	87%	\$5,639,448	38%
2012	88	5,037,800	36
2011	84	5,047,260	46

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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 \$466.68/\$1,064.04 per month for single/family coverage. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the 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, 2013. The City's annual OPEB cost for the year and the related information are as follows:

	For The Year Ended September 30 2013
Normal cost	\$ 20,058
Amortization of unfunded accrued liability	17,780
Interest to end of year	<u>1,892</u>
ARC	39,730
Adjustment to ARC	(5,329)
Interest on net OPEB obligation	<u>4,095</u>
Annual OPEB Cost	38,496
Contributions made	<u>(5,334)</u>
Increase In Net OPEB Obligation	33,162
Net OPEB obligation - beginning of year	<u>81,900</u>
 Net OPEB Obligation - End Of Year	 <u>\$115,062</u>

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.

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Schedule Of Funding Progress

Actuarial Valuation Date <u>October 1</u>	Actuarial Value Of Assets <u>(1)</u>	Actuarial Accrued Liability (AAL) <u>(2)</u>	Unfunded AAL (UAAL) <u>(1)-(2)</u>	Funded Ratio <u>(1)/(2)</u>	Covered Payroll <u>(3)</u>	UAAL As A Percentage Of Covered Payroll <u>(1-2)/(3)</u>
2013	\$ -	\$286,990	(\$286,990)	- %	\$5,268,938	5.4%
2010	-	244,981	(244,981)	-	4,502,974	5.4

Schedule Of Employer Contributions

For The Year Ended September 30	Contribution Made	OPEB Cost		ARC		Net OPEB Obligation
		Amount	Percent Contributed	Amount	Percent Contributed	
2013	\$5,334	\$38,496	13.9%	\$39,730	13.4%	\$115,062
2012	5,753	32,640	17.6	33,468	17.2	81,900
2011	5,753	33,051	17.4	33,468	17.2	55,013
2010	5,753	33,468	17.2	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 ARC 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.

Significant actuarial assumptions used in the valuation are as follows:

Actuarial cost method	Projected unit credit
Amortization period	20 years for initial UAAL, open
Mortality rates	1994 Group Annuity Reserving Table (blended rates using 50% male and 50% female)
Healthcare cost trend rate	7% for fiscal year 2013 reduced by decrements to an ultimate 5% for 2017 and later years
Investment earnings:	
Pre-retirement	5.0%
Post-retirement	5.0%
Projected salary increases	N/A
Inflation rate	5% - 10%

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 \$3,919,725 reported as landfill care liability at September 30, 2013, 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 reserve account to finance closure and post-closure care.

NOTE M - COMMITMENTS

The City had commitments for water and sewer engineering services and other contracts totaling \$1,058,043 at September 30, 2013.

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>2013</u>
\$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.	6,975,000
\$5,635,645 Recovery Zone Facility Revenue Bonds (Series 2010A), due September 1, 2020; interest payable at 2.8%.	5,510,595
\$2,391,751 Taxable Industrial Revenue Bonds (Series 2010B), due September 1, 2020; interest payable at 2.8%.	<u>1,917,698</u>
Total	<u>\$24,245,448</u>

NOTE O - RELATED PARTY TRANSACTIONS

The City has entered into transactions with or a company Paper Chase LLC, owned by a member of the City Council. The expenses totaled \$893 for the year ended September 30, 2013.

NOTE P - RESTRICTED NET ASSETS

The government-wide statement of net position reports \$8,358,335 of restricted net assets, of which \$7,878,414 is restricted by enabling legislation.

NOTE Q - PRIOR PERIOD ADJUSTMENT AND RETROACTIVE RESTATEMENT OF NET POSITION

The previously stated net position has been retroactively restated to implement GASB Statement No. 65 and for other adjustments as follows:

CITY OF WASHINGTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE Q - PRIOR PERIOD ADJUSTMENT AND RETROACTIVE RESTATEMENT OF NET POSITION (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Unit - Community Improvement District</u>	<u>Water</u>	<u>Sewage Treatment</u>
Net position, September 30, 2012, as previously reported	\$ 39,704,893	19,083,575	(19,419,235)	6,597,944	10,735,272
Restatement for:					
Implementation of GASB 65:					
Bond issue costs	(797,930)	(393,872)	(35,000)	(109,569)	(284,303)
Accumulated amortization	28,106	66,883	10,250	1,276	65,607
Equipment and vehicles	176,142	-	-	-	-
Accumulated depreciation	(1,433,837)	(46,440)	-	(39,979)	(6,461)
Accrued interest payable	92,537	-	-	-	-
Net Position, September 30, 2012, As Restated	<u>\$ 37,769,911</u>	<u>18,710,146</u>	<u>(19,443,985)</u>	<u>6,449,672</u>	<u>10,510,115</u>

NOTE R - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB 68, *Accounting and Financial Reporting for Pensions*, will require the City to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the City for the year ending September 30, 2015.

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes:				
Property	\$ 2,273,560	2,273,560	2,293,509	19,949
Sales	4,130,400	4,056,400	4,060,506	4,106
Franchise	2,290,100	2,454,100	2,454,294	194
Tourism	120,000	120,000	97,887	(22,113)
Licenses and permits	135,150	185,150	190,637	5,487
Fees and fines	170,000	115,000	111,842	(3,158)
Intergovernmental	93,000	93,000	46,939	(46,061)
Charges for services	1,758,405	1,758,405	1,818,875	60,470
Rents	131,100	131,100	128,733	(2,367)
Contributions and donations	52,400	87,400	99,074	11,674
Investment income	38,000	38,000	40,086	2,086
Total Revenues	<u>11,192,115</u>	<u>11,312,115</u>	<u>11,342,382</u>	<u>30,267</u>
EXPENDITURES				
Current:				
General government:				
Executive	973,740	1,041,740	1,075,961	34,221
Financial administration	528,225	528,225	510,622	(17,603)
Technology support	491,950	491,950	487,848	(4,102)
Economic development	136,175	136,175	138,494	2,319
Maintenance - building and grounds	255,985	255,985	277,884	21,899
Total General Government	<u>2,386,075</u>	<u>2,454,075</u>	<u>2,490,809</u>	<u>36,734</u>
Public safety:				
Judicial	35,840	41,740	33,045	(8,695)
Police	2,601,090	2,612,390	2,683,116	70,726
Communications center	846,195	846,195	859,244	13,049
Volunteer Fire	572,080	572,080	490,618	(81,462)
Total Public Safety	<u>4,055,205</u>	<u>4,072,405</u>	<u>4,066,023</u>	<u>(6,382)</u>
Highways and streets:				
Engineering, inspections, and planning	646,080	646,080	657,354	11,274
Streets	1,547,130	1,549,130	1,438,342	(110,788)
Total Highways And Streets	<u>2,193,210</u>	<u>2,195,210</u>	<u>2,095,696</u>	<u>(99,514)</u>
Airport	162,100	162,100	159,320	(2,780)

(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, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Current (continued):				
Culture and recreation:				
Parks	1,260,645	1,260,645	1,272,488	11,843
Aquatic center	229,190	229,190	160,446	(68,744)
Total Culture And Recreation	1,489,835	1,489,835	1,432,934	(56,901)
Debt service:				
Interest	1,000	1,000	948	(52)
Capital outlay:				
General government	-	41,105	41,098	(7)
Public safety	18,000	18,000	-	(18,000)
Highways and streets	70,000	70,000	-	(70,000)
Culture and recreation	47,500	62,500	15,057	(47,443)
Total Capital Outlay	135,500	191,605	56,155	(135,450)
Total Expenditures	10,422,925	10,566,230	10,301,885	(264,345)
REVENUES OVER EXPENDITURES	769,190	745,885	1,040,497	294,612
OTHER FINANCING SOURCES (USES)				
Transfers in	862,700	862,700	792,700	(70,000)
Transfers out	(1,148,700)	(1,148,700)	(1,092,700)	(56,000)
Total Other Financing Sources (Uses)	(286,000)	(286,000)	(300,000)	14,000
NET CHANGE IN FUND BALANCE	\$ 483,190	459,885	740,497	280,612
FUND BALANCE, OCTOBER 1			8,102,074	
FUND BALANCE, SEPTEMBER 30			\$ 8,842,571	

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, 2013

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.
- 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 accounting principles generally accepted in the United States of America 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, 2013

	<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>River</u>		<u>Vehicle And</u>	
		<u>TIF</u>	<u>TIF</u>	<u>Equipment</u>	
				<u>Replacement</u>	
ASSETS					
Cash and investments	\$ 116,628	894	278,535	1,846,093	2,242,150
Cash with agent	579	-	-	-	579
Accounts receivable, net of allowance	8,004	-	60,534	-	68,538
Prepaid items	17,172	-	-	-	17,172
Advance to other funds	-	-	-	600,000	600,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 142,383</u>	<u>894</u>	<u>339,069</u>	<u>2,446,093</u>	<u>2,928,439</u>
 LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 7,493	-	-	-	7,493
Accrued wages	6,402	-	-	-	6,402
Total Liabilities	<u>13,895</u>	<u> </u>	<u> </u>	<u> </u>	<u>13,895</u>
 Fund Balances					
Nonspendable:					
Prepaid items	17,172	-	-	-	17,172
Advances	-	-	-	600,000	600,000
Restricted for:					
TIF Districts	-	894	339,069	-	339,963
Committed for:					
Purchase of supplies and services	-	-	-	4,797	4,797
Library	111,316	-	-	-	111,316
Vehicle and equipment replacement	-	-	-	1,841,296	1,841,296
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>128,488</u>	<u>894</u>	<u>339,069</u>	<u>2,446,093</u>	<u>2,914,544</u>
Total Liabilities And Fund Balances	<u>\$ 142,383</u>	<u>894</u>	<u>339,069</u>	<u>2,446,093</u>	<u>2,928,439</u>

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<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>Equipment</u>	
				<u>Replacement</u>	
REVENUES					
Property taxes	\$ 179,958	17,697	210,686	-	408,341
Sales tax	-	-	60,534	-	60,534
Fees and fines	58,005	-	-	-	58,005
Intergovernmental	9,482	-	-	-	9,482
Contributions and donations	14,963	-	-	-	14,963
Investment income	2,061	6	730	6,591	9,388
Total Revenues	<u>264,469</u>	<u>17,703</u>	<u>271,950</u>	<u>6,591</u>	<u>560,713</u>
EXPENDITURES					
Current:					
General government	-	-	31,182	-	31,182
Culture and recreation:					
Library	519,269	-	-	-	519,269
Debt service:					
Principal	-	16,912	-	-	16,912
Interest and fiscal charges	-	-	119,595	-	119,595
Capital outlay:					
Public safety:					
Police	-	-	-	95,555	95,555
Culture and recreation:					
Parks and recreation	-	-	-	56,468	56,468
Total Expenditures	<u>519,269</u>	<u>16,912</u>	<u>150,777</u>	<u>152,023</u>	<u>838,981</u>
REVENUES OVER (UNDER)					
EXPENDITURES	(254,800)	791	121,173	(145,432)	(278,268)
OTHER FINANCING SOURCES					
Transfers in	200,000	-	-	100,000	300,000
NET CHANGE IN FUND BALANCES	(54,800)	791	121,173	(45,432)	21,732
FUND BALANCES, OCTOBER 1	183,288	103	217,896	2,491,525	2,892,812
FUND BALANCES, SEPTEMBER 30	<u>\$ 128,488</u>	<u>894</u>	<u>339,069</u>	<u>2,446,093</u>	<u>2,914,544</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, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property taxes	\$ 179,285	179,285	179,958	673
Fees and fines	48,600	57,100	58,005	905
Intergovernmental	-	9,500	9,482	(18)
Contributions and donations	6,000	6,000	14,963	8,963
Investment income	1,500	1,500	2,061	561
Total Revenues	235,385	253,385	264,469	11,084
EXPENDITURES				
Current:				
Library	496,375	522,735	519,269	(3,466)
REVENUES UNDER EXPENDITURES	(260,990)	(269,350)	(254,800)	14,550
OTHER FINANCING SOURCES				
Transfers in	256,000	256,000	200,000	(56,000)
NET CHANGE IN FUND BALANCE	\$ (4,990)	(13,350)	(54,800)	(41,450)
FUND BALANCE, OCTOBER 1			183,288	
FUND BALANCE, SEPTEMBER 30			\$ 128,488	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACUTAL -
RHINE RIVER TIF SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 500	17,500	17,697	197
Investment income	-	-	6	6
Total Revenues	500	17,500	17,703	203
EXPENDITURES				
Debt service:				
Principal	-	17,000	16,912	(88)
NET CHANGE IN FUND BALANCE	\$ 500	500	791	291
FUND BALANCE, OCTOBER 1			103	
FUND BALANCE, SEPTEMBER 30			\$ 894	

CITY OF WASHINGTON, MISSOURI
OTHER 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, 2013

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Taxes:			
Property	\$ 175,000	210,686	35,686
Sales	25,350	60,534	35,184
Investment income	1,000	730	(270)
Total Revenues	201,350	271,950	70,600
EXPENDITURES			
Current:			
General government	200,000	31,182	(168,818)
Debt service	-	119,595	119,595
Total Expenditures	200,000	150,777	(49,223)
NET CHANGE IN FUND BALANCE	\$ 1,350	121,173	119,823
FUND BALANCE, OCTOBER 1		217,896	
FUND BALANCE, SEPTEMBER 30		\$ 339,069	

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, 2013

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Sales	\$ 1,820,000	1,820,000	1,761,289	(58,711)
Intergovernmental	-	250,000	100,554	(149,446)
Contributions and donations	50,000	50,000	195,000	145,000
Investment income	20,000	20,000	5,103	(14,897)
Total Revenues	1,890,000	2,140,000	2,061,946	(78,054)
EXPENDITURES				
Current:				
General government	-	-	54,961	54,961
Capital outlay:				
General government	235,000	1,266,000	722,834	(543,166)
Public safety	1,151,410	1,151,410	1,338,092	186,682
Highways and streets	1,025,000	1,025,000	-	(1,025,000)
Airport	62,500	62,500	-	(62,500)
Culture and recreation	1,025,000	1,025,000	396,536	(628,464)
Total Expenditures	3,498,910	4,529,910	2,512,423	(2,017,487)
REVENUES UNDER EXPEN- DITURES	(1,608,910)	(2,389,910)	(450,477)	1,939,433
OTHER FINANCING USES				
Transfers out	(4,504,375)	(4,504,375)	(3,990,880)	(513,495)
NET CHANGE IN FUND BALANCE	\$ (6,113,285)	(6,894,285)	(4,441,357)	2,452,928
FUND BALANCE, OCTOBER 1			8,659,027	
FUND BALANCE, SEPTEMBER 30			\$ 4,217,670	

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes:				
Sales	\$ 1,820,000	1,820,000	1,768,781	(51,219)
Intergovernmental	2,770,545	2,770,545	2,426,395	(344,150)
Charges for services	-	-	1,589,523	1,589,523
Investment income	20,000	20,000	6,553	(13,447)
Total Revenues	<u>4,610,545</u>	<u>4,610,545</u>	<u>5,791,252</u>	<u>1,180,707</u>
EXPENDITURES				
Current:				
Highways and streets	-	-	4,863,595	4,863,595
Capital outlay:				
Highways and streets	6,508,495	7,008,495	1,191,758	(5,816,737)
Airport	947,500	964,500	724,802	(239,698)
Total Expenditures	<u>7,455,995</u>	<u>7,972,995</u>	<u>6,780,155</u>	<u>(1,192,840)</u>
REVENUES UNDER EXPENDITURES	<u>(2,845,450)</u>	<u>(3,362,450)</u>	<u>(988,903)</u>	<u>2,373,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,513,495	3,513,495	3,000,000	(513,495)
Transfers out	(1,582,720)	(1,582,720)	(1,512,720)	(70,000)
Total Other Financing Sources (Uses)	<u>1,930,775</u>	<u>1,930,775</u>	<u>1,487,280</u>	<u>(443,495)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (914,675)</u>	<u>(1,431,675)</u>	498,377	<u>1,930,052</u>
FUND BALANCE, OCTOBER 1			<u>2,822,437</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 3,320,814</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, 2013

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Investment income	\$ 147,500	152,161	4,661
EXPENDITURES			
Debt service:			
Principal	1,445,000	1,382,900	(62,100)
Interest and fiscal charges	1,412,700	1,287,176	(125,524)
Total Expenditures	<u>2,857,700</u>	<u>2,670,076</u>	<u>(187,624)</u>
REVENUES UNDER EXPENDITURES	(2,710,200)	(2,517,915)	192,285
OTHER FINANCING SOURCES			
Transfers in	<u>2,710,200</u>	<u>2,710,200</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	192,285	<u>192,285</u>
FUND BALANCE, OCTOBER 1		<u>287,603</u>	
FUND BALANCE, SEPTEMBER 30		<u>\$ 479,888</u>	

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, 2013

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Investment income	\$ 10,000	6,591	(3,409)
EXPENDITURES			
Capital outlay:			
Public safety	106,500	95,555	(10,945)
Highways and streets	313,000	-	(313,000)
Culture and recreation	126,000	56,468	(69,532)
Total Expenditures	545,500	152,023	(393,477)
REVENUES UNDER EXPENDITURES	(535,500)	(145,432)	390,068
OTHER FINANCING SOURCES			
Sale of capital assets	10,000	-	(10,000)
Transfers in	100,000	100,000	-
Total Other Financing Sources	110,000	100,000	(10,000)
NET CHANGE IN FUND BALANCE	\$ (425,500)	(45,432)	380,068
FUND BALANCE, OCTOBER 1		2,491,525	
FUND BALANCE, SEPTEMBER 30		\$ 2,446,093	

CITY OF WASHINGTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Balance September 30 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30 2013</u>
TAXABLE INDUSTRIAL REVE-				
NUE BONDS (PAUWELS PROJ-				
ECT), SERIES 2008A AND B				
Assets - cash and cash investments	\$ -	159,255	159,255	-
Liabilities - due to lessee	\$ -	159,255	159,255	-
TAXABLE INDUSTRIAL REVE-				
NUE BONDS (VALENT				
AEROSTRUCTURES,				
SERIES 2010A AND B				
Assets - cash and cash investments	\$ 1	522,659	522,659	1
Liabilities - due to lessee	\$ 1	522,659	522,659	1
ALL AGENCY FUNDS				
Assets - cash and cash investments	\$ 1	681,914	681,914	1
Liabilities - due to lessee	\$ 1	681,914	681,914	1

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.	67 - 75
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	76 - 79
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.	80 - 82
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.	83 - 87
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.	88 - 89

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

CITY OF WASHINGTON, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net investment in capital assets	\$ 21,387,681	26,117,593	19,903,202	19,586,634	18,496,183	15,218,196	34,824,279	32,150,021	28,607,705	21,402,264
Restricted	8,358,335	3,960,864	10,227,205	8,910,870	7,188,207	7,543,818	2,055,727	3,234,143	2,336,893	3,985,879
Unrestricted	8,181,986	7,691,454	4,631,064	4,266,818	8,264,306	6,746,371	4,026,763	6,014,491	5,721,384	4,757,681
Total Governmental Activities Net Position	<u>\$ 37,928,002</u>	<u>37,769,911</u>	<u>34,761,471</u>	<u>32,764,322</u>	<u>33,948,696</u>	<u>29,508,385</u>	<u>40,906,769</u>	<u>41,398,655</u>	<u>36,665,982</u>	<u>30,145,824</u>
Business-type Activities										
Net investment in capital assets	\$ 17,326,013	18,527,376	17,257,501	17,783,318	18,894,569	20,033,834	15,680,130	13,746,355	12,910,727	12,241,765
Restricted	-	-	203,500	203,500	203,500	297,545	146,297	126,521	137,959	224,800
Unrestricted	1,024,676	182,770	747,705	(7,742)	(1,351,629)	(3,779,395)	(773,014)	1,413,186	2,285,676	2,189,718
Total Business-type Activities Net Position	<u>\$ 18,350,689</u>	<u>18,710,146</u>	<u>18,208,706</u>	<u>17,979,076</u>	<u>17,746,440</u>	<u>16,551,984</u>	<u>15,053,413</u>	<u>15,286,062</u>	<u>15,334,362</u>	<u>14,656,283</u>
Primary Government										
Net investment in capital assets	\$ 38,713,694	44,644,969	37,160,703	37,369,952	37,390,752	35,252,030	50,504,409	45,896,376	41,518,432	33,644,029
Restricted	8,358,335	3,960,864	10,430,705	9,114,370	7,391,707	7,841,363	2,202,024	3,360,664	2,474,852	4,210,679
Unrestricted	9,206,662	7,874,224	5,378,769	4,259,076	6,912,677	2,966,976	3,253,749	7,427,677	8,007,060	6,947,399
Total Primary Gov- ernment Net Position	<u>\$ 56,278,691</u>	<u>56,480,057</u>	<u>52,970,177</u>	<u>50,743,398</u>	<u>51,695,136</u>	<u>46,060,369</u>	<u>55,960,182</u>	<u>56,684,717</u>	<u>52,000,344</u>	<u>44,802,107</u>

Source: Basic financial statements

GASB 63 and 65 were implemented in 2013.

CITY OF WASHINGTON, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental Activities										
General government	\$ 2,708,228	2,322,012	2,391,957	2,459,637	2,450,212	2,746,947	2,310,768	2,015,197	1,861,917	1,906,000
Public safety	4,606,699	4,227,328	4,167,300	4,209,328	4,167,081	4,127,090	3,821,556	3,423,303	3,375,127	3,122,518
Airport	456,308	362,569	389,357	358,257	315,409	318,800	327,757	308,987	123,243	97,536
Highways and streets	8,388,955	3,235,149	3,138,175	2,993,414	2,757,131	20,587,741	7,572,762	1,994,062	2,787,179	1,779,304
Culture and recreation	2,399,430	2,080,185	2,036,074	1,862,053	1,784,181	1,842,721	1,649,763	1,624,823	1,507,396	1,472,036
Economic development	32,327	25,408	422,541	3,793,925	-	-	-	-	-	-
Interest on long-term debt	1,457,296	2,153,977	1,893,340	1,312,223	1,482,847	906,982	317,491	185,745	70,005	80,766
Total Governmental Activities Expenses	20,049,243	14,406,628	14,438,744	16,988,837	12,956,861	30,530,281	16,000,097	9,552,117	9,724,867	8,458,160
Business-type Activities										
Water	1,570,696	1,552,818	1,432,160	1,319,119	1,279,316	1,342,968	1,465,602	1,401,617	1,360,439	1,147,483
Sewer	3,136,232	3,019,661	3,028,022	2,964,188	1,055,581	1,040,995	1,132,035	1,094,885	1,001,500	999,553
Solid waste	2,259,583	2,407,304	2,416,011	2,215,213	1,966,384	2,022,255	1,953,286	1,895,078	1,774,550	1,455,805
Total Business-type Activities Expenses	6,966,511	6,979,783	6,876,193	6,498,520	4,301,281	4,406,218	4,550,923	4,391,580	4,136,489	3,602,841
Total Primary Government	27,015,754	21,386,411	21,314,937	23,487,357	17,258,142	34,936,499	20,551,020	13,943,697	13,861,356	12,061,001
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	900,778	837,821	650,501	629,382	562,142	567,567	1,350,504	535,916	491,685	440,893
Public safety	516,419	586,728	711,465	790,962	789,842	757,633	660,336	458,891	435,562	344,743
Airport	114,359	128,629	88,271	84,093	65,799	72,146	74,398	72,370	70,017	65,630
Highways and streets	2,045,897	408,292	440,248	148,644	340,178	302,063	243,061	212,792	215,693	206,218
Culture and recreation	467,063	285,782	328,277	258,933	244,987	261,742	234,071	209,057	238,542	239,272
Operating grants and contributions	996,396	675,527	659,758	651,778	917,539	981,166	771,566	662,219	1,352,922	982,312
Capital grants and contributions	1,835,807	3,622,700	349,061	1,040,427	2,145,388	3,412,588	37,328	1,661,422	5,362,513	3,561,738
Total Governmental Activities Program Revenues	6,876,719	6,545,479	3,227,581	3,604,219	5,065,875	6,354,905	3,371,264	3,812,667	8,166,934	5,840,806
Business-type Activities										
Charges for services:										
Water	1,501,708	1,580,125	1,406,588	1,287,713	1,166,340	1,135,956	1,210,367	1,214,914	1,156,441	1,141,201
Sewage treatment	2,563,677	2,531,867	2,664,993	2,633,395	2,208,748	1,847,759	1,062,103	1,016,435	992,653	1,147,258
Solid waste	2,175,397	2,233,955	2,212,897	2,023,514	1,932,124	1,818,526	1,831,979	1,643,469	1,798,321	1,617,155
Operating grants and contributions	-	-	-	25,000	-	-	-	-	-	-
Capital grants and contributions	-	-	-	25,849	44,000	575,292	-	-	400,205	411,475
Total Business-type Activities Program Revenue	6,240,782	6,345,947	6,284,478	5,995,471	5,351,212	5,377,533	4,104,449	3,874,818	4,347,620	4,317,089
Total Primary Government Program Revenues	13,117,501	12,891,426	9,512,059	9,599,690	10,417,087	11,732,438	7,475,713	7,687,485	12,514,554	10,157,895

(Continued)

CITY OF WASHINGTON, MISSOURI
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
NET REVENUES (EXPENSES)										
Governmental activities	(13,172,524)	(7,861,149)	(11,211,163)	(13,384,618)	(7,890,986)	(24,175,376)	(12,628,833)	(5,739,450)	(1,557,933)	(2,617,354)
Business-type activities	(725,729)	(633,836)	(591,715)	(503,049)	1,049,931	971,315	(446,474)	(516,762)	211,131	714,248
Total Primary Government Net Revenues (Expenses)	<u>(13,898,253)</u>	<u>(8,494,985)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes:										
Property	2,701,850	2,612,413	2,494,598	2,416,799	2,283,620	2,114,522	1,981,426	1,735,672	1,538,475	1,473,350
Sales	7,651,110	7,567,369	7,491,229	7,218,424	7,353,667	7,887,896	7,681,616	6,959,132	5,169,890	4,948,433
Franchise	2,454,294	2,302,904	2,294,682	2,154,923	2,225,337	2,194,529	1,747,738	1,461,906	1,361,239	1,299,826
Tourism	97,887	123,550	112,684	102,583	105,274	108,790	80,806	65,315	62,038	50,989
Investment income	61,130	258,158	325,407	287,603	357,399	471,255	592,261	457,575	235,722	133,112
Gain on sale of capital assets	5,583	43,210	-	22,967	-	-	53,100	5,335	5,493	-
Grants and contributions not restricted to specific programs	152,161	165,045	130,095	-	-	-	-	-	-	-
Miscellaneous	-	-	100	-	-	-	-	-	-	-
Transfers	206,600	(729,430)	-	(3,055)	6,000	-	-	(212,812)	(294,766)	(105,710)
Total Governmental Activities General Revenues And Other Changes In Net Position	<u>13,330,615</u>	<u>12,343,219</u>	<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>
Business-type Activities										
Miscellaneous	56,752	57,382	53,000	50,909	50,429	40,139	11,982	41,150	45,041	53,044
Investment income	516,120	628,749	663,207	681,271	100,096	173,377	201,843	214,500	127,141	71,422
Gain on sale of capital assets	-	-	779	450	-	-	-	-	-	501
Transfers	(206,600)	729,430	-	3,055	(6,000)	-	-	212,812	294,766	105,710
Total Business-type Activities General Revenues And Other Change In Net Position	<u>366,272</u>	<u>1,415,561</u>	<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>
Total Primary Government General Revenues And Other Change In Net Position	<u>13,696,887</u>	<u>13,758,780</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	158,091	4,482,070	1,637,632	(1,184,374)	4,440,311	(11,398,384)	(491,886)	4,732,673	6,520,158	5,182,646
Business-type activities	(359,457)	781,725	125,271	232,636	1,194,456	1,184,831	(232,649)	(48,300)	678,079	944,925
Total Primary Government	<u>\$ (201,366)</u>	<u>5,263,795</u>	<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>

Source: Basic financial statements

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 TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Program Revenues									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
General government	\$ 1,051,597	3,703,631	744,366	668,716	602,367	604,567	1,402,881	571,078	544,136	438,382
Public safety	535,228	615,559	763,078	861,323	876,502	822,543	692,732	527,034	763,125	471,955
Airport	698,717	321,688	88,271	84,093	65,799	372,146	74,398	84,928	3,512,966	1,697,688
Highways and streets	4,022,730	1,520,607	1,264,027	1,618,658	3,193,749	4,125,170	910,555	2,395,452	2,951,605	2,945,254
Culture and recreation	568,447	383,994	367,839	371,429	327,458	430,479	290,698	234,175	395,102	287,527
Total Governmental Activities Program Revenues	<u>6,876,719</u>	<u>6,545,479</u>	<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>
Business-type Activities										
Water	1,501,708	1,580,125	1,406,588	1,287,713	1,166,340	1,392,292	1,210,367	1,214,914	1,370,200	1,353,751
Sewage treatment	2,563,677	2,531,867	2,664,993	2,659,244	2,252,748	2,166,715	1,062,103	1,016,435	1,179,099	1,346,183
Solid waste	2,175,397	2,233,955	2,212,897	2,048,514	1,932,124	1,818,526	1,831,979	1,643,469	1,798,321	1,617,155
Total Business-type Activities Program Revenues	<u>6,240,782</u>	<u>6,345,947</u>	<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>
Total Primary Government Program Revenues	<u>\$ 13,117,501</u>	<u>12,891,426</u>	<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>

Source: Basic financial statements

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

	September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	-	-	2,831,117	2,840,423	2,853,708	3,422,273	2,567,531	2,342,160	2,149,656
Unreserved	-	-	-	2,602,568	2,290,772	1,854,701	1,030,187	1,187,417	2,967,639	3,067,047
Nonspendable	2,780,963	2,788,601	2,710,881	-	-	-	-	-	-	-
Committed	4,386,479	3,750,988	3,348,275	-	-	-	-	-	-	-
Assigned	-	-	31,168	-	-	-	-	-	-	-
Unassigned	1,675,129	1,562,485	1,054,785	-	-	-	-	-	-	-
Total General Fund	\$ 8,842,571	8,102,074	7,145,109	5,433,685	5,131,195	4,708,409	4,452,460	3,754,948	5,309,799	5,216,703
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
Unreserved, reported in:										
Special Revenue Funds	-	-	-	726,528	1,156,007	1,011,113	894,740	840,286	935,536	(2,861,452)
Capital Projects Fund	-	-	-	9,989,878	8,412,597	10,483,168	3,544,028	3,640,445	(3,160,141)	2,590,546
Debt Service Fund	-	-	-	-	1,587	8,606	-	-	-	-
Nonspendable	617,172	612,229	606,501	-	-	-	-	-	-	-
Restricted	8,358,335	11,987,066	20,173,320	-	-	-	-	-	-	-
Committed	1,957,409	2,062,584	2,052,037	-	-	-	-	-	-	-
Unassigned	-	-	(236,426)	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 10,932,916	14,661,879	22,595,432	11,896,853	10,471,954	13,247,265	9,290,695	6,328,611	3,012,454	35,848,953

Source: Basic financial statements

For fiscal year 2011 GASB 54 was implemented.

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

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

	For The Years Ended September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Taxes	\$12,905,141	12,606,236	12,405,976	11,869,859	11,922,898	12,305,737	11,491,586	10,223,724	8,131,642	7,772,598
Licenses and permits	190,637	148,144	161,408	157,699	257,292	275,501	274,026	243,598	222,720	210,587
Fees and fines	169,847	179,298	339,193	385,326	418,607	401,662	367,838	178,555	182,085	141,850
Intergovernmental	2,583,370	4,395,340	1,046,949	1,796,434	2,436,948	2,606,561	1,160,107	1,656,240	5,196,472	3,454,787
Charges for services	3,408,398	1,726,584	1,588,564	1,221,589	1,215,896	1,171,277	1,822,755	1,577,131	951,972	842,196
Rents	128,733	142,683	81,631	104,967	81,815	87,546	102,896	92,406	103,662	102,123
Contributions and donations	309,037	67,932	91,965	86,419	79,593	182,875	58,677	64,736	195,342	36,551
Investment income	213,291	258,158	325,407	287,603	357,399	471,255	592,261	457,575	235,722	133,112
Miscellaneous	-	-	100	-	-	-	-	-	-	-
Total Revenues	19,908,454	19,524,375	16,041,193	15,909,896	16,770,448	17,502,414	15,870,146	14,493,965	15,219,617	12,693,804
EXPENDITURES										
General government	2,576,952	2,337,131	2,206,848	2,208,897	2,219,240	2,117,484	2,091,008	1,825,933	1,699,172	1,711,572
Public safety	4,066,023	3,796,697	3,725,467	3,733,315	3,665,617	3,607,981	3,385,829	3,166,590	3,096,913	2,888,902
Highways and streets	6,959,291	2,055,046	1,963,827	1,993,395	1,896,982	19,961,827	7,040,504	1,711,568	2,554,341	1,621,587
Airport	159,320	148,467	150,895	147,453	125,228	127,694	163,678	132,816	87,802	81,330
Culture and recreation	1,952,203	1,857,089	1,780,003	1,620,513	1,542,205	1,616,265	1,471,726	1,453,355	1,359,816	1,370,120
Economic development	-	-	422,212	3,793,925	-	-	-	-	-	-
Debt service:										
Principal	1,399,812	1,152,454	5,000	5,000	4,125,000	7,814,451	425,000	585,645	545,000	525,000
Interest and fiscal charges	1,407,719	2,196,447	1,406,587	1,282,518	1,401,027	455,085	207,134	155,122	69,483	86,716
Bond issue costs	-	570,630	227,300	-	-	662,960	-	-	-	-
Advance refunding escrow	-	2,900,029	-	-	-	-	-	-	-	-
Capital outlay	4,582,200	10,496,655	3,934,450	3,211,328	4,153,674	3,988,216	4,843,222	8,674,067	7,356,576	4,601,634
Total Expenditures	23,103,520	27,510,645	15,822,589	17,996,344	19,128,973	40,351,963	19,628,101	17,705,096	16,769,103	12,886,861
REVENUES OVER (UNDER) EXPENDITURES	(3,195,066)	(7,986,270)	218,604	(2,086,448)	(2,358,525)	(22,849,549)	(3,757,955)	(3,211,131)	(1,549,486)	(193,057)
OTHER FINANCING SOURCES (USES)										
Issuance of long-term debt	-	25,979,773	11,787,212	3,793,925	-	26,840,000	7,364,451	5,000,000	-	-
Refunding of long-term debt	-	(25,075,762)	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	103,227	-	-
Sale of capital assets	-	45,671	44,670	22,967	-	222,068	53,100	5,335	5,493	-
Transfers in	6,802,900	4,079,215	3,193,958	3,362,184	2,359,746	9,024,818	896,743	3,835,256	2,598,067	2,167,260
Transfers out	(6,596,300)	(4,019,215)	(3,193,958)	(3,365,239)	(2,353,746)	(9,024,818)	(896,743)	(3,971,381)	(2,697,477)	(2,272,970)
Total Other Financing Sources (Uses)	206,600	1,009,682	11,831,882	3,813,837	6,000	27,062,068	7,417,551	4,972,437	(93,917)	(105,710)
NET CHANGE IN FUND BALANCES	\$ (2,988,466)	(6,976,588)	12,050,486	1,727,389	(2,352,525)	4,212,519	3,659,596	1,761,306	(1,643,403)	(298,767)
Debt service as a percentage of noncapital expenditures	15.18 %	18.82	11.85	8.72	28.89	22.74	4.28	8.20	6.53	7.38

Source: Basic financial statements

CITY OF WASHINGTON, MISSOURI
SOURCES OF REVENUE, GOVERNMENTAL FUNDS
LAST TWO FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Charges For Services</u>	<u>Rents</u>	<u>Intergovernmental</u>	<u>Investment Income</u>	<u>Court Fees And Fines</u>	<u>Licenses And Permits</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	64.82 %	17.12 %	0.69 %	14.48 %	1.07 %	0.85 %	0.97 %	- %	100.00 %
2012	64.57	8.84	0.73	22.51	1.32	0.92	0.76	0.35	100.00

Court fines as a percentage of general revenue:

2013	1.19
------	------

Source: Basic financial statements

Note: Missouri House Bill 103, amending Section 302.341.2 RSMo became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual operating revenue from fines and court costs for traffic violations. The City was not required to and did not account for the fines and court costs for traffic violations separately from total fines and court costs prior to August 28, 2013. Therefore, the City cannot provide the percent related specifically to traffic violations for the fiscal year ended September 30, 2013. Total fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations is reported above. "Annual general operating revenue of the City" is not defined in the amended statute and may or may not include various sources of the City's revenues. The City has shown above the total court costs and fines as both a percentage of total governmental revenues and as a percentage of general fund revenues. Both are substantially below the 30% threshold requirement of the amended statute. This clearly demonstrates at a minimum that the City has not exceeded the percentage requirement regardless of how "annual operating revenue" is calculated.

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

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Tourism Taxes	Total
2013	\$ 2,701,850	\$ 7,651,110	\$ 2,454,294	\$ 97,887	\$ 12,905,141
2012	2,612,413	7,567,369	2,302,904	123,550	12,606,236
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

Source: Basic financial statements

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

Fiscal Year	General Sales Tax (1%)	Percentage Change	Capital Improvement Sales Tax (0.25%)	Percentage Change	Transporation Sales Tax (0.25%)	Percentage Change	Phoenix Center CID Sales Tax Portion	Percentage Change	Other Taxes	Percentage Change	Total
2013	\$ 3,740,534	0.22 %	\$ 1,870,453	0.23 %	\$ 1,870,238	0.22 %	\$ (405,827)	(3.99) %	\$ 575,712	9.58 %	\$ 7,651,110
2012	3,732,411	2.15	1,866,171	2.15	1,866,095	2.14	(422,697)	24.81	525,389	(1.78)	7,567,369
2011	3,653,879	4.59	1,826,939	4.59	1,826,956	4.60	(338,648)	0.87	534,886	1.29	7,504,012
2010	3,493,564	(1.97)	1,746,782	(1.97)	1,746,671	(1.98)	(335,728)	(9.71)	528,095	(4.50)	7,179,384
2009	3,563,682	(5.57)	1,781,841	(5.57)	1,782,013	(5.62)	(371,835)	58.49	552,966	(3.61)	7,308,667
2008	3,773,768	6.94	1,886,884	6.94	1,888,157	7.38	(234,616)	371.04	573,703	(15.59)	7,887,896
2007	3,528,884	7.30	1,764,443	7.30	1,758,421	12.08	(49,808)	N/A	679,676	48.64	7,681,616
2006	3,288,683	1.79	1,644,343	1.79	1,568,854	N/A	-	N/A	457,252	41.37	6,959,132
2005	3,230,962	4.84	1,615,478	4.84	-	N/A	-	N/A	323,450	(0.68)	5,169,890
2004	3,081,855	3.60	1,540,927	3.61	-	N/A	-	N/A	325,651	16.50	4,948,433

Source: Basic financial statements

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		
2013	2012	278,620,923	53,477,851	7,988,308	(3,760,299)	336,326,783	1,368,049,568	0.6048	24.6 %
2012	2011	277,032,500	48,887,430	8,121,535	(3,518,747)	330,522,718	1,348,095,494	0.6020	24.5
2011	2010	277,615,377	48,045,023	7,624,773	(2,865,744)	330,419,429	1,351,033,504	0.5962	24.5
2010	2009	266,058,071	47,469,252	8,536,720	(2,580,323)	319,483,720	1,315,163,474	0.5959	24.3
2009	2008	260,584,083	49,687,394	6,574,327	(359,945)	316,485,859	1,301,508,210	0.5941	24.3
2008	2007	252,127,624	46,789,417	6,326,130	(181,435)	305,061,736	1,260,112,818	0.5857	24.2
2007	2006	223,667,324	53,136,943	6,375,651	-	283,179,918	1,164,609,819	0.5940	24.3
2006	2005	214,781,195	59,334,493	6,847,174	-	280,962,862	1,146,840,486	0.5177	24.5
2005	2004	182,419,979	48,966,735	6,066,045	-	237,452,759	964,585,588	0.5412	24.6
2004	2003	173,287,358	49,529,252	5,384,006	-	228,200,616	926,849,927	0.5420	24.6

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		
2013	2012	128,798,329	24,341,901	5,412,942	(3,760,299)	154,792,873	645,946,504	0.0945	24.0 %
2012	2011	129,075,368	25,764,435	5,572,582	(3,518,747)	156,893,638	651,560,422	0.0927	24.1
2011	2010	129,959,720	25,421,204	5,314,237	(2,865,744)	157,829,417	656,881,861	0.0914	24.0
2010	2009	119,393,011	24,121,853	6,354,062	(2,580,323)	147,288,603	623,704,605	0.0923	23.6
2009	2008	116,434,894	24,432,450	4,195,869	(359,945)	144,703,268	615,507,185	0.0934	23.5
2008	2007	116,430,834	27,013,131	4,401,847	(181,435)	147,664,377	621,729,822	0.0906	23.8
2007	2006	110,301,815	31,318,928	4,517,651	-	146,138,394	603,560,037	0.0905	24.2
2006	2005	109,262,677	37,254,362	5,139,715	-	151,656,754	618,261,797	0.0872	24.5
2005	2004	95,191,979	27,938,009	4,539,892	-	127,669,880	521,629,743	0.0923	24.5
2004	2003	91,639,672	28,724,652	3,929,319	-	124,293,643	510,512,396	0.0915	24.3

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 33½%.

Note: TIF District created in 2007 and 2008. 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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Valuation Year	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
City of Washington (excluding Library District)	<u>0.6062</u>	<u>0.6048</u>	<u>0.6020</u>	<u>0.5962</u>	<u>0.5959</u>	<u>0.5941</u>	<u>0.5857</u>	<u>0.5940</u>	<u>0.5177</u>	<u>0.5412</u>
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Franklin County - General	0.1483	0.1308	0.1382	0.1382	0.1173	0.1173	0.1173	0.1161	0.1378	0.1334
Franklin County - Road and Bridge	0.2124	0.1986	0.1978	0.1938	0.1923	0.1941	0.1941	0.2024	0.2223	0.2323
Developmental Services of Franklin County	0.1000	0.0939	0.0935	0.0916	0.0916	0.0925	0.0918	0.0957	0.0957	0.1000
Washington School District	4.0205	3.8260	3.8060	3.7860	3.7923	3.6600	3.6600	3.6600	3.6600	3.6606
East Central College	0.4541	0.4400	0.4385	0.4329	0.4329	0.4348	0.4313	0.4471	0.4473	0.4369
Washington Library	0.1000	0.0945	0.0927	0.0914	0.0923	0.0934	0.0906	0.0905	0.0872	0.0923
Washington Area Ambulance District	-	-	-	-	-	-	0.0500	0.1747	0.1732	0.1825
Franklin County Library	0.0826	0.0777	0.0777	0.0759	0.0758	0.0919	0.0913	0.0959	0.0959	0.1000
Surtax	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4800</u>
Total Overlapping Governments	<u>5.6279</u>	<u>5.3715</u>	<u>5.3544</u>	<u>5.3198</u>	<u>5.3045</u>	<u>5.1940</u>	<u>5.2364</u>	<u>5.3924</u>	<u>5.4294</u>	<u>5.4480</u>
Total City And Overlapping Governments	<u>6.2341</u>	<u>5.9763</u>	<u>5.9564</u>	<u>5.9160</u>	<u>5.9004</u>	<u>5.7881</u>	<u>5.8221</u>	<u>5.9864</u>	<u>5.9471</u>	<u>5.9892</u>

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

CITY OF WASHINGTON, MISSOURI

PRINCIPAL TAXPAYERS

CURRENT YEAR AND TWO YEARS AGO

Taxpayer	2013			2011		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
REAL ESTATE						
Wal-Mart Real Estate Business	\$ 5,440,000	1	1.62 %	\$ 5,719,446	2	1.70 %
Parker - Hannifin Corp	3,474,465	2	1.03	3,491,535	3	1.04
Bank of Washington	3,197,186	3	0.95	3,294,955	4	0.98
USR-Desco Washington Crossing	3,027,077	4	0.90	3,033,125	5	0.90
CG Power Systems USA Inc.	2,661,900	5	0.79	2,664,285	6	0.79
Lowes Home Centers Inc.	2,414,775	6	0.72	2,624,406	7	0.78
Target Corporation Target Pro	2,406,973	7	0.71	2,407,815	10	0.72
PC IT Vertical LLC	2,342,212	8	0.70	2,341,374	9	0.70
Hollingsworth Capital Partner	2,271,923	9	0.68	-	-	-
J C Penney Properties Inc.	2,048,000	10	0.61	-	-	-
Creekside Land & Dev. Co. LLC	-	-	-	10,462,853	1	3.11
Creekside Land & Dev. Co. LLC	-	-	-	2,464,000	8	0.73
Total Real Estate	\$ 29,284,511		8.71 %	\$ 38,503,794		11.45 %
PERSONAL PROPERTY						
RTI Tradco Inc. - Wash Inc.	\$ 1,137,875	1	0.34 %	\$ 971,409	4	0.29 %
Valent Aerostructures - Wash. L.	1,080,630	2	0.32	-	-	-
Magnet LLC	924,128	3	0.27	875,579	5	0.26
CG Power Systems USA Inc.	768,840	4	0.23	869,181	6	0.26
GHTM LC	716,025	5	0.21	791,351	9	0.24
Fricks Meat Products	705,055	6	0.21	833,710	7	0.25
Canam Steel Corp - Midwestern	634,166	7	0.19	810,091	8	0.24
Enterprise Rent-A-Car	504,086	8	0.15	-	-	-
First Student Inc.	495,527	9	0.15	-	-	-
Lowes Home Centers Inc.	446,025	10	0.13	-	-	-
Harman Becker - Washington	-	-	-	3,532,072	1	1.05
PFHC Medical Management LLC	-	-	-	2,549,210	2	0.76
Bank of AM Leasing - CG Power System	-	-	-	1,319,083	3	0.39
Charter Communications - Washington	-	-	-	591,866	10	0.12
Total Personal Property	\$ 7,412,357		2.20 %	\$ 13,143,552		3.86 %

Source: Franklin County Collector's office

Note: Amounts prior to 2011 are 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
2013	2012	\$ 1,830,852	\$ 1,768,781	\$ 62,071	96.6 %	\$ 138,956	7.6 %	\$ 1,691,896	92.4 %
2012	2011	2,034,104	1,970,157	63,947	96.9	170,377	8.4	1,863,727	91.6
2011	2010	1,989,747	1,922,631	67,116	96.6	127,396	6.4	1,862,351	93.6
2010	2009	1,923,292	1,879,478	43,814	97.7	50,980	2.7	1,872,312	97.3
2009	2008	1,905,245	1,843,560	61,685	96.8	48,048	2.5	1,857,197	97.5
2008	2007	1,818,778	1,775,439	43,339	97.6	N/A	N/A	1,775,439	97.6
2007	2006	1,687,469	1,658,156	29,313	98.3	N/A	N/A	1,658,156	98.3
2006	2005	1,669,200	1,620,386	48,814	97.1	N/A	N/A	1,620,386	97.1
2005	2004	1,390,761	1,354,508	36,253	97.4	N/A	N/A	1,354,508	97.4
2004	2003	1,355,512	1,318,863	36,649	97.3	N/A	N/A	1,318,863	97.3

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	Total Primary Government	Percentage Of Personal Income (1)	Per Capita
	Capital Lease Obligations	Leasehold Revenue Bonds	Certificates Of Participation	Tax Increment Revenue Notes	Loan Payable	Revenue Bonds			
2013	\$ -	\$ -	\$ 34,787,100	\$ 4,247,879	\$ -	\$ 21,438,371	\$ 60,473,350	1,229.73 %	\$ 4,306
2012	-	-	36,170,000	4,263,646	-	22,401,814	62,835,460	1,285.40	4,474
2011	-	-	38,195,000	4,216,137	-	18,787,150	61,198,287	1,330.40	4,381
2010	20,647	-	26,835,000	3,793,925	-	19,767,485	50,417,057	1,092.20	3,606
2009	41,622	-	26,840,000	-	-	20,722,820	47,604,442	1,020.13	3,316
2008	61,937	-	30,965,000	-	-	20,833,045	51,859,982	1,194.46	3,603
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

(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, 2013

<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	\$ 39,034,979	100.00 %	\$ 39,034,979
Overlapping:			
East Central College	16,533,640	21.62	3,574,573
Washington School District	40,095,000	49.57	19,875,092
Franklin County	<u>41,889,448</u>	17.07	<u>7,150,529</u>
	<u>\$ 137,553,067</u>		<u>\$ 69,635,173</u>
Per capita direct and overlapping debt			\$ 6,484.41
Ratio of direct and overlapping debt to assessed value			20.70 %
Ratio of direct and overlapping debt to estimated actual value			5.09 %

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>\$ 336,326,783</u>
Debt Limit - 10% of Total Assessed Valuation	<u>\$ 33,632,678</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>\$ 33,632,678</u>

For The Years Ended September 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$33,632,678	33,052,272	33,041,943	31,948,372	31,648,586	30,506,174	28,317,992	28,096,286	23,745,276	22,820,062
Net Debt Applicable To Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$33,632,678</u>	<u>33,052,272</u>	<u>33,041,943</u>	<u>31,948,372</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>
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 Statues (1986) to 10% of the assessed value of taxable tangible property.

CITY OF WASHINGTON, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (1)</u>	<u>Median Household Income (1)</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2013	14,045	N/A	\$ 49,176	28,025	4,880	6.1 %
2012	14,045	N/A	48,884	N/A	4,465	6.9
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

(1) Source - U.S. Census Bureau (Population 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

Employer	Type	2013			2004		
		Employees	Rank	Percent Of Total City Employment	Employees	Rank	Percent Of Total City Employment
Mercy Hospital	Health Care	1,285	1	6.39 %	760	1	3.78 %
Parker Hannifin	Manufacturer	1,111	2	5.53	638	2	3.18
Washington School District	School District	642	3	3.19	-	-	-
CG Powers (Pauwels Transformers)	Manufacturer	460	4	2.29	272	5	1.35
Wal-Mart Super Center	Retail Merchant	388	5	1.93	443	3	2.20
Magnet	Advertising Specialties	257	6	1.28	355	4	1.77
RTI Tradco	Manufacturer	205	7	1.02	-	-	-
Valent Aerostructures	Manufacturer	185	8	0.92	-	-	-
Frick's Quality Meats	Meat Processing	161	9	0.80	-	-	-
Rawlings Sporting Goods Co.	Manufacturer	157	10	0.78	125	7	0.62
Canam Steel	Manufacturer	-	-	-	165	6	0.82
Schnucks	Grocery Store	-	-	-	121	8	0.60
Missourian	Publishing	-	-	-	115	9	0.57
Hazel Promotional Products	Manufacturer	-	-	-	97	10	0.48

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
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	0.5	0.5	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	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodian	0.5	0.5	0.5	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	1.0	1.0	0.5	0.5	0.5	0.5	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	1.5	1.5	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	1.0	1.0	0.5	0.5	0.5	0.5	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
Full- and Part-time Clerk	7.0	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Part-time Shelves	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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	1.0	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	2.0	2.0	1.0	1.0	2.0	2.0	3.0
Parks and Recreation Equipment Operator	1.0	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	1.0	1.0
Parks and Recreation Laborer Seasonal	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
	36.0	33.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
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	0.25	0.25	0.5	0.5	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	1.0	1.0	2.0	1.0	2.0	2.0	1.0
Engineering Technician	1.0	1.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0
Infrastructure Inspector	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Zoning Officer	-	-	-	-	-	-	-	-	-	-
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	1.0	1.0	-
Police Lieutenant	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Police Sergeant	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	1.0
Detective	2.0	2.0	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	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	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	16.0
Patrol Officer - Traffic Safety	2.0	2.0	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
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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	3.0	3.0	4.0	3.0	3.0	2.0	2.0	2.0
Landfill Laborer	2.0	2.0	2.0	1.0	2.0	2.0	2.0	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	2.0	2.0
Compost Laborer	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Refuse Collector	2.0	2.0	2.0	2.0	3.0	4.0	4.0	4.0	4.0	4.0
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	1.0	1.0
Streets Equipment Operator	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets Lead Laborer	3.0	3.0	3.0	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
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	6.0	6.0	4.5	4.0	5.0	4.0	4.0	3.0	3.0	3.0
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	3.0	3.0	2.0	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	1.0	1.0	2.0	1.0	2.0	2.0	2.0	2.0
Water and Wastewater Lead										
Laborer	1.0	1.0	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	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	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water and Wastewater Laborer	1.0	1.0	1.0	1.0	2.0	1.0	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>252.0</u>	<u>249.0</u>	<u>249.8</u>	<u>245.8</u>	<u>251.8</u>	<u>244.8</u>	<u>241.8</u>	<u>240.8</u>	<u>239.8</u>	<u>243.8</u>

Source: Finance Department

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

FUNCTIONS/PROGRAMS	As Of September 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Communications:										
Total Calls Handled:										
Police	39,723	37,162	35,353	34,892	37,525	37,087	25,812	18,378	19,291	29,052
Ambulance District	2,908	2,741	2,703	2,497	2,668	2,650	2,607	2,492	2,498	1,725
Fire	549	665	740	731	719	745	840	753	768	679
911 Calls	5,419	4,854	4,600	6,866	4,900	3,945	4,016	4,017	3,875	3,566
Fire:										
Number of Calls	549	634	712	731	719	745	841	753	768	679
Average Response Time	4:53	5:01	4:55	5:33	5:52	5:22	5:15	4:56	4:17	4:20
Number of City Calls	342	421	479	477	484	482	527	508	498	426
Average Response Time	4:07	4:14	4:42	3:50	4:04	4:14	4:23	4:08	3:29	3:20
Number of Rural Calls	143	132	149	187	162	190	222	172	194	182
Average Response Time	6:49	7:20	6:58	7:07	7:43	7:42	7:36	7:51	6:13	6:40
Police:										
Total Calls	39,556	37,573	38,414	34,922	37,781	36,030	37,491	33,187	33,958	39,020
Total Reports Filed	3,105	2,846	2,780	2,711	2,773	2,614	2,722	2,594	2,791	2,545
Municipal court:										
Total Letters	668	747	771	1,105	1,093	1,070	996	907	493	454
Total Continuances	1,891	2,235	1,905	3,324	3,717	3,775	4,059	3,182	2,534	2,364
Trial Setting	91	205	78	98	209	175	158	107	127	76
Total Warrants	921	608	724	1,023	1,024	952	927	759	580	659
Total Probation	125	N/A	128	279	369	410	478	406	305	281
Total Balance Due Continued	N/A	N/A	1,916	3,046	2,787	2,658	2,844	2,361	2,327	1,851
Total Cases Closed	1,699	1,463	2,894	5,090	5,567	5,322	4,317	3,257	2,259	1,901
Finance:										
Number of Accounts Payable Processed	9,215	8,779	8,909	8,276	7,686	8,354	10,152	10,307	9,830	9,773
Number of Accounts Receivable Processed	1,997	2,041	1,909	1,949	1,792	2,039	2,219	2,297	2,365	2,192
Number of Business Licenses Issued	1,152	1,041	809	1,131	1,100	1,085	1,084	1,117	1,118	1,109
Number of Water Bills Issued	75,486	74,664	74,611	74,550	74,505	74,496	73,302	72,535	71,390	70,081
Number of Tax Bills Assessed	13,898	13,641	13,326	13,379	13,379	13,247	13,194	13,146	12,956	13,088
Information technology:										
Internet Service Calls	39	38	79	86	83	67	72	56	29	26
Communication Service Calls	53	73	65	89	123	93	78	117	57	51
AS/400 Service Calls	41	59	39	53	31	49	60	56	52	51
Application Service Calls	1,545	1,663	1,537	1,352	1,284	1,128	1,012	925	1,051	1,107
Hardware Service Calls	174	227	231	193	254	237	306	510	318	355
City Web Site Hits (average per week)	1,478	1,639	1,147	1,003	1,221	1,126	N/A	N/A	1,100	1,000

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	13	13	13	13	14	14	14	13	13	13
Unmarked patrol units	7	7	7	7	7	7	7	7	7	7
Public works:										
Miles of streets	98.73	88.27	88.27	88.27	88.15	87.57	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	1,192	1,182	1,247	1,241	1,241	1,241	1,204	1,199	1,095	1,095
Miles of water lines	114	110	109	109	109	109	108	107	102	N/A
Miles of sanitary sewers	108	103	103	103	103	103	102	101	97	77
Miles of sidewalks	31	31	31	30	27	27	27	27	27	27
Number of wells	9	9	9	9	9	9	9	9	9	10
Number of water towers	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Number of parks	14	14	14	14	13	13	13	13	13	13
Acres of parks	419	419	419	419	399	399	399	399	399	399
Miles of walking trail	5.45	5.45	5.45	5.45	4.7	4.7	4.7	4.7	4.7	4.7
Playgrounds	8	8	8	8	8	8	8	7	7	7
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Pavilions	12	12	12	12	12	12	12	12	12	12
Skate Parks	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Outdoor Basketball Courts	2	2	2	2	2	2	2	2	2	2
Golf Facilities	1	1	0	0	0	0	0	0	0	0
Baseball/Softball Fields	6	6	6	6	6	6	6	6	6	6
Football Fields	2	2	2	2	2	2	2	2	2	2
Soccer Fields	5	5	5	5	5	5	5	5	5	5
Multi-Purpose Fields	1	1	1	1	1	1	1	1	1	1