

# CITY OF WASHINGTON, MISSOURI

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2012





***CITY OF WASHINGTON, MISSOURI***

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***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

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FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2012

PREPARED BY: MARY J. SPRUNG, CPA  
FINANCE MANAGER

**CITY OF WASHINGTON, MISSOURI**  
**FINANCIAL REPORT**

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March 26, 2013

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 (the City) for the fiscal year ended September 30, 2012. 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 & 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, 2012. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City 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 City'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 auditors' 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 day-to-day operations.

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

The City of Washington is situated along the Missouri River and is located 55 miles west of St. Louis. Highway 100 and Highway 47 are the two state highways leading to the City. Construction converting Missouri State Highway 100 to four lanes from I-44 to Washington began in 2008 and was completed in 2010. Amtrak and the Union Pacific Railroads also serve the City. The City's Washington Memorial Airport is located in Warren County, approximately two and a half miles North of Washington on Missouri State Highway 47. The airport is home base for 36 airplanes. The City is adding another 12-hangar unit in 2013. Ameren 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 will be expanded by adding 6 additional retail stores including Ross Dress for Less, Joanne's Fabric, and Dress Barn.

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 5,080 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 2012, 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:

- Fire training center - Phase II which is expected to be completed in 2013.
- Skatepark and all-abilities park which is expected to be completed in 2013.
- Team Track Facility for shipping/receiving is expected to open in 2013.

Finally, the City is in the process of implementing an Automated Meter Reading system which will greatly benefit the citizens of Washington. First, over 6,000 meters will be replaced with new meters 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 in its 2012-2013 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 budgeting capital improvements for

five years in its 2011 budget. The City's 2012-2013 operating budget includes a five-year plan for all city funds which will assist management in addressing and estimating future needs of the City.

The City adopted a Fund Balance policy on September 6, 2011 in accordance with GASB 54. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels, raising taxes and fees due to temporary revenue shortfalls or unexpected expenditures. The policy states the City will maintain a reserve level with a minimum 15% of projected annual operating expenditures in the General Fund. As of September 30, 2012, 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 2011 sales tax increased approximately 7% from 2010 figures. The City is optimistic about future sales tax estimates but still remains conservative in spending and anticipates additional economic recovery in the next fiscal year or two.

*Housing & Construction Permits:* The City has also seen a slight increase in building permits for new construction 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:* As other local governments continue to struggle with the aftermath of the deflated real estate market and subsequent plunging appraisal values, the City's rates continue to hold steady. Assessed value increased by 5.8 million from 2011 to 2012.

### **Financial Information**

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

The annual budget serves as the foundation for the City's financial planning and control. Legal level of budgetary control is maintained at the fund level. The City included a five-year operating budget for all funds in the 2013 budget. Transfers of appropriations and any fund level changes require

approval of City Council through the budget amendment process. Budget to actual comparisons, which are required for each individual governmental fund for which an appropriated annual budget has been adopted, are included in this report.

### **Awards**

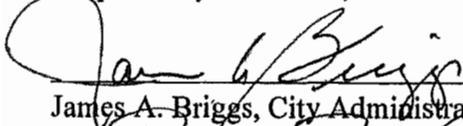
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Washington, Missouri for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the third year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

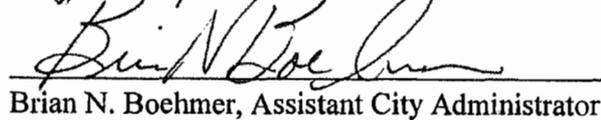
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

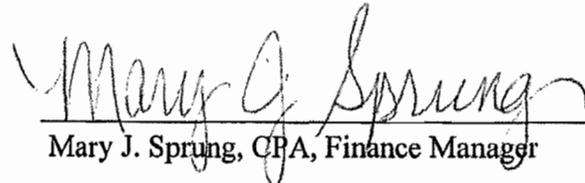
### **Acknowledgement**

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

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**

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**MAYOR**

Sandy Lucy

**WARD 1**

Steve Sullentrup  
Walter Meyer

**WARD 2**

Jeff Mohesky  
Mark Hidritch

**WARD 3**

Connie Groff  
Tim Brinker (October 2011 to December 2012)  
Greg Skornia (January 2013 to Current)

**WARD 4**

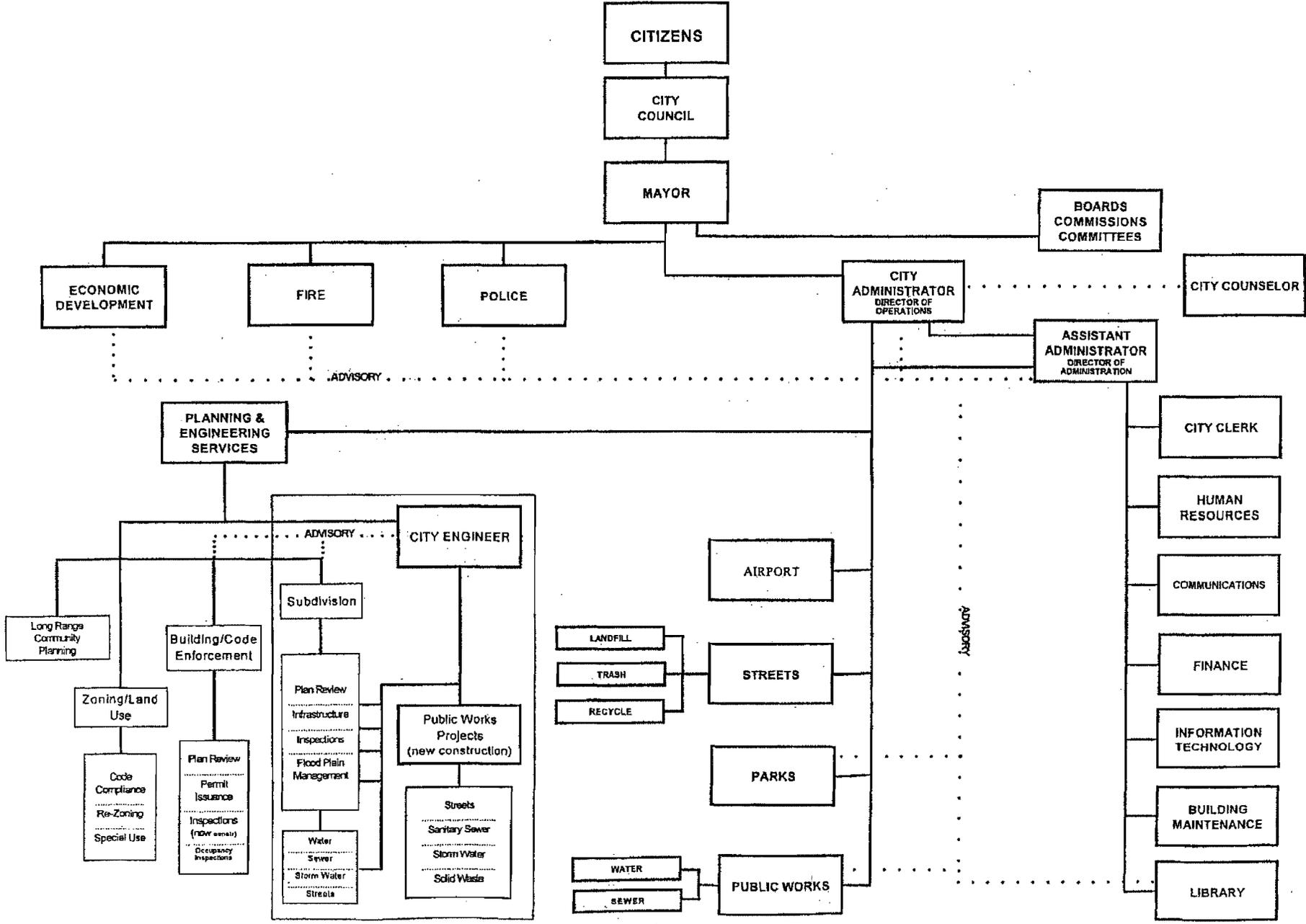
Josh Brinker  
Joe Holtmeier

**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  
Nell Redhage - Librarian  
Darren Dunkle - Parks Director  
John "Jack" Brinker - Street Superintendent  
Darren Lamb - Economic Development Director  
Dan Boyce - City Engineer  
Kevin Quaethem - Water/Wastewater Superintendent

# ORGANIZATIONAL CHART

## CITY OF WASHINGTON, MISSOURI



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Washington  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

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



*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director



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

## **INDEPENDENT AUDITORS' REPORT**

March 26, 2013

Mayor and City Council  
**CITY OF WASHINGTON, MISSOURI**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WASHINGTON, MISSOURI** (the City) as of and for the year ended September 30, 2012 which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

□ 16100 Chesterfield Parkway W., Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055

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

[www.hbclp.com](http://www.hbclp.com)

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In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

U.S. generally accepted accounting principles 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 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 U.S. generally accepted auditing standards, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, other supplemental information, as listed in the table contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the 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.

*Hochschild, Bloom & Company LLP*

**CERTIFIED PUBLIC ACCOUNTANTS**

# CITY OF WASHINGTON, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED SEPTEMBER 30, 2012

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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, 2012. 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 \$58,788,468 (net assets). Of this amount, \$8,878,500 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased approximately \$5.8 million. Governmental activities net assets increased by \$4.9 million, while the business-type activities net assets increased by approximately \$875,000.
- General revenues for governmental activities were \$13,072,649, an increase of approximately \$224,000 from the prior year. Revenues included \$9,993,823 (76%) in sales, franchise and tourism taxes. Property taxes accounted for \$2,612,413 (20%).
- Net expenditures/expenses from the various functions of governmental activities were \$7,399,797. More specifically, general government was \$1,381,619 (18.7%), public safety was \$3,611,769 (48.8%), and highways and streets amounted to \$1,714,542 (23.2%).
- The City's total debt increased approximately \$300,000 during the current fiscal year. A major factor contributing to the increase was the refunding of the 2008 and 2012 certificates of participation with the issuance of \$30 million of 2012B certificates of participation.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is provided as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Increases or decreases in net assets serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

Two separate organizations are considered component units of the City - the Industrial Development Authority (IDA) and the Phoenix Center II Community Improvement District (the District). The IDA is organized to develop and promote commercial

**CITY OF WASHINGTON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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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.

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

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

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

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

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

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

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

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

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

**CITY OF WASHINGTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. As of September 30, 2012, assets exceeded liabilities by \$58.8 million. The largest portion of the City's net assets, \$45.9 million (78.2%) reflects its investment in capital assets (e.g. land and permanent easements, construction in progress, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets may not be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets as of September 30, 2012 and 2011:

	<b>Condensed Statement Of Net Assets</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>						
Current and other assets	\$ 25,644,276	32,021,735	7,619,095	5,875,047	33,263,371	37,896,782
Capital assets, net	55,519,086	47,803,954	38,224,136	35,001,239	93,743,222	82,805,193
<b>Total Assets</b>	<b>81,163,362</b>	<b>79,825,689</b>	<b>45,843,231</b>	<b>40,876,286</b>	<b>127,006,593</b>	<b>120,701,975</b>
<b>Liabilities</b>						
Current liabilities	2,360,976	2,377,276	590,610	475,151	2,951,586	2,852,427
Noncurrent liabilities	39,097,493	42,686,942	26,169,046	22,192,429	65,266,539	64,879,371
<b>Total Liabilities</b>	<b>41,458,469</b>	<b>45,064,218</b>	<b>26,759,656</b>	<b>22,667,580</b>	<b>68,218,125</b>	<b>67,731,798</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	27,375,288	19,903,202	18,573,816	17,257,501	45,949,104	37,160,703
Restricted	3,960,864	10,227,205	-	203,500	3,960,864	10,430,705
Unrestricted	8,368,741	4,631,064	509,759	747,705	8,878,500	5,378,769
<b>Total Net Assets</b>	<b>\$ 39,704,893</b>	<b>34,761,471</b>	<b>19,083,575</b>	<b>18,208,706</b>	<b>58,788,468</b>	<b>52,970,177</b>

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

- \$45.9 million Invested in capital assets, net of related debt
- 4.0 million Restricted
- 8.9 million Unrestricted

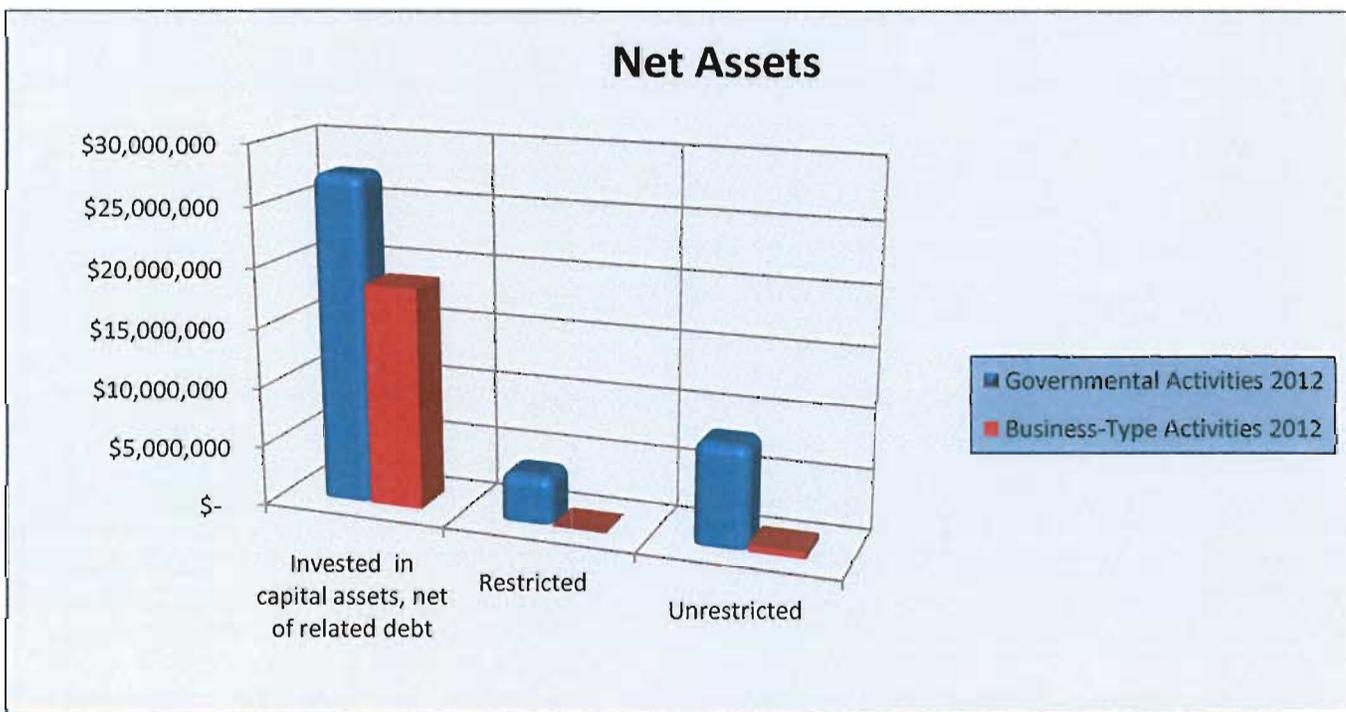
The City's combined net assets increased to \$58.8 million from \$53 million as a result of the year's expenditures/expenses exceeding revenues as reflected in the changes in net assets table. Governmental activities reflect net assets of \$39.7 million while

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business-type activities reflect \$19.1 million. A prior period adjustment was made for restatement for insurance payable resulting in an increase in net assets of \$463,876. See Note S for more information relating to the prior period adjustment.

Restricted net assets for governmental and business-type activities are \$4 million and \$0, respectively. Restricted net assets equal 7% of total net assets. These restricted net assets are for capital projects, debt service and TIF Districts. Governmental activities restricted net assets decreased by \$6.2 million in 2012 due to capital projects being completed. In addition, the re-funding of 2008 and 2012 COP led to the debt reserve being eliminated. The decrease in debt service was \$5.4 million.

The remaining portion of the City's net assets represent *unrestricted net assets*. Total unrestricted net assets of \$8.9 are available to be used to meet the City's ongoing obligations to citizens and creditors. Governmental activities unrestricted net assets increased by \$4 million leaving a balance of \$8.4 million. Business-type activities unrestricted net assets reflect a balance of \$509,759. This represents a slight decrease of approximately \$238,000 due to the issuance of debt for the AMR meter project.



**CHANGES IN NET ASSETS**

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

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	Changes In Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,247,252	2,218,762	6,345,947	6,284,478	8,593,199	8,503,240
Operating grants and contributions	675,527	659,758	-	-	675,527	659,758
Capital grants and contributions	3,622,700	349,061	-	-	3,622,700	349,061
General revenues:						
Property taxes	2,612,413	2,494,598	-	-	2,612,413	2,494,598
Sales taxes	7,567,369	7,491,229	-	-	7,567,369	7,491,229
Franchise taxes	2,302,904	2,294,682	-	-	2,302,904	2,294,682
Tourism	123,550	112,684	-	-	123,550	112,684
Investment income	258,158	325,407	628,749	663,207	886,907	988,614
Gain on sale of capital assets	43,210	-	-	779	43,210	779
Grants and contributions not restricted to specific programs	165,045	130,095	-	-	165,045	130,095
Miscellaneous	-	100	57,382	53,000	57,382	53,100
Total Revenues	<u>19,618,128</u>	<u>16,076,376</u>	<u>7,032,078</u>	<u>7,001,464</u>	<u>26,650,206</u>	<u>23,077,840</u>
<b>Expenditures/Expenses</b>						
General government	2,322,012	2,391,957	-	-	2,322,012	2,391,957
Public safety	4,227,328	4,167,300	-	-	4,227,328	4,167,300
Airport	362,569	389,357	-	-	362,569	389,357
Highways and streets	3,235,149	3,138,175	-	-	3,235,149	3,138,175
Culture and recreation	2,080,185	2,036,074	-	-	2,080,185	2,036,074
Economic development	25,408	422,541	-	-	25,408	422,541
Interest on long-term debt	1,692,625	1,893,340	-	-	1,692,625	1,893,340
Water	-	-	1,444,525	1,432,160	1,444,525	1,432,160
Sewage treatment	-	-	3,034,810	3,028,022	3,034,810	3,028,022
Solid waste	-	-	2,407,304	2,416,011	2,407,304	2,416,011
Total Expenditures/Expenses	<u>13,945,276</u>	<u>14,438,744</u>	<u>6,886,639</u>	<u>6,876,193</u>	<u>20,831,915</u>	<u>21,314,937</u>
Excess (deficiency) before transfers	5,672,852	1,637,632	145,439	125,271	5,818,291	1,762,903
<b>Transfers</b>	<u>(729,430)</u>	<u>-</u>	<u>729,430</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net assets	4,943,422	1,637,632	874,869	125,271	5,818,291	1,762,903
Net assets, beginning	<u>34,761,471</u>	<u>33,123,839</u>	<u>18,208,706</u>	<u>18,083,435</u>	<u>52,970,177</u>	<u>51,207,274</u>
Net Assets, Ending	<u>\$ 39,704,893</u>	<u>34,761,471</u>	<u>19,083,575</u>	<u>18,208,706</u>	<u>58,788,468</u>	<u>52,970,177</u>

**GOVERNMENTAL ACTIVITIES**

For the fiscal year ended September 30, 2012, total combined revenues are \$26.7 million (governmental and business-type). Governmental activity revenue totaled \$19.6 million or 74% of the total City revenues while revenues from business-type activities totaled \$7 million or 26% of total revenue.

Sales tax, the largest governmental category, generated \$7.6 million or 39% of governmental revenue resulting in an increase of \$76,000 or 1% over prior year which remains on target and reasonable overall. Property taxes increased \$115,000 over the prior year due to both new residential and commercial properties that came onto the tax rolls. Franchise fees increased \$8,000 over the prior year primarily due to a rate increase from Ameren, the local electric provider. Capital grants and contributions increased by \$3.3 million mainly due to timing of the currently scheduled projects and the Team Track Facility construction and related federal grants received for this project.

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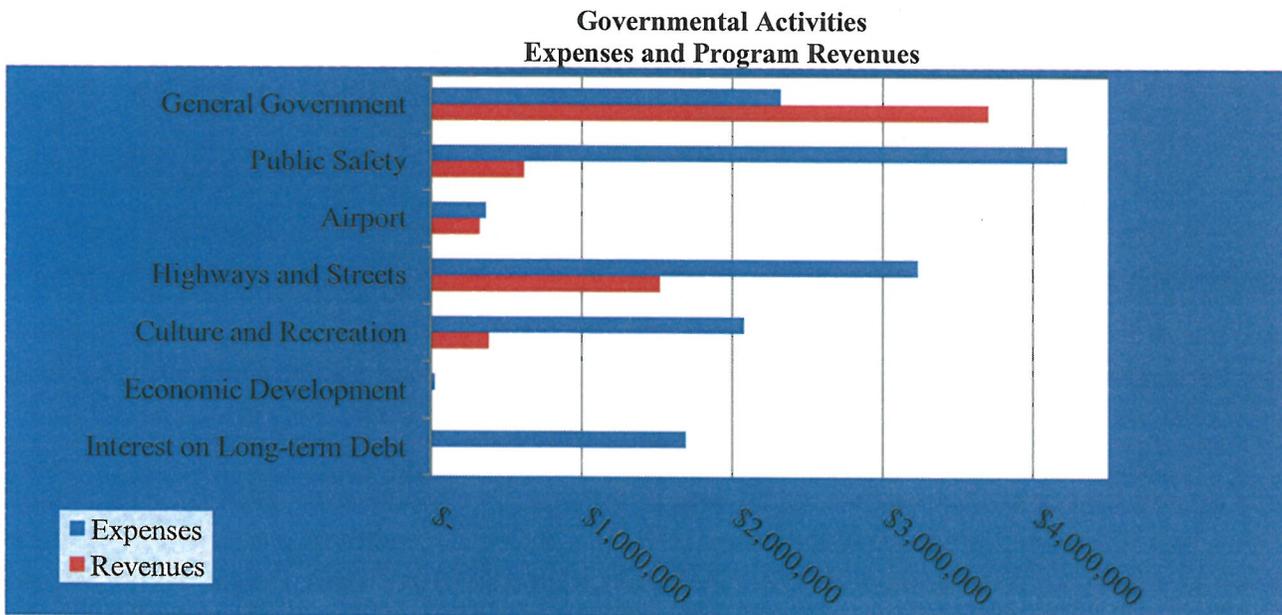
Governmental activities expense decreased \$490,000 million or 3.4% from 2011 to 2012. This decrease is mainly due to the issuance of \$400,000 in tax increment revenue notes included in the economic development category in 2011.

The City has experienced a slight recovery as witnessed by the 3.8% increase and 1% increase in sales tax in 2011 and 2012, respectively. The City remains optimistic about the recovery continuing, but still maintains a proactive approach by curtailing non-essential overtime and adjusting work schedules to coordinate manpower requirements between departments.

Certain revenues are generated specific to governmental program activities. These direct revenues totaled \$6.5 million. The following table shows expenditures for program activities and the effect of these direct revenues to program costs.

	<b>Net Cost Of Governmental Activities</b>			
	<b>Total Cost of Service</b>		<b>Net Cost of Service</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
General government	\$ 2,322,012	2,391,957	1,381,619	(1,647,591)
Public safety	4,227,328	4,167,300	(3,611,769)	(3,404,222)
Airport	362,569	389,357	(40,881)	(301,086)
Highway and streets	3,235,149	3,138,175	(1,714,542)	(1,874,148)
Culture and recreation	2,080,185	2,036,074	(1,696,191)	(1,668,235)
Economic development	25,408	422,541	(25,408)	(422,541)
Interest on long-term debt	1,692,625	1,893,340	(1,692,625)	(1,893,340)
<b>Total</b>	<b>\$ 13,945,276</b>	<b>14,438,744</b>	<b>(7,399,797)</b>	<b>(11,211,163)</b>

Expenditures from governmental activities totaled \$14 million which is a decrease from prior year of \$490,000. However, net costs of these services were \$7.4 million in 2012 compared to \$11.2 million in 2011. The main reason for this decrease is that the City received federal and state grants in the amount of \$3.6 million in 2012 compared to \$350,000 in 2011. Other differences are included in program revenues received from charges for services of \$2.2 million, operating grants and contributions of \$675,000 and capital grants and contributions of \$3.6 million. Taxes and other revenues of \$13.1 million were generated to cover these net costs.



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**BUSINESS-TYPE ACTIVITIES**

Business-type program revenues totaled \$6.3 million resulting in an increase of \$60,000 compared to the prior year. Water rate increases scheduled for October 2011 were implemented to provide for operations and debt service obligations. Also, the first year of a 3-year trash rate increase began in June 2011 to provide for operations.

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

	<b>Net Cost Of Business-Type Activities</b>			
	<b>Total Cost Of Service</b>		<b>Net Cost Of Service</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Water	\$ 1,444,525	1,432,160	135,600	(25,572)
Sewage treatment	3,034,810	3,028,022	(502,943)	(363,029)
Solid waste	2,407,304	2,416,011	(173,349)	(203,114)
Total	\$ 6,886,639	6,876,193	(540,692)	(591,715)

Expenses increased slightly by \$10,000 due to normal activity while charges for services revenue increased by \$60,000 due to the scheduled rate increase discussed above.

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

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

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

*General Fund* -- The General Fund is the primary operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$1.6 million, while the total fund balance was \$8.1 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 14% of total General Fund expenditures and transfers out of \$11.2 million; while total fund balance represents 73% of total General Fund expenditures and transfers out. The City's General Fund balance increased \$950,000 from the prior year. The change of the current year's fund balance is partially due to slight increases in property and sales tax and franchise taxes. 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, amount equal to 15% of operating expenditures in the General Fund balance should be maintained. For September 30, 2012, 15% of operating expenditures (excludes debt service and capital outlay) is \$1,434,658 and unassigned fund balance is \$1,562,485 resulting in compliance with the City's resolution.

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*Capital Improvements Sales Tax* -- At the end of the current fiscal year, the total fund balance of this capital projects fund was \$8.6 million, a decrease of \$4 million over prior year. This decrease is due to the Fire Training Center and Team Track Projects being constructed in 2012 for a total cost of \$4.5 million. These projects along with several park improvements are scheduled for completion in 2013. 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) is in design phase with projected construction in 2013. In addition, the City has a ten-year plan for upgrading and improving local roadways. This tax was effective October 1, 2005 and expires June 30, 2030. The fund balance at September 30, 2012 was \$2.8 million, a decrease of approximately \$925,000 from prior year. This decrease is mainly due to the completion of Fourteenth Street Bridge project which cost approximately \$850,000 along with the completion of Front Street and the City's ultra-thin bonded surface annual program. Revenue was up \$570,000 in 2012 due to federal grants associated with these projects.

*COPS* -- The COPS fund balance of this capital projects fund is \$287,603 as of September 30, 2012 which was a decrease of \$2.8 million from prior year. The refunding of the 2008 and 2012 COP issues and the issuance of 2012B COP issue is the reason for the current year decrease in fund balance. Advanced refunding escrow of \$2.9 million is included in 2012 expenditures.

**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, 2012 and 2011, the net assets for these funds increased by \$875,000. Individual fund increases were as follows:

- Water increased by \$175,000 or 2.7% due to the final water rate increase in 2012.
- Sewage Treatment increased by \$814,000 or 8% due to capital contribution of \$790,000.
- Solid Waste decreased by \$114,000 or 6% due to post closure costs and some operating expenses being higher in 2012.

A review of the operations of the enterprise funds indicates water, sewage treatment, and solid waste operations reflect a net operating income totaling \$367,817 which is consistent with prior year.

The Water Fund operating income showed operating income of \$156,530 with a change in net assets of \$175,219. During the current fiscal year, weather conditions were very dry and we experienced a hot summer. In addition, the AMR meter project began in February 2012 and continues into 2013. Therefore, the City's revenue is higher in 2012 due to more accurate meter reads and more irrigation meter usage. This was the final year of scheduled water rate increases which took effect on October 1, 2011 to cover operations and future infrastructure requirements.

The sewage treatment operations reported an operating income of \$384,636 with a change in net assets of \$814,000 which is an increase from 2011 of \$600,000. As stated above, the reason for this increase is mainly due to capital contributions of \$790,000.

Solid waste operations consist of residential solid waste collection, landfill operation, and a recycling center. The City opened the third phase of the landfill in 2009. The solid waste operations reported an operating loss of \$173,349 which is a decrease of \$30,000 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- Total original revenue was budgeted at \$10.9 million which was increased to \$11 million. The budget was amended \$100,000 for reimbursement of attorney fees and an amount received as unclaimed property.
- The total original expenditure budget of \$10.4 million decreased to \$10.3 million (a decrease of \$143,500). This decrease was due to a fire truck purchase of \$400,000 originally budgeted from the general fund being moved to the capital improvement sales tax fund. In addition, several increases were made for various small projects, attorney fees, and Code Red maintenance.

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

Final budgeted revenues were estimated at \$10,997,915 while actual revenues were \$11,147,246. The biggest difference was an increase in property and sales tax above the anticipated budgeted amount. In addition, franchise revenues were \$120,000 lower due to the Ameren rate increase not being as high as anticipated. Charges for services and donations were \$73,071 over budget because both of these vary from year to year. Department allocations are based on actual wages and benefits and one employee retired and a subsequent position was not replaced in the department. Also, health insurance costs were lower than expected.

Expenditures were estimated at \$10.3 million. Actual expenditures were \$480,000 less than projected. This was primarily due to ongoing monitoring of expenditures and postponement of any unnecessary expenditure in the current year.

- Technology support was \$99,730 lower than anticipated due to timing of projects budgeted and completed. In addition, an increase was budgeted for phone expense for the City's fiber optic project that was not completed in 2012. This project was estimated at \$40,000.
- Streets reported \$54,419 under budget projections due mainly to the fact that we experienced a mild winter resulting in \$43,000 less spent for chemicals for the winter season.
- Volunteer Fire reported \$87,744 under budget projections due to a part-time position not being filled in 2012.
- Other departments were slightly under budget due to various factors including lower health insurance and property insurance premiums.

Total other financing uses actual was \$115,000 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 \$1,323,430 and a net increase in change in fund balance of \$956,965.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** Total capital assets for the City as of September 30, 2012, is \$93.7 million, net of accumulated depreciation. Capital assets (net), increased by approximately \$10.9 million due to the following:

- Non-essential spending limitation
- Disposal of surplus capital assets

**CITY OF WASHINGTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- Increase in construction in progress from the fire training center, team track project, AMR meter project and other projects.

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

	(Net Of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,769,950	6,769,950	879,795	879,795	7,649,745	7,649,745
Infrastructure	18,863,443	18,558,521	-	-	18,863,443	18,558,521
Buildings	14,300,938	10,929,066	21,070,667	22,070,112	35,371,605	32,999,178
Improvements other than buildings	5,180,152	5,384,778	11,264,166	11,010,363	16,444,318	16,395,141
Machinery and equipment	3,938,419	3,409,391	960,893	1,019,525	4,899,312	4,428,916
Construction in progress	6,466,184	2,752,248	4,048,615	21,444	10,514,799	2,773,692
<b>Total Capital Assets, Net</b>	<b>\$ 55,519,086</b>	<b>47,803,954</b>	<b>38,224,136</b>	<b>35,001,239</b>	<b>93,743,222</b>	<b>82,805,193</b>

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

- Three police vehicles, equipped totaling \$97,000
- Truck for volunteer fire - \$38,000
- Truck for water dept - \$25,000
- HVAC system at public safety building - \$21,000
- Front street reconstruction - \$947,000
- Ultra thin bond wear surface - \$285,000
- Street surfacing asphalt overlay- \$538,000
- Fair Stage and Concert Event Center - \$745,000
- Land easements - \$78,000
- Accounting software - \$320,000
- Portable lifts - ADA compliant - pool \$20,000
- Library renovation - \$3,366,000
- Lift Station-Walnut Street - \$344,250
- Lift Station - West Main - \$76,000

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, 2012, the City had a total of \$65 million of outstanding obligations. This is an increase of approximately \$300,000 from the previous year.

A payment of \$110,000 for Sewage System Revenue Bonds, 2001B Series was made representing the final payment.

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 \$865,000 was made in 2012 resulting in a principal balance of \$17,445,000.

The City had \$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.

**CITY OF WASHINGTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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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 \$1,020,000 was made in 2012 resulting in a principal balance of \$10,345,000.

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. No principal payments were made in the current year.

The tax increment revenue notes outstanding balance is \$4,313,456. Principal payments of \$57,454 were made in 2012.

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 2013 are projected to total \$10,835,115. This represents an increase of \$391,000 over the prior year budget.

The City experienced slight recovery in sales tax growth in 2012. In 2013, a 4% sales tax increase was budgeted with the City remaining cautiously optimistic with the current economic conditions.

General Fund expenditures are projected to total \$9,832,845 compared to \$9,346,370 in fiscal year 2012. This represents an increase of \$486,000 primarily due to wage and related benefit increases budgeted in 2013.

The City approved a wage increase for employees for 2013 of 2.5% which included a 1½% COLA and 1% Merit increase. 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 5% increase due to the upward spiral in health insurance costs as evidenced the last few years. Indications still predict a higher premium increase for future budgets.

All non-essential capital projects were removed from the budget again in 2013.

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

A majority of the capital projects funded from the capital improvement sales tax fund are scheduled for 2013 and 2014.

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

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

### **FINANCIAL CONTACT**

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

**CITY OF WASHINGTON, MISSOURI**

**STATEMENT OF NET ASSETS**

**SEPTEMBER 30, 2012**

	Primary Government			Component
	Governmental	Business-type	Total	Unit - Community
	Activities	Activities		Improvement
				District
<b>ASSETS</b>				
Cash and investments	\$ 6,074,238	5,400,539	11,474,777	2,693
Receivables (net of allowance for uncollectibles)	3,801,006	992,455	4,793,461	247,278
Loans receivable	1,903,546	-	1,903,546	-
Inventory	359,170	115,480	474,650	-
Prepaid items	438,114	88,733	526,847	17,002
Internal balances	84,910	(84,910)	-	-
Bond issue costs	769,824	326,989	1,096,813	24,750
Cash and investments with agent - restricted	12,213,468	779,809	12,993,277	221,118
Nondepreciable capital assets:				
Land	6,769,950	879,795	7,649,745	-
Construction in progress	6,466,184	4,048,615	10,514,799	-
Depreciable capital assets:				
Infrastructure	18,863,443	-	18,863,443	-
Buildings	14,300,938	21,070,667	35,371,605	-
Improvements other than buildings	5,180,152	11,264,166	16,444,318	-
Machinery and equipment	3,938,419	960,893	4,899,312	-
Total Assets	<u>81,163,362</u>	<u>45,843,231</u>	<u>127,006,593</u>	<u>512,841</u>
<b>LIABILITIES</b>				
Accounts payable	1,686,508	207,912	1,894,420	8,017
Accrued wages	111,774	23,828	135,602	-
Deposits	34,162	145,625	179,787	-
Accrued interest payable	519,958	213,234	733,192	545,035
Unearned revenue	8,574	11	8,585	-
Noncurrent liabilities:				
Due within one year	1,482,132	964,214	2,446,346	150,000
Due in more than one year	37,469,430	25,175,875	62,645,305	19,229,024
Due in more than one year - net pension obligation	118,216	28,957	147,173	-
Due in more than one year - net OPEB obligation	27,715	-	27,715	-
Total Liabilities	<u>41,458,469</u>	<u>26,759,656</u>	<u>68,218,125</u>	<u>19,932,076</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	27,375,288	18,573,816	45,949,104	-
Restricted for:				
Capital projects	3,422,647	-	3,422,647	-
Debt service	320,218	-	320,218	-
TIF districts	217,999	-	217,999	-
Unrestricted	8,368,741	509,759	8,878,500	(19,419,235)
Total Net Assets	<u>\$ 39,704,893</u>	<u>19,083,575</u>	<u>58,788,468</u>	<u>(19,419,235)</u>

See notes to financial statements

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Primary Government			Component Unit - Community Improvement District
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 2,322,012	837,821	58,927	2,806,883	1,381,619	-	1,381,619	-
Public safety	4,227,328	586,728	18,138	10,693	(3,611,769)	-	(3,611,769)	-
Airport	362,569	128,629	-	193,059	(40,881)	-	(40,881)	-
Highways and streets	3,235,149	408,292	500,250	612,065	(1,714,542)	-	(1,714,542)	-
Culture and recreation	2,080,185	285,782	98,212	-	(1,696,191)	-	(1,696,191)	-
Economic development	25,408	-	-	-	(25,408)	-	(25,408)	-
Interest on long-term debt	1,692,625	-	-	-	(1,692,625)	-	(1,692,625)	-
Total Governmental Activities	<u>13,945,276</u>	<u>2,247,252</u>	<u>675,527</u>	<u>3,622,700</u>	<u>(7,399,797)</u>	<u>-</u>	<u>(7,399,797)</u>	<u>-</u>
<b>Business-type Activities</b>								
Water	1,444,525	1,580,125	-	-	-	135,600	135,600	-
Sewage treatment	3,034,810	2,531,867	-	-	-	(502,943)	(502,943)	-
Solid waste	2,407,304	2,233,955	-	-	-	(173,349)	(173,349)	-
Total Business-type Activities	<u>6,886,639</u>	<u>6,345,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(540,692)</u>	<u>(540,692)</u>	<u>-</u>
Total Primary Government	<u>\$ 20,831,915</u>	<u>8,593,199</u>	<u>675,527</u>	<u>3,622,700</u>	<u>(7,399,797)</u>	<u>(540,692)</u>	<u>(7,940,489)</u>	<u>-</u>
<b>Component Unit</b>								
Community Improvement District	\$ 1,323,238	-	-	-	-	-	-	(1,323,238)
<b>General Revenues</b>								
Taxes:								
Property					2,612,413	-	2,612,413	-
Sales					7,567,369	-	7,567,369	805,081
Franchise					2,302,904	-	2,302,904	-
Tourism					123,550	-	123,550	-
Gain on sale of capital assets					43,210	-	43,210	-
Grants and contributions not restricted to specific programs					165,045	-	165,045	-
Miscellaneous					-	57,382	57,382	-
Investment income					258,158	628,749	886,907	-
Transfers					(729,430)	729,430	-	-
Total General Revenues					<u>12,343,219</u>	<u>1,415,561</u>	<u>13,758,780</u>	<u>805,081</u>
<b>CHANGE IN NET ASSETS</b>					4,943,422	874,869	5,818,291	(518,157)
<b>NET ASSETS, OCTOBER 1</b>					<u>34,761,471</u>	<u>18,208,706</u>	<u>52,970,177</u>	<u>(18,901,078)</u>
<b>NET ASSETS, SEPTEMBER 30</b>					<u>\$ 39,704,893</u>	<u>19,083,575</u>	<u>58,788,468</u>	<u>(19,419,235)</u>

See notes to financial statements

**CITY OF WASHINGTON, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<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>
<b>ASSETS</b>						
Cash and investments	\$ 1,113,144	-	2,685,046	-	2,276,048	6,074,238
Cash and investments with agent - restricted	2,364	10,433,481	-	1,777,339	284	12,213,468
Accounts receivable, net of allowance	1,405,224	1,701,418	620,203	-	19,074	3,745,919
Loans receivable	1,903,546	-	-	-	-	1,903,546
Inventory	359,170	-	-	-	-	359,170
Prepaid items	425,885	-	-	-	12,229	438,114
Due from other funds	4,097,715	-	-	-	-	4,097,715
Advance to other funds	100,000	-	-	-	600,000	700,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 9,407,048</u>	<u>12,134,899</u>	<u>3,305,249</u>	<u>1,777,339</u>	<u>2,907,635</u>	<u>29,532,170</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 326,627	867,127	482,812	766	9,176	1,686,508
Accrued wages	106,127	-	-	-	5,647	111,774
Deposits	34,162	-	-	-	-	34,162
Due to other funds	-	2,608,745	-	1,488,970	-	4,097,715
Advance from other funds	615,090	-	-	-	-	615,090
Deferred revenue	222,968	-	-	-	-	222,968
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>1,304,974</u>	<u>3,475,872</u>	<u>482,812</u>	<u>1,489,736</u>	<u>14,823</u>	<u>6,768,217</u>
<b>Fund Balances</b>						
Nonspendable:						
Prepaid items	425,885	-	-	-	12,229	438,114
Inventory	359,170	-	-	-	-	359,170
Loans receivable	1,903,546	-	-	-	-	1,903,546
Advances	100,000	-	-	-	600,000	700,000
Restricted for:						
Debt service	-	32,615	-	287,603	-	320,218
Capital improvements	-	8,626,412	2,822,437	-	-	11,448,849
TIF Districts	-	-	-	-	217,999	217,999
Committed for:						
Purchase of supplies and services	23,549	-	-	-	10,571	34,120
Library	-	-	-	-	171,059	171,059
Stormwater	2,991,043	-	-	-	-	2,991,043
Volunteer fire	736,396	-	-	-	-	736,396
Vehicle and equipment replacement	-	-	-	-	1,880,954	1,880,954
Unassigned	1,562,485	-	-	-	-	1,562,485
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<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>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities And Fund Balances	<u>\$ 9,407,048</u>	<u>12,134,899</u>	<u>3,305,249</u>	<u>1,777,339</u>	<u>2,907,635</u>	<u>29,532,170</u>

**CITY OF WASHINGTON, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERN-**  
**MENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

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Total Fund Balances - Governmental Funds	\$ 22,763,953
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$77,137,180 and the accumulated depreciation is \$21,618,094.	55,519,086
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.	214,394
Certain obligations are not financial uses and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension obligation	(118,216)
OPEB obligation	(27,715)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Certificates of participation	(36,170,000)
Notes payable	(4,313,456)
Accrued compensated absences payable	(198,463)
Accrued interest payable	(519,958)
Unamortized bond deferred charges	1,730,357
Unamortized bond issue cost	769,824
Total Net Assets Of Governmental Activities	\$ 39,704,893

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	General	Capital Improvements Sales Tax	Transportation Sales Tax	COPS	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 2,244,009	-	-	-	368,404	2,612,413
Sales	4,034,653	1,760,497	1,760,421	-	11,798	7,567,369
Franchise	2,302,904	-	-	-	-	2,302,904
Tourism	123,550	-	-	-	-	123,550
Licenses and permits	148,144	-	-	-	-	148,144
Fees and fines	132,799	-	-	-	46,499	179,298
Intergovernmental	120,713	2,806,883	1,297,343	165,045	5,356	4,395,340
Charges for services	1,726,284	300	-	-	-	1,726,584
Rents	142,683	-	-	-	-	142,683
Contributions and donations	47,022	-	-	-	20,910	67,932
Investment income	124,485	20,505	63,487	271	49,410	258,158
Total Revenues	<u>11,147,246</u>	<u>4,588,185</u>	<u>3,121,251</u>	<u>165,316</u>	<u>502,377</u>	<u>19,524,375</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,195,174	116,549	-	-	25,408	2,337,131
Public safety	3,796,697	-	-	-	-	3,796,697
Highways and streets	2,053,846	-	1,200	-	-	2,055,046
Airport	148,467	-	-	-	-	148,467
Culture and recreation	1,370,201	-	-	-	486,888	1,857,089
Debt service:						
Principal	-	-	-	1,095,000	57,454	1,152,454
Interest and fiscal charges	921	-	-	1,813,954	381,572	2,196,447
Bond issuance costs	-	-	-	570,630	-	570,630
Advance refunding escrow	-	-	-	2,900,029	-	2,900,029
Capital outlay:						
General government	-	3,312,584	-	-	165,522	3,478,106
Public safety	38,266	390,393	-	-	86,808	515,467
Highways and streets	195,494	537,328	2,177,349	-	-	2,910,171
Airport	-	-	172,532	-	-	172,532
Culture and recreation	24,750	3,379,169	-	-	16,460	3,420,379
Total Expenditures	<u>9,823,816</u>	<u>7,736,023</u>	<u>2,351,081</u>	<u>6,379,613</u>	<u>1,220,112</u>	<u>27,510,645</u>
<b>REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<u>1,323,430</u>	<u>(3,147,838)</u>	<u>770,170</u>	<u>(6,214,297)</u>	<u>(717,735)</u>	<u>(7,986,270)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of long-term debt	-	-	-	25,825,000	154,773	25,979,773
Refunding of long-term debt	-	-	-	(25,075,762)	-	(25,075,762)
Sale of capital assets	1,765	-	-	-	43,906	45,671
Transfers in	982,000	-	-	2,668,985	428,230	4,079,215
Transfers out	<u>(1,350,230)</u>	<u>(973,715)</u>	<u>(1,695,270)</u>	<u>-</u>	<u>-</u>	<u>(4,019,215)</u>
Total Other Financing Sources (Uses)	<u>(366,465)</u>	<u>(973,715)</u>	<u>(1,695,270)</u>	<u>3,418,223</u>	<u>626,909</u>	<u>1,009,682</u>
<b>NET CHANGE IN FUND BALANCES</b>	956,965	(4,121,553)	(925,100)	(2,796,074)	(90,826)	(6,976,588)
FUND BALANCES, OCTOBER 1	<u>7,145,109</u>	<u>12,780,580</u>	<u>3,747,537</u>	<u>3,083,677</u>	<u>2,983,638</u>	<u>29,740,541</u>
<b>FUND BALANCES, SEPTEMBER 30</b>	<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>

**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, 2012**

Net Change In Fund Balances - Governmental Funds \$ (6,976,588)

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 (\$9,717,367) exceeded depreciation (\$1,986,951) in the current period. 7,730,416

The net effect of various miscellaneous transactions involving capital assets:

Sale of assets	(2,461)	
Write off old construction in progress projects	<u>(12,823)</u>	(15,284)

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements. 50,543

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued		
Certificates of participation	(25,825,000)	
Tax increment revenue notes	(154,773)	
Issuance costs	<u>570,630</u>	(25,409,143)
Repayments:		
Payment to escrow agent for refunding	27,975,791	
Certificates of participation	1,095,000	
Tax increment revenue notes	57,454	
Amortization	(58,012)	
Compensated absences	<u>(17,981)</u>	
Net Adjustment		29,052,252

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	561,834	
Net pension obligation	<u>(50,608)</u>	<u>511,226</u>

Change In Net Assets Of Governmental Activities \$ 4,943,422

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2012**

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 1,545,784	744,100	3,110,655	5,400,539
Accounts receivable (net of allowance)	257,283	453,923	281,249	992,455
Inventory	94,232	21,248	-	115,480
Prepaid items	28,535	34,334	25,864	88,733
Total Current Assets	<u>1,925,834</u>	<u>1,253,605</u>	<u>3,417,768</u>	<u>6,597,207</u>
<b>Noncurrent Assets</b>				
Cash and investments with agent - restricted	-	779,809	-	779,809
Bond issue costs	108,293	218,696	-	326,989
Advance to other funds	615,090	-	-	615,090
Capital assets:				
Land	67,762	767,033	45,000	879,795
Buildings	2,410,917	25,667,073	122,011	28,200,001
Improvements nonbuilding	5,493,828	9,838,353	3,200,255	18,532,436
Machinery and equipment	1,321,443	650,544	1,655,299	3,627,286
Construction in progress	4,020,130	-	28,485	4,048,615
Less - Accumulated depreciation	(4,518,695)	(9,604,845)	(2,940,457)	(17,063,997)
Total Capital Assets	<u>8,795,385</u>	<u>27,318,158</u>	<u>2,110,593</u>	<u>38,224,136</u>
Total Noncurrent Assets	<u>9,518,768</u>	<u>28,316,663</u>	<u>2,110,593</u>	<u>39,946,024</u>
Total Assets	<u>11,444,602</u>	<u>29,570,268</u>	<u>5,528,361</u>	<u>46,543,231</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	104,075	56,632	47,205	207,912
Accrued wages	7,483	5,850	10,495	23,828
Deferred revenue	-	11	-	11
Compensated absences payable - current	10,852	4,887	6,375	22,114
	<u>122,410</u>	<u>67,380</u>	<u>64,075</u>	<u>253,865</u>
Payable from restricted assets:				
Accrued interest payable	19,654	193,580	-	213,234
Bonds payable - current installments	62,100	880,000	-	942,100
	<u>81,754</u>	<u>1,073,580</u>	<u>-</u>	<u>1,155,334</u>
Total Current Liabilities	<u>204,164</u>	<u>1,140,960</u>	<u>64,075</u>	<u>1,409,199</u>
<b>Noncurrent Liabilities</b>				
Revenue bonds payable	4,547,900	16,565,000	-	21,112,900
Plus - Unamortized premiums	-	346,814	-	346,814
Customer deposits	74,410	71,215	-	145,625
Advance from other funds	-	700,000	-	700,000
Landfill care liability	-	-	3,694,046	3,694,046
Compensated absences payable	10,852	4,888	6,375	22,115
Net pension obligation	9,332	6,119	13,506	28,957
Total Noncurrent Liabilities	<u>4,642,494</u>	<u>17,694,036</u>	<u>3,713,927</u>	<u>26,050,457</u>
Total Liabilities	<u>4,846,658</u>	<u>18,834,996</u>	<u>3,778,002</u>	<u>27,459,656</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5,930,046	10,533,177	2,110,593	18,573,816
Unrestricted	667,898	202,095	(360,234)	509,759
Total Net Assets	<u>\$ 6,597,944</u>	<u>10,735,272</u>	<u>1,750,359</u>	<u>19,083,575</u>

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,580,125	2,531,867	2,233,955	6,345,947
<b>OPERATING EXPENSES</b>				
Personal services	476,086	320,105	668,036	1,464,227
Contractual services	392,993	420,303	1,320,943	2,134,239
Depreciation	240,080	1,161,474	241,666	1,643,220
Supplies	314,436	245,349	176,659	736,444
Total Operating Expenses	<u>1,423,595</u>	<u>2,147,231</u>	<u>2,407,304</u>	<u>5,978,130</u>
<b>OPERATING INCOME (LOSS)</b>	<u>156,530</u>	<u>384,636</u>	<u>(173,349)</u>	<u>367,817</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	12,237	557,066	59,446	628,749
Miscellaneous	57,382	-	-	57,382
Interest and fiscal charges	(20,930)	(887,579)	-	(908,509)
Total Nonoperating Revenues (Expenses)	<u>48,689</u>	<u>(330,513)</u>	<u>59,446</u>	<u>(222,378)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	205,219	54,123	(113,903)	145,439
CAPITAL CONTRIBUTIONS	-	789,430	-	789,430
TRANSFERS OUT	(30,000)	(30,000)	-	(60,000)
<b>CHANGES IN NET ASSETS</b>	175,219	813,553	(113,903)	874,869
NET ASSETS, OCTOBER 1	<u>6,422,725</u>	<u>9,921,719</u>	<u>1,864,262</u>	<u>18,208,706</u>
<b>NET ASSETS, SEPTEMBER 30</b>	<u>\$ 6,597,944</u>	<u>10,735,272</u>	<u>1,750,359</u>	<u>19,083,575</u>

See notes to financial statements

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 1,531,628	2,500,152	2,237,950	6,269,730
Payments to suppliers	(663,766)	(682,976)	(1,226,743)	(2,573,485)
Payments for employees and benefits	(434,550)	(303,103)	(605,390)	(1,343,043)
Other receipts	57,382	-	-	57,382
Net Cash Provided By Operating Activities	<u>490,694</u>	<u>1,514,073</u>	<u>405,817</u>	<u>2,410,584</u>
<b>Cash flows from noncapital financing activities:</b>				
Advances	(922)	(100,000)	-	(100,922)
Net transfers in (out)	(30,000)	(30,000)	-	(60,000)
Net Cash Used in Noncapital Financing Activities	<u>(30,922)</u>	<u>(130,000)</u>	<u>-</u>	<u>(160,922)</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from debt issuance	4,500,431	-	-	4,500,431
Purchase of capital assets	(4,048,202)	-	(28,485)	(4,076,687)
Principal paid on capital debt	-	(975,000)	-	(975,000)
Interest and fiscal charges	-	(903,217)	-	(903,217)
Net Cash Provided by (Used In) Capital And Related Financing Activities	<u>452,229</u>	<u>(1,878,217)</u>	<u>(28,485)</u>	<u>(1,454,473)</u>
<b>Cash flows from investing activities:</b>				
Investment income	12,237	557,066	59,446	628,749
Sale of investments	-	80,224	-	80,224
Net Cash Provided By Investing Activities	<u>12,237</u>	<u>637,290</u>	<u>59,446</u>	<u>708,973</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	924,238	143,146	436,778	1,504,162
CASH AND CASH EQUIVALENTS, OCTOBER 1 (including \$919,541 for the Sewage Treatment Fund reported in restricted accounts)	<u>621,546</u>	<u>1,380,763</u>	<u>2,673,877</u>	<u>4,676,186</u>
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30 (including \$779,809 for the Sewage Treatment Fund reported in restricted accounts)</b>	<u>\$ 1,545,784</u>	<u>1,523,909</u>	<u>3,110,655</u>	<u>6,180,348</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 156,530	384,636	(173,349)	367,817
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	240,080	1,161,474	241,666	1,643,220
Other adjustment to operating activities	57,382	-	-	57,382
(Increase) decrease in:				
Receivables (net)	(64,917)	(47,081)	3,995	(108,003)
Inventory	13,411	(3,107)	-	10,304
Prepays	(10,600)	(9,233)	(8,512)	(28,345)
Increase (decrease) in:				
Accounts payable	75,068	7,854	(12,188)	70,734
Landfill care liability	-	-	342,508	342,508
Customer deposits	16,420	15,355	-	31,775
Other liabilities	7,320	4,175	11,697	23,192
Total Adjustments	<u>334,164</u>	<u>1,129,437</u>	<u>579,166</u>	<u>2,042,767</u>
Net Cash Provided By Operating Activities	<u>\$ 490,694</u>	<u>1,514,073</u>	<u>405,817</u>	<u>2,410,584</u>

See notes to financial statements

(Continued)

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Supplemental disclosure of cash flow information:</b>				
Noncash investing, capital, and financing activities:				
Contributions of capital assets from general government	\$ -	789,430	-	789,430
Debt financing:				
Par value of debt issued	\$ 9,220,000	-	-	9,220,000
Costs of issuance	(109,569)	-	-	(109,569)
Refunded bonds	(4,610,000)	-	-	(4,610,000)
Net Cash Provided	<u>\$ 4,500,431</u>	<u>-</u>	<u>-</u>	<u>4,500,431</u>

**CITY OF WASHINGTON, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS -**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2012**

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**ASSETS**

Cash and investments	<u>\$</u> <u>1</u>
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**LIABILITIES**

Due to lessee	<u>\$</u> <u>1</u>
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**CITY OF WASHINGTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Reporting Entity**

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

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

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

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

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

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

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

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

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balances for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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**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.

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

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**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 2005; Taxable Industrial Revenue Bonds, Series 2008A and B; and Taxable Industrial Revenue Bonds, Series 2010A and B.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the proprietary fund financial statements to the extent they do not conflict or contradict guidance of GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The City has elected to not follow subsequent private sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/Enterprise Funds, as well as some Special Revenue Funds and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

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

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

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

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

**4. Cash and Cash Investments**

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

**5. Inventories and Prepaid Items**

Inventory is recorded at 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,

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

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

**6. Capital Assets (Continued)**

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

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

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

**7. Restricted Assets**

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

**8. Receivables and Payables**

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

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

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

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

**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.

**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, 2012.

**11. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The bond discounts and costs of issuance on the Sewage Treatment Fund bonds are being amortized on the straight-line method over the life of the bonds. There is no significant difference between the straight-line method and the present-value method required by U.S. generally accepted accounting principles for the bond discounts.

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

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

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

**12. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end amounted to \$23,549, \$1,433,226, \$942,824, and \$10,571 for the General, Capital Improvements Sales Tax, Transportation Sales Tax, and nonmajor funds, respectively.

**13. Fund Balance Policies**

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

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

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

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

**Assigned** -- The portion of fund balance that the City intends to use for a specific purpose as determined by the City Administrator or Finance Manager based on the Board of Aldermen direction.

**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.

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.

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

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

**14. Net Assets**

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

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

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

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

**15. Capital Contributions**

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

**16. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

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

As of September 30, 2012, the City’s bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City’s name.

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

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

**1. Deposits (Continued)**

As of September 30, 2012, the discretely presented component units' bank balances were entirely insured or collateralized with securities by the discretely presented component units or by their agents in the discretely presented component units' name.

**2. Investments**

As of September 30, 2012, the City had the following investments:

Investments	Fair Value	Maturities			Credit Risk	
		No Maturity	Less Than One Year	1 - 5 Years		5 - 10 Years
<b>Primary Government</b>						
Money market fund	\$ 12,967,671	12,967,671	-	-	-	Not rated
<b>Component Unit</b>						
Money market fund	\$ 221,118	221,118	-	-	-	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.

**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.

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

**NOTE C - RECEIVABLES**

Receivables as of September 30, 2012, 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	\$ 940,301	272,571	344,476	17,703	-	-	-	1,575,051	247,278
Accounts	383,613	555,850	2,851	33	257,437	453,523	282,324	1,935,631	-
Intergovernmental	79,456	872,997	272,876	2,178	-	-	-	1,227,507	-
Special assessments	12,903	-	-	-	-	400	-	13,303	-
Gross receivables	1,416,273	1,701,418	620,203	19,914	257,437	453,923	282,324	4,751,492	247,278
Less - Allowance for uncollectibles	11,049	-	-	840	154	-	1,075	13,118	-
Total Receivables, Net	\$ 1,405,224	1,701,418	620,203	19,074	257,283	453,923	281,249	4,738,374	247,278

**NOTE D - CAPITAL ASSETS**

Following is a summary of changes in capital assets for the year ended September 30, 2012:

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

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

For The Year Ended September 30, 2012

	Balance September 30 2011	Additions And Reclassi- fications	Deletions And Reclassi- fications	Balance September 30 2012
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 6,769,950	-	-	6,769,950
Construction in progress	2,752,248	5,701,099	1,987,163	6,466,184
Total Capital Assets Not Being Depreciated	<u>9,522,198</u>	<u>5,701,099</u>	<u>1,987,163</u>	<u>13,236,134</u>
Capital assets being depreciated:				
Infrastructure	22,264,323	1,230,216	-	23,494,539
Buildings	18,109,490	3,706,196	-	21,815,686
Improvements other than buildings	8,880,860	111,579	-	8,992,439
Machinery and equipment	8,728,226	942,617	72,461	9,598,382
Total Capital Assets Being Depreciated	<u>57,982,899</u>	<u>5,990,608</u>	<u>72,461</u>	<u>63,901,046</u>
Less - Accumulated depreciation for:				
Infrastructure	3,705,802	925,294	-	4,631,096
Buildings	7,180,424	334,324	-	7,514,748
Improvements other than buildings	3,496,082	316,205	-	3,812,287
Machinery and equipment	5,318,835	411,128	70,000	5,659,963
Total Accumulated Depreciation	<u>19,701,143</u>	<u>1,986,951</u>	<u>70,000</u>	<u>21,618,094</u>
Total Capital Assets Being Depreciated, Net	<u>38,281,756</u>	<u>4,003,657</u>	<u>2,461</u>	<u>42,282,952</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,803,954</u>	<u>9,704,756</u>	<u>1,989,624</u>	<u>55,519,086</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 879,795	-	-	879,795
Construction in progress	21,444	4,048,615	21,444	4,048,615
Total Capital Assets Not Being Depreciated	<u>901,239</u>	<u>4,048,615</u>	<u>21,444</u>	<u>4,928,410</u>
Capital assets being depreciated				
Building	28,200,001	-	-	28,200,001
Improvements other than buildings	17,815,392	717,045	-	18,532,437
Machinery and equipment	3,505,384	121,901	-	3,627,285
Total Capital Assets Being Depreciated	<u>49,520,777</u>	<u>838,946</u>	<u>-</u>	<u>50,359,723</u>
Less - Accumulated depreciation for:				
Buildings	6,129,889	999,445	-	7,129,334
Improvements other than buildings	6,805,029	463,242	-	7,268,271
Machinery and equipment	2,485,859	180,533	-	2,666,392
Total Accumulated Depreciation	<u>15,420,777</u>	<u>1,643,220</u>	<u>-</u>	<u>17,063,997</u>
Total Capital Assets Being Depreciated, Net	<u>34,100,000</u>	<u>(804,274)</u>	<u>-</u>	<u>33,295,726</u>
Business-type Activities Capital Assets, Net	<u>\$ 35,001,239</u>	<u>3,244,341</u>	<u>21,444</u>	<u>38,224,136</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:

	<b>For The Year Ended September 30 2012</b>
<b>Governmental Activities</b>	
General government	\$ 115,622
Public safety	402,238
Airport	214,102
Highway and streets	1,038,987
Culture and recreation	<u>216,002</u>
Total	<u>\$1,986,951</u>
<b>Business-type Activities</b>	
Water	\$ 240,080
Sewage treatment	1,161,474
Solid waste	<u>241,666</u>
Total	<u>\$1,643,220</u>

**NOTE E - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The individual interfund balances are as follows:

**Advances From/To Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<b>September 30 2012</b>
General Fund	Sewage Treatment Fund	\$ 100,000
Nonmajor Fund - Vehicle and Equipment Fund	Sewage Treatment Fund	600,000
Water Fund	General Fund	<u>615,090</u>
Total		<u>\$1,315,090</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, 2013.

**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 2012</u>
General Fund	Nonmajor Fund - Library Fund	\$ 215,000
General Fund	Nonmajor Fund - Vehicle and Equipment Fund	213,230
General Fund	COPS Fund	922,000
Transportation Sales Tax Fund	General Fund	922,000
Transportation Sales Tax Fund	COPS Fund	773,270
Capital Improvements Sales Tax Fund	COPS Fund	973,715
Sewage Treatment Fund	General Fund	30,000
Water	General Fund	<u>30,000</u>
Total		<u>\$4,079,215</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 2012</u>
General Fund	COPS Fund	\$1,488,970
General Fund	Capital Improvements Sales Tax Fund	<u>2,608,745</u>
Total		<u>\$4,097,715</u>

Interfund balances are due to negative cash balances and are expected to be repaid during the fiscal year ending September 30, 2013.

**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 \$284,253 and \$197,025, respectively.

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

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**NOTE G - LONG-TERM DEBT**

Debt payable was comprised of the following:

	<u>September 30</u> <u>2012</u>
<b>Governmental Activities</b>	
\$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%.	\$25,825,000
\$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>10,345,000</u>
Total Governmental Activities Long-term Debt	<u>\$36,170,000</u>
<b>Business-type Activities</b>	
\$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%.	\$17,445,000
\$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>4,610,000</u>
Total Business-type Activities Long-term Debt	<u>\$22,055,000</u>

**Governmental Activities**

***Certificates of Participation***

In July 2012, the City issued \$25,825,000 of Certificates of Participation (Series 2012B) to refund the Series 2008 Certificates of Participation. The Series 2012 bonds bear interest ranging from 0.7% to 3.5% and are due April 1, 2030. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of September 30, 2012, \$26,755,000 is the remaining amount of the old debt which is in an irrevocable trust which is considered defeased. The City decreased its aggregated debt service payments by \$5,719,830 over 18 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$4,423,842.

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

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

**Business-type Activities**

In July 2012, the City issued \$4,610,000 of Certificates of Participation (Series 2012B) to refund the Series 2012 Certificates of Participation. The Series 2012 bonds bear interest ranging from 0.7% to 3.5% and are due April 1, 2030. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of September 30, 2012, \$4,610,000 is the remaining amount of the old debt which is in an irrevocable trust which is considered defeased.

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

<u>For The Years Ended September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,382,900	1,250,839	942,100	900,909
2014	1,466,537	1,141,595	968,463	852,029
2015	1,605,331	1,097,523	994,669	814,044
2016	1,783,824	1,044,917	1,051,176	774,819
2017	1,873,221	981,157	1,076,779	735,256
2018 - 2022	11,944,615	3,576,417	6,215,385	3,004,102
2023 - 2027	9,690,213	1,955,202	7,254,787	1,617,582
2028 - 2030	6,423,359	340,874	3,551,641	181,974
Total	<u>\$ 36,170,000</u>	<u>11,388,524</u>	<u>22,055,000</u>	<u>8,880,715</u>

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, 2012 are as follows:

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Original Amount</u>	<u>Balance September 30 2012</u>
Tax increment revenue notes:				
Bank of Washington - Series A	6/10/2010	2/19/2030	\$ 2,941,137	\$ 3,038,456
Rhine River - Series A	8/20/2010	7/5/2033	900,000	900,000
Rhine River - Series C	8/20/2010	7/5/2033	375,000	375,000
Total				<u>\$ 4,313,456</u>

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

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

**Changes in Long-term Liabilities**

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

	<b>For The Year Ended September 30, 2012</b>			<b>Balance September 30 2012</b>	<b>Amounts Due Within One Year</b>
	<b>Balance September 30 2011</b>	<b>Additions</b>	<b>Deletions</b>		
<b>Governmental Activities</b>					
Certificates of participation	\$ 38,195,000	25,825,000	27,850,000	36,170,000	1,382,900
Less - Deferred charges	-	(1,746,815)	(16,458)	(1,730,357)	-
Tax increment revenue notes	4,216,137	154,773	57,454	4,313,456	-
Compensated absences payable	180,482	198,463	180,482	198,463	99,232
<b>Total Governmental Activities Long-term Liabilities</b>	<b>\$ 42,591,619</b>	<b>24,431,421</b>	<b>28,071,478</b>	<b>38,951,562</b>	<b>1,482,132</b>
<b>Business-type Activities</b>					
Revenue bonds payable	\$ 18,420,000	9,220,000	5,585,000	22,055,000	942,100
Plus - Net premiums (discounts)	367,150	-	20,336	346,814	-
<b>Total Revenue Bonds Payable</b>	<b>18,787,150</b>	<b>9,220,000</b>	<b>5,605,336</b>	<b>22,401,814</b>	<b>942,100</b>
Compensated absences payable	37,442	44,229	37,442	44,229	22,114
Landfill care liability	3,351,538	342,508	-	3,694,046	-
<b>Total Business-type Activities Long-term Liabilities</b>	<b>\$ 22,176,130</b>	<b>9,606,737</b>	<b>5,642,778</b>	<b>26,140,089</b>	<b>964,214</b>

Compensated absences are generally liquidated by the General Fund.

<b>Component Unit</b>	<b>September 30 2012</b>
2006 sales tax revenue notes, interest at 6.75%, due November 1, 2026.	<u>\$19,379,024</u>

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

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

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

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

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

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

	<b>For The Year Ended September 30, 2012</b>			<b>Amount Due Within One Year</b>
	<b>Balance September 30 2011</b>	<b>Additions</b>	<b>Deletions</b>	
2006 sales tax revenue notes	<u>\$18,891,679</u>	<u>487,345</u>	<u>-</u>	<u>19,379,024</u>

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

**NOTE H - GENERAL FUND'S FUND BALANCE**

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

	<b>September 30 2012</b>
General Fund	\$4,350,519
Volunteer Fire Fund	758,287
Stormwater Management Improvement Fund	<u>2,993,268</u>
Total	<u>\$8,102,074</u>

**NOTE I - EMPLOYEE RETIREMENT SYSTEMS**

**Deferred Compensation Plan**

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

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

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**NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Missouri Local Government Employees Retirement System**

**1. Plan Description**

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

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by State Statute, Section RSMo 700.600 - 70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

**2. Funding Policy**

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 12.6% (general) and 12.2% (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)	\$688,385
Interest on net pension obligation	6,083
Adjustment to ARC	<u>(5,460)</u>
APC	689,008
Actual contributions	<u>625,742</u>
Increase (decrease) in NPO	63,266
NPO, beginning of year	<u>83,907</u>
 NPO, End Of Year	 <u>\$147,173</u>

The ARC was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 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

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

**NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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, 2009 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2010 was 30 years for the General division and 30 years for the Police division.

**Three-year Trend Information**

<u>For The Plan Years Ended June 30</u>	<u>APC</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$689,008	90.8%	\$147,173
2011	655,521	87.2	83,907
2010	556,564	100.0	-

**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>
2012	\$12,889,008	\$14,685,323	\$1,796,315
2011	11,907,394	14,232,704	2,325,310
2010	10,668,124	13,504,869	2,836,745

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded AAL As A Percentage Of Covered Payroll</u>
2012	88%	\$5,037,800	36%
2011	84	5,047,260	46
2010	79	5,193,582	55

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

**NOTE I - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City, MO.

**NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description**

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

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

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.

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

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

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

**Required Supplemental Information**

<b>Schedule Of Funding Progress</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value Of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL As A Percentage Of Covered Payroll</b>
<b>October 1</b>	<b>(1)</b>	<b>(2)</b>	<b>(1)-(2)</b>	<b>(1)/(2)</b>	<b>(3)</b>	<b>(1-2)/(3)</b>
2010	-	244,981	(244,981)	-	4,502,974	5.4

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

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumption about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the 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
Projected salary increases	N/A
Mortality rates	1994 Group Annuity Reserving Table (blended rates using 50% male and 50% female)
Healthcare cost trend rate/inflation rate	10% initial; 5% ultimate
Investment earnings pre-retirement	5%
Investment earnings post-retirement	5%

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

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**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 \$3,694,046 reported as landfill care liability at September 30, 2012, 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 \$636,238 at September 30, 2012.

**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**

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**NOTE N - CONDUIT DEBT (continued)**

	<u>September 30</u> <u>2012</u>
\$60,000,000 Taxable Industrial Revenue Bonds (Series 2005), due in annual installments through December 1, 2015; interest payable at 5%.	\$45,000,000
\$13,000,000 Taxable Industrial Revenue Bonds (Series 2008B), due in annual installments through December 1, 2018; interest payable at 6%.	9,842,155
\$7,500,000 Variable Rate Demand Industrial Revenue Bonds (Series 2008A), due December 1, 2028.	7,110,000
\$5,635,645 Recovery Zone Facility Revenue Bonds (Series 2010A), due September 1, 2020; interest payable at 2.8%.	5,635,645
\$2,391,751 Taxable Industrial Revenue Bonds (Series 2010B), due September 1, 2020; interest payable at 2.8%.	<u>2,102,488</u>
Total	<u>\$69,690,288</u>

**NOTE O - RELATED PARTY TRANSACTIONS**

The City has entered into transactions with Paper Chase LLC, owned by a members of the City Council. The expenses totaled \$1,651 for the year ended September 30, 2012.

**NOTE P - RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$3,960,864 of restricted net assets, of which \$3,640,646 is restricted by enabling legislation.

**NOTE Q - FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 63, (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. GASB 63 will be effective for the City for the fiscal year ending September 30, 2013. The City, however, has not yet completed its assessment of the statement.

**NOTE R - SUBSEQUENT EVENTS**

On March 12, 2013 the CID issued \$21,951,153 of Sales Tax Refunding Revenue Bonds Series 2013A and B to refund the 2006 sales tax revenue notes. In February 2013, the City agreed to enter into a settlement agreement with Harman International Industries, Incorporated and various other taxing districts where the Company agreed to make payments in lieu of taxes for personal property.

**NOTE S - PRIOR PERIOD ADJUSTMENT**

The previously stated fund balance/net assets have been restated as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Water</u>	<u>Sewage Treatment</u>	<u>Solid Waste</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Fund balance/net assets, September 30, 2011	\$ 6,797,206	2,972,024	6,386,193	9,908,487	1,809,667	34,401,954	18,104,347
Restatement for insurance payable	<u>347,903</u>	<u>11,614</u>	<u>36,532</u>	<u>13,232</u>	<u>54,595</u>	<u>359,517</u>	<u>104,359</u>
Fund Balance/Net Assets, September 30, 2011, As Restated	<u>\$ 7,145,109</u>	<u>2,983,638</u>	<u>6,422,725</u>	<u>9,921,719</u>	<u>1,864,262</u>	<u>34,761,471</u>	<u>18,208,706</u>

**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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,183,780	2,183,780	2,244,009	60,229
Sales	3,972,400	3,972,400	4,034,653	62,253
Franchise	2,423,450	2,423,450	2,302,904	(120,546)
Tourism	110,000	110,000	123,550	13,550
Licenses and permits	145,150	145,150	148,144	2,994
Fees and fines	160,000	160,000	132,799	(27,201)
Intergovernmental	71,000	71,000	120,713	49,713
Charges for services	1,557,835	1,662,835	1,726,284	63,449
Rents	128,300	128,300	142,683	14,383
Contributions and donations	37,400	37,400	47,022	9,622
Investment income	103,600	103,600	124,485	20,885
Total Revenues	<u>10,892,915</u>	<u>10,997,915</u>	<u>11,147,246</u>	<u>149,331</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Executive	935,295	1,020,295	971,120	(49,175)
Financial administration	541,475	541,475	469,454	(72,021)
Technology support	435,190	435,190	335,460	(99,730)
Economic development	170,185	170,185	161,468	(8,717)
Maintenance - building and grounds	245,370	245,370	257,672	12,302
Total General Government	<u>2,327,515</u>	<u>2,412,515</u>	<u>2,195,174</u>	<u>(217,341)</u>
Public safety:				
Judicial	35,595	35,595	26,739	(8,856)
Police	2,572,285	2,572,285	2,515,221	(57,064)
Communications center	775,675	799,175	804,146	4,971
Volunteer Fire	538,335	538,335	450,591	(87,744)
Total Public Safety	<u>3,921,890</u>	<u>3,945,390</u>	<u>3,796,697</u>	<u>(148,693)</u>
Highways and streets:				
Engineering, inspections, and planning	720,070	720,070	653,895	(66,175)
Streets	1,406,370	1,454,370	1,399,951	(54,419)
Total Highways And Streets	<u>2,126,440</u>	<u>2,174,440</u>	<u>2,053,846</u>	<u>(120,594)</u>
Airport	<u>142,510</u>	<u>142,510</u>	<u>148,467</u>	<u>5,957</u>

(Continued)

**CITY OF WASHINGTON, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
Current (continued):				
Culture and recreation:				
Parks	1,118,890	1,118,890	1,154,532	35,642
Aquatic center	224,860	224,860	215,669	(9,191)
Total Culture And Recreation	1,343,750	1,343,750	1,370,201	26,451
Debt service:				
Interest expense	9,000	9,000	921	(8,079)
Capital outlay:				
Public safety	462,500	62,500	38,266	(24,234)
Highways and streets	100,000	175,000	195,494	20,494
Culture and recreation	13,600	38,600	24,750	(13,850)
Total Capital Outlay	576,100	276,100	258,510	(17,590)
Total Expenditures	10,447,205	10,303,705	9,823,816	(479,889)
<b>REVENUES OVER EXPENDITURES</b>	445,710	694,210	1,323,430	629,220
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	1,765	1,765
Transfers in	922,000	982,000	982,000	-
Transfers out	(1,365,230)	(1,465,230)	(1,350,230)	(115,000)
Total Other Financing Sources (Uses)	(443,230)	(483,230)	(366,465)	(116,765)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 2,480	210,980	956,965	745,985
<b>FUND BALANCE, OCTOBER 1</b>			7,145,109	
<b>FUND BALANCE, SEPTEMBER 30</b>			\$ 8,102,074	

**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, 2012**

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**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 U.S. generally accepted accounting principles except that budgets do not include economic development and debt proceeds related to the tax increment financing projects.
- f. Current year budget includes amendments. Budget amendments must be approved by the City Council.
- g. Unencumbered appropriations at the end of the period are reconsidered for subsequent budgets.

**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF WASHINGTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>	<u>Total</u>
	<u>Library</u>	<u>Rhine</u>	<u>Downtown</u>	<u>Fund</u>	
		<u>TIF</u>	<u>TIF</u>	<u>Vehicle And</u>	
				<u>Equipment</u>	
				<u>Replacement</u>	
<b>ASSETS</b>					
Cash and investments	\$ 178,355	103	206,098	1,891,492	2,276,048
Cash with agent	284	-	-	-	284
Accounts receivable, net of allowance	7,243	-	11,798	33	19,074
Prepaid items	12,229	-	-	-	12,229
Advance to other funds	-	-	-	600,000	600,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 198,111</u>	<u>103</u>	<u>217,896</u>	<u>2,491,525</u>	<u>2,907,635</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 9,176	-	-	-	9,176
Accrued wages	5,647	-	-	-	5,647
Total Liabilities	<u>14,823</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>14,823</u>
 <b>Fund Balances</b>					
Nonspendable:					
Prepaid items	12,229	-	-	-	12,229
Advances	-	-	-	600,000	600,000
Restricted for:					
TIF Districts	-	103	217,896	-	217,999
Committed for:					
Purchase of supplies and services	-	-	-	10,571	10,571
Library	171,059	-	-	-	171,059
Vehicle and equipment replacement	-	-	-	1,880,954	1,880,954
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>183,288</u>	<u>103</u>	<u>217,896</u>	<u>2,491,525</u>	<u>2,892,812</u>
Total Liabilities And Fund Balances	<u>\$ 198,111</u>	<u>103</u>	<u>217,896</u>	<u>2,491,525</u>	<u>2,907,635</u>

**CITY OF WASHINGTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<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>	
<b>REVENUES</b>					
Property taxes	\$ 183,177	-	185,227	-	368,404
Sales tax	-	-	11,798	-	11,798
Fees and fines	46,499	-	-	-	46,499
Intergovernmental	5,356	-	-	-	5,356
Contributions and donations	20,910	-	-	-	20,910
Investment income	6,617	2	5,533	37,258	49,410
Total Revenues	<u>262,559</u>	<u>2</u>	<u>202,558</u>	<u>37,258</u>	<u>502,377</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	25,408	-	25,408
Culture and recreation:					
Library	486,888	-	-	-	486,888
Debt service:					
Principal	-	-	57,454	-	57,454
Interest and fiscal charges	-	-	381,572	-	381,572
Capital outlay:					
General government	-	-	-	165,522	165,522
Public safety:					
Fire	-	-	-	86,808	86,808
Culture and recreation:					
Parks and recreation	-	-	-	16,460	16,460
Total Expenditures	<u>486,888</u>	<u>-</u>	<u>464,434</u>	<u>268,790</u>	<u>1,220,112</u>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>(224,329)</u>	<u>2</u>	<u>(261,876)</u>	<u>(231,532)</u>	<u>(717,735)</u>
<b>OTHER FINANCING SOURCES</b>					
Issuance of long-term debt	-	-	154,773	-	154,773
Sale of capital assets	5,910	-	-	37,996	43,906
Transfers in	215,000	-	-	213,230	428,230
Total Other Financing Sources	<u>220,910</u>	<u>-</u>	<u>154,773</u>	<u>251,226</u>	<u>626,909</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,419)	2	(107,103)	19,694	(90,826)
<b>FUND BALANCES, OCTOBER 1</b>	<u>186,707</u>	<u>101</u>	<u>324,999</u>	<u>2,471,831</u>	<u>2,983,638</u>
<b>FUND BALANCES, SEPTEMBER 30</b>	<u>\$ 183,288</u>	<u>103</u>	<u>217,896</u>	<u>2,491,525</u>	<u>2,892,812</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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Property taxes	\$ 173,905	173,905	183,177	9,272
Fees and fines	51,800	51,800	46,499	(5,301)
Intergovernmental	-	-	5,356	5,356
Contributions and donations	6,000	6,000	20,910	14,910
Investment income	5,000	5,000	6,617	1,617
Total Revenues	236,705	236,705	262,559	25,854
<b>EXPENDITURES</b>				
Current:				
Library	475,890	488,290	486,888	(1,402)
<b>REVENUES UNDER EXPENDITURES</b>	(239,185)	(251,585)	(224,329)	27,256
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	-	-	5,910	5,910
Transfers in	230,000	230,000	215,000	(15,000)
Total Other Financing Sources	230,000	230,000	220,910	(9,090)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (9,185)	(21,585)	(3,419)	18,166
FUND BALANCE, OCTOBER 1			186,707	
<b>FUND BALANCE, SEPTEMBER 30</b>			\$ 183,288	

**CITY OF WASHINGTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - RHINE RIVER TIF SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 500	-	(500)
Investment income	-	2	2
Total Revenues	500	2	(498)
<b>EXPENDITURES</b>			
Current:			
Economic development	1,322,212	-	(1,322,212)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,321,712)	2	1,321,714
<b>OTHER FINANCING SOURCES</b>			
Issuance of long-term debt	1,322,212	-	(1,322,212)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 500	2	(498)
FUND BALANCE, OCTOBER 1		101	
<b>FUND BALANCE, SEPTEMBER 30</b>		\$ 103	

**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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ 140,000	140,000	185,227	45,227
Sales	25,350	25,350	11,798	(13,552)
Investment income	4,000	4,000	5,533	1,533
Total Revenues	169,350	169,350	202,558	33,208
<b>EXPENDITURES</b>				
Current:				
General government	175,000	30,000	25,408	(4,592)
Debt service	-	385,000	284,253	(100,747)
Total Expenditures	175,000	415,000	309,661	(105,339)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,650)</b>	<b>(245,650)</b>	<b>(107,103)</b>	<b>138,547</b>
FUND BALANCE, OCTOBER 1			324,999	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 217,896</b>	

**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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 1,743,000	1,743,000	1,760,497	17,497
Intergovernmental	-	2,770,000	2,806,883	36,883
Charges for services	-	-	300	300
Contributions and donations	30,000	30,000	-	(30,000)
Investment income	140,000	140,000	20,505	(119,495)
Total Revenues	1,913,000	4,683,000	4,588,185	(94,815)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	116,549	116,549
Capital outlay:				
General government	510,000	3,715,500	3,312,584	(402,916)
Public safety	1,671,300	1,687,600	390,393	(1,297,207)
Highways and streets	250,000	250,000	537,328	287,328
Airport	152,000	152,000	-	(152,000)
Culture and recreation	3,830,000	4,870,000	3,379,169	(1,490,831)
Total Expenditures	6,413,300	10,675,100	7,736,023	(2,939,077)
<b>REVENUES UNDER EXPEN- DITURES</b>	(4,500,300)	(5,992,100)	(3,147,838)	2,844,262
<b>OTHER FINANCING USES</b>				
Transfers out	(973,715)	(973,715)	(973,715)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,474,015)</b>	<b>(6,965,815)</b>	<b>(4,121,553)</b>	<b>2,844,262</b>
FUND BALANCE, OCTOBER 1			12,780,580	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 8,659,027</b>	

**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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 1,743,000	1,743,000	1,760,421	17,421
Intergovernmental	1,934,420	2,027,420	1,297,343	(730,077)
Investment income	70,000	70,000	63,487	(6,513)
Total Revenues	3,747,420	3,840,420	3,121,251	(719,169)
<b>EXPENDITURES</b>				
Current:				
Highways and streets	-	-	1,200	1,200
Capital outlay:				
Highways and streets	2,400,000	2,400,000	2,177,349	(222,651)
Airport	-	173,000	172,532	(468)
Total Expenditures	2,400,000	2,573,000	2,351,081	(221,919)
<b>REVENUES OVER EXPENDITURES</b>	1,347,420	1,267,420	770,170	(497,250)
<b>OTHER FINANCING USES</b>				
Transfers out	(1,695,270)	(1,695,270)	(1,695,270)	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ (347,850)	(427,850)	(925,100)	(497,250)
FUND BALANCE, OCTOBER 1			3,747,537	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 2,822,437</b>	

**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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ 168,615	168,615	165,045	(3,570)
Investment income	-	-	271	271
Total Revenues	168,615	168,615	165,316	(3,299)
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,095,000	1,095,000	1,095,000	-
Interest and fiscal charges	1,744,600	1,966,100	1,813,954	(152,146)
Bond issuance costs	-	-	570,630	570,630
Advance refunding of escrow	-	-	2,900,029	2,900,029
Total Expenditures	2,839,600	3,061,100	6,379,613	3,318,513
<b>REVENUES UNDER EXPEN- DITURES</b>	<b>(2,670,985)</b>	<b>(2,892,485)</b>	<b>(6,214,297)</b>	<b>(3,321,812)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long term debt	-	25,423,000	25,825,000	402,000
Refunding of long-term debt	-	-	(25,075,762)	(25,075,762)
Transfers in	2,668,985	2,668,985	2,668,985	-
Total Other Financing Sources (Uses)	2,668,985	28,091,985	3,418,223	(24,673,762)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,000)</b>	<b>25,199,500</b>	<b>(2,796,074)</b>	<b>(27,995,574)</b>
<b>FUND BALANCE, OCTOBER 1</b>			<b>3,083,677</b>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 287,603</b>	

**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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Investment income	\$ 30,000	30,000	37,258	7,258
<b>EXPENDITURES</b>				
Capital outlay:				
General government	100,000	163,500	165,522	2,022
Public safety	109,500	109,500	86,808	(22,692)
Highways and streets	254,000	254,000	-	(254,000)
Culture and recreation	73,000	73,000	16,460	(56,540)
Total Expenditures	536,500	600,000	268,790	(331,210)
<b>REVENUES UNDER EXPENDITURES</b>	<b>(506,500)</b>	<b>(570,000)</b>	<b>(231,532)</b>	<b>338,468</b>
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	5,000	5,000	37,996	32,996
Transfers in	213,230	213,230	213,230	-
Total Other Financing Sources	218,230	218,230	251,226	32,996
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$(288,270)</b>	<b>(351,770)</b>	<b>19,694</b>	<b>371,464</b>
<b>FUND BALANCE, OCTOBER 1</b>			<b>2,471,831</b>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 2,491,525</b>	

**CITY OF WASHINGTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF**  
**CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Balance September 30 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30 2012</u>
<b>TAXABLE INDUSTRIAL REVENUE BONDS (PAUWELS PROJECT), SERIES 2008A AND B</b>				
Assets - cash and cash investments	\$ -	7,434,113	7,434,113	-
Liabilities - due to lessee	\$ -	7,434,113	7,434,113	-
<b>TAXABLE INDUSTRIAL REVENUE BONDS (VALENT AEROSTRUCTURES, SERIES 2010A AND B</b>				
Assets - cash and cash investments	\$ 33,208	421,376	454,583	1
Liabilities - due to lessee	\$ 33,208	421,376	454,583	1
<b>ALL AGENCY FUNDS</b>				
Assets - cash and cash investments	\$ 33,208	7,855,489	7,888,696	1
Liabilities - due to lessee	\$ 33,208	7,855,489	7,888,696	1

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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	66 - 74
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	75 - 78
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	79 - 81
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	82 - 86
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	87 - 88

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

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

	<b>September 30</b>									
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 27,375,288	19,903,202	19,586,634	18,496,183	15,218,196	34,824,279	32,150,021	28,607,705	21,402,264	16,448,693
Restricted	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	4,364,834
Unrestricted	8,368,741	4,631,064	4,266,818	8,264,306	6,746,371	4,026,763	6,014,491	5,721,384	4,757,681	4,149,651
 Total Governmental Activities Net Assets	 <u>\$ 39,704,893</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>	 <u>24,963,178</u>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	\$ 18,573,816	17,257,501	17,783,318	18,894,569	20,033,834	15,680,130	13,746,355	12,910,727	12,241,765	10,847,609
Restricted	-	203,500	203,500	203,500	297,545	146,297	126,521	137,959	224,800	225,240
Unrestricted	509,759	747,705	(7,742)	(1,351,629)	(3,779,395)	(773,014)	1,413,186	2,285,676	2,189,718	2,638,509
 Total Business-type Activities Net Assets	 <u>\$ 19,083,575</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>	 <u>13,711,358</u>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	\$ 45,949,104	37,160,703	37,369,952	37,390,752	35,252,030	50,504,409	45,896,376	41,518,432	33,644,029	27,296,302
Restricted	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	4,590,074
Unrestricted	8,878,500	5,378,769	4,259,076	6,912,677	2,966,976	3,253,749	7,427,677	8,007,060	6,947,399	6,788,160
 Total Primary Gov- ernment Net Assets	 <u>\$ 58,788,468</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>	 <u>38,674,536</u>

Source: Basic financial statements

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

	September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 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	1,712,695
Public safety	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	2,990,862
Airport	362,569	389,357	358,257	315,409	318,800	327,757	308,987	123,243	97,536	98,450
Highways and streets	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	2,501,898
Culture and recreation	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	1,429,316
Economic development	25,408	422,541	3,793,925	-	-	-	-	-	-	-
Interest on long-term debt	1,692,625	1,893,340	1,312,223	1,482,847	906,982	317,491	185,745	70,005	80,766	111,531
Total Governmental Activities Expenses	<u>13,945,276</u>	<u>14,438,744</u>	<u>16,988,837</u>	<u>12,956,861</u>	<u>30,530,281</u>	<u>16,000,097</u>	<u>9,552,117</u>	<u>9,724,867</u>	<u>8,458,160</u>	<u>8,844,752</u>
<b>Business-type Activities</b>										
Water	1,444,525	1,432,160	1,319,119	1,279,316	1,342,968	1,465,602	1,401,617	1,360,439	1,147,483	1,064,613
Sewer	3,034,810	3,028,022	2,964,188	1,055,581	1,040,995	1,132,035	1,094,885	1,001,500	999,553	1,003,287
Solid waste	2,407,304	2,416,011	2,215,213	1,966,384	2,022,255	1,953,286	1,895,078	1,774,550	1,455,805	1,328,974
Total Business-type Activities Expenses	<u>6,886,639</u>	<u>6,876,193</u>	<u>6,498,520</u>	<u>4,301,281</u>	<u>4,406,218</u>	<u>4,550,923</u>	<u>4,391,580</u>	<u>4,136,489</u>	<u>3,602,841</u>	<u>3,396,874</u>
Total Primary Government	<u>20,831,915</u>	<u>21,314,937</u>	<u>23,487,357</u>	<u>17,258,142</u>	<u>34,936,499</u>	<u>20,551,020</u>	<u>13,943,697</u>	<u>13,861,356</u>	<u>12,061,001</u>	<u>12,241,626</u>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
Charges for services:										
General government	837,821	650,501	629,382	562,142	567,567	1,350,504	535,916	491,685	440,893	414,433
Public safety	586,728	711,465	790,962	789,842	757,633	660,336	458,891	435,562	344,743	328,226
Airport	128,629	88,271	84,093	65,799	72,146	74,398	72,370	70,017	65,630	44,165
Highways and streets	408,292	440,248	148,644	340,178	302,063	243,061	212,792	215,693	206,218	171,893
Culture and recreation	285,782	328,277	258,933	244,987	261,742	234,071	209,057	238,542	239,272	252,191
Operating grants and contributions	675,527	659,758	651,778	917,539	981,166	771,566	662,219	1,352,922	982,312	656,536
Capital grants and contributions	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	3,183,630
Total Governmental Activities Program Revenues	<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>	<u>5,051,074</u>
<b>Business-type Activities</b>										
Charges for services:										
Water	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	1,143,351
Sewer	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	1,013,715
Solid waste	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	1,153,748
Operating grants and contributions	-	-	25,000	-	-	-	-	-	-	-
Capital grants and contributions	-	-	25,849	44,000	575,292	-	-	400,205	411,475	403,687
Total Business-type Activities Program Revenue	<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>	<u>3,714,501</u>
Total Primary Government Program Revenues	<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>	<u>8,765,575</u>

(Continued)

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

	September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>NET REVENUES (EXPENSES)</b>										
Governmental activities	(7,399,797)	(11,211,163)	(13,384,618)	(7,890,986)	(24,175,376)	(12,628,833)	(5,739,450)	(1,557,933)	(2,617,354)	(3,793,678)
Business-type activities	(540,692)	(591,715)	(503,049)	1,049,931	971,315	(446,474)	(516,762)	211,131	714,248	317,627
Total Primary Government Net Revenues (Expenses)	<u>(7,940,489)</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>	<u>(3,476,051)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>										
<b>Governmental Activities</b>										
Taxes:										
Property	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	1,279,952
Sales	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	4,741,562
Franchise	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	1,287,718
Tourism	123,550	112,684	102,583	105,274	108,790	80,806	65,315	62,038	50,989	53,171
Investment income	258,158	325,407	287,603	357,399	471,255	592,261	457,575	235,722	133,112	182,424
Gain on sale of capital assets	43,210	-	22,967	-	-	53,100	5,335	5,493	-	35,835
Grants and contributions not restricted to specific programs	165,045	130,095	-	-	-	-	-	-	-	-
Miscellaneous	-	100	-	-	-	-	-	-	-	-
Transfers	(729,430)	-	(3,055)	6,000	-	-	(212,812)	(294,766)	(105,710)	(360,166)
Total Governmental Activities General Revenues And Other Changes In Net Assets	<u>12,343,219</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>	<u>7,220,496</u>
<b>Business-type Activities</b>										
Miscellaneous	57,382	53,000	50,909	50,429	40,139	11,982	41,150	45,041	53,044	30,689
Investment income	628,749	663,207	681,271	100,096	173,377	201,843	214,500	127,141	71,422	97,920
Gain on sale of capital assets	-	779	450	-	-	-	-	-	501	(865)
Transfers	729,430	-	3,055	(6,000)	-	-	212,812	294,766	105,710	360,166
Total Business-type Activities General Revenues And Other Changes In Net Assets	<u>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>	<u>487,910</u>
Total Primary Government General Revenues And Other Changes In Net Assets	<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>	<u>7,708,406</u>
<b>CHANGES IN NET ASSETS</b>										
Governmental activities	4,943,422	1,637,632	(1,184,374)	4,440,311	(11,398,384)	(491,886)	4,732,673	6,520,158	5,182,646	3,426,818
Business-type activities	874,869	125,271	232,636	1,194,456	1,184,831	(232,649)	(48,300)	678,079	944,925	805,537
Total Primary Government	<u>\$ 5,818,291</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>	<u>4,232,355</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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>										
General government	\$ 3,703,631	744,366	668,716	602,367	604,567	1,402,881	571,078	544,136	438,382	415,142
Public safety	615,559	763,078	861,323	876,502	822,543	692,732	527,034	763,125	471,955	420,790
Airport	321,688	88,271	84,093	65,799	372,146	74,398	84,928	3,512,966	1,697,688	626,873
Highways and streets	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	3,299,057
Culture and recreation	383,994	367,839	371,429	327,458	430,479	290,698	234,175	395,102	287,527	289,212
Total Governmental Activities Program Revenues	<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>	<u>5,051,074</u>
<b>Business-type Activities</b>										
Water	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	1,363,101
Sewer	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	1,197,652
Solid waste	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	1,153,748
Total Business-type Activities Program Revenues	<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>	<u>3,714,501</u>
Total Primary Government Program Revenues	<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>	<u>8,765,575</u>

Source: Basic financial statements

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

	September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>										
Reserved	\$ -	-	2,831,117	2,840,423	2,853,708	3,422,273	2,567,531	2,342,160	2,149,656	2,422,738
Unreserved	-	-	2,602,568	2,290,772	1,854,701	1,030,187	1,187,417	2,967,639	3,067,047	2,442,965
Nonspendable	2,788,601	2,710,881	-	-	-	-	-	-	-	-
Committed	3,750,988	3,348,275	-	-	-	-	-	-	-	-
Assigned	-	31,168	-	-	-	-	-	-	-	-
Unassigned	1,562,485	1,054,785	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 8,102,074</b>	<b>7,145,109</b>	<b>5,433,685</b>	<b>5,131,195</b>	<b>4,708,409</b>	<b>4,452,460</b>	<b>3,754,948</b>	<b>5,309,799</b>	<b>5,216,703</b>	<b>4,865,703</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	-	1,180,447	901,763	1,744,378	4,851,927	1,847,880	5,237,059	36,119,859	964,725
Unreserved, reported in:										
Special Revenue Funds	-	-	726,528	1,156,007	1,011,113	894,740	840,286	935,536	(2,861,452)	759,679
Capital Projects Fund	-	-	9,989,878	8,412,597	10,483,168	3,544,028	3,640,445	(3,160,141)	2,590,546	3,363,077
Debt Service Fund	-	-	-	1,587	8,606	-	-	-	-	288,513
Nonspendable	612,229	606,501	-	-	-	-	-	-	-	-
Restricted	11,987,066	20,173,320	-	-	-	-	-	-	-	-
Committed	2,062,584	2,052,037	-	-	-	-	-	-	-	-
Unassigned	-	(236,426)	-	-	-	-	-	-	-	-
<b>Total All Other Govern- mental Funds</b>	<b>\$ 14,661,879</b>	<b>22,595,432</b>	<b>11,896,853</b>	<b>10,471,954</b>	<b>13,247,265</b>	<b>9,290,695</b>	<b>6,328,611</b>	<b>3,012,454</b>	<b>35,848,953</b>	<b>5,375,994</b>

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>REVENUES</b>										
Taxes	\$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	7,362,403
Licenses and permits	148,144	161,408	157,699	257,292	275,501	274,026	243,598	222,720	210,587	190,504
Fees and fines	179,298	339,193	385,326	418,607	401,662	367,838	178,555	182,085	141,850	125,659
Intergovernmental	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	2,478,526
Charges for services	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	841,541
Rents	142,683	81,631	104,967	81,815	87,546	102,896	92,406	103,662	102,123	81,867
Contributions and donations	67,932	91,965	86,419	79,593	182,875	58,677	64,736	195,342	36,551	126,615
Investment income	258,158	325,407	287,603	357,399	471,255	592,261	457,575	235,722	133,112	182,424
Miscellaneous	-	100	-	-	-	-	-	-	-	709
<b>Total Revenues</b>	<b>19,524,375</b>	<b>16,041,193</b>	<b>15,909,896</b>	<b>16,770,448</b>	<b>17,502,414</b>	<b>15,870,146</b>	<b>14,493,965</b>	<b>15,219,617</b>	<b>12,693,804</b>	<b>11,390,248</b>
<b>EXPENDITURES</b>										
General government	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	1,511,981
Public safety	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	2,746,674
Highways and streets	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	1,462,875
Airport	148,467	150,895	147,453	125,228	127,694	163,678	132,816	87,802	81,330	82,244
Culture and recreation	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	1,294,791
Economic development	-	422,212	3,793,925	-	-	-	-	-	-	-
Debt service:										
Principal	1,152,454	5,000	5,000	4,125,000	7,814,451	425,000	585,645	545,000	525,000	510,000
Interest and fiscal charges	2,196,447	1,406,587	1,282,518	1,401,027	455,085	207,134	155,122	69,483	86,716	116,801
Bond issue costs	570,630	227,300	-	-	662,960	-	-	-	-	-
Advance refunding escrow	2,900,029	-	-	-	-	-	-	-	-	-
Capital outlay	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	4,683,165
<b>Total Expenditures</b>	<b>27,510,645</b>	<b>15,822,589</b>	<b>17,996,344</b>	<b>19,128,973</b>	<b>40,351,963</b>	<b>19,628,101</b>	<b>17,705,096</b>	<b>16,769,103</b>	<b>12,886,861</b>	<b>12,408,531</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,986,270)</b>	<b>218,604</b>	<b>(2,086,448)</b>	<b>(2,358,525)</b>	<b>(22,849,549)</b>	<b>(3,757,955)</b>	<b>(3,211,131)</b>	<b>(1,549,486)</b>	<b>(193,057)</b>	<b>(1,018,283)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
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	-	60,000
Transfers in	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	1,913,544
Transfers out	(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)	(2,018,364)
<b>Total Other Financing Sources (Uses)</b>	<b>1,009,682</b>	<b>11,831,882</b>	<b>3,813,837</b>	<b>6,000</b>	<b>27,062,068</b>	<b>7,417,551</b>	<b>4,972,437</b>	<b>(93,917)</b>	<b>(105,710)</b>	<b>(44,820)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ (6,976,588)</b>	<b>12,050,486</b>	<b>1,727,389</b>	<b>(2,352,525)</b>	<b>4,212,519</b>	<b>3,659,596</b>	<b>1,761,306</b>	<b>(1,643,403)</b>	<b>(298,767)</b>	<b>(1,063,103)</b>
Debt service as a percentage of noncapital expenditures	18.82 %	11.85	8.72	36.76	22.74	4.28	8.20	6.53	7.38	8.11

Source: Basic financial statements

**CITY OF WASHINGTON, MISSOURI**  
**SOURCES OF REVENUE, GOVERNMENTAL FUNDS**  
**LAST FISCAL YEAR**

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Charges For Services</u>	<u>Rents</u>	<u>Intergovernmental</u>	<u>Investment Income</u>	<u>Fees And Fines</u>	<u>Licenses And Permits</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	64.57 %	8.84 %	0.73 %	22.51 %	1.32 %	0.92 %	0.76 %	0.35 %	100.00 %

Source: Basic financial statements

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Franchise Taxes</b>	<b>Tourism Taxes</b>	<b>Total</b>
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
2003	1,279,952	4,741,562	1,287,718	53,171	7,362,403

Source: Basic financial statements

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

<b>Fiscal Year</b>	<b>General Sales Tax (1%)</b>	<b>Percentage Change</b>	<b>Capital Improvement Sales Tax (0.25%)</b>	<b>Percentage Change</b>	<b>Transporation Sales Tax (0.25%)</b>	<b>Percentage Change</b>	<b>Phoenix Center CID Sales Tax Portion</b>	<b>Percentage Change</b>	<b>Other Taxes</b>	<b>Percentage Change</b>	<b>Total</b>
2012	\$ 3,732,411	2.15 %	\$ 1,866,171	2.15 %	\$ 1,866,095	2.14 %	\$ (422,697)	15.16 %	\$ 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
2003	2,974,719	N/A	1,487,308	N/A	-	N/A	-	N/A	279,535	N/A	4,741,562

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		
2012	2011	\$ 278,694,488	\$ 53,532,261	\$ 7,860,333	\$ (3,760,299)	\$ 336,326,783	\$ 1,368,049,568	\$ 0.6048	24.6 %
2011	2010	277,121,790	48,981,844	7,937,831	(3,518,747)	330,522,718	1,348,095,494	0.6020	24.5
2010	2009	277,734,795	48,432,106	7,118,272	(2,865,744)	330,419,429	1,351,033,504	0.5962	24.5
2009	2008	260,643,192	50,012,813	6,189,799	(359,945)	316,485,859	1,302,633,038	0.5959	24.3
2008	2007	252,186,733	46,877,596	6,178,842	(181,435)	305,061,736	1,260,679,802	0.5941	24.2
2007	2006	223,717,275	53,408,785	6,053,858	-	283,179,918	1,164,609,819	0.5857	24.3
2006	2005	214,831,146	60,192,298	5,939,418	-	280,962,862	1,146,840,486	0.5940	24.5
2005	2004	182,474,026	49,074,019	5,904,714	-	237,452,759	964,585,588	0.5177	24.6
2004	2003	173,287,358	49,529,252	5,384,006	-	228,200,616	926,849,927	0.5412	24.6
2003	2002	164,455,880	47,823,325	5,530,642	-	217,809,847	879,569,911	0.5420	24.8

**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		
2012	2011	\$ 128,871,894	\$ 24,343,675	\$ 5,337,603	\$ (3,670,299)	\$ 154,882,873	\$ 645,946,504	\$ 0.0945	24.0 %
2011	2010	129,164,658	25,837,136	5,410,591	(3,518,747)	156,893,638	651,560,422	0.0927	24.1
2010	2009	127,213,394	25,808,287	4,807,736	(2,865,744)	154,963,673	656,881,861	0.0914	23.6
2009	2008	116,434,894	24,432,450	4,195,869	(359,945)	144,703,268	616,632,013	0.0923	23.5
2008	2007	116,489,943	27,101,310	4,254,559	(181,435)	147,664,377	622,296,806	0.0934	23.7
2007	2006	110,351,766	31,590,770	4,195,858	-	146,138,394	603,560,037	0.0906	24.2
2006	2005	109,312,628	38,111,300	4,232,826	-	151,656,754	618,261,797	0.0905	24.5
2005	2004	95,246,026	28,045,233	4,378,621	-	127,669,880	521,629,743	0.0872	24.5
2004	2003	91,639,672	28,724,652	3,929,319	-	124,293,643	510,512,396	0.0923	24.3
2003	2002	89,640,947	31,290,360	4,142,355	-	125,073,662	507,522,071	0.0915	24.6

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 33⅓%.

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

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

Fiscal Year	For The Years Ended September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Assessed Valuation Year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>City of Washington (excluding Library District)</b>	0.6048	0.6020	0.5962	0.5959	0.5941	0.5857	0.5940	0.5177	0.5412	0.5420
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	0.1308	0.1382	0.1382	0.1173	0.1173	0.1173	0.1161	0.1378	0.1334	0.1398
Franklin County-Road and Bridge	0.1986	0.1978	0.1938	0.1923	0.1941	0.1941	0.2024	0.2223	0.2323	0.2314
Developmental Services of Franklin County	0.0939	0.0935	0.0916	0.0916	0.0925	0.0918	0.0957	0.0957	0.1000	0.0999
Washington School District	3.8260	3.1620	3.7860	3.7923	3.6600	3.6600	3.6600	3.6600	3.6606	3.6031
East Central College	0.4400	0.4385	0.4329	0.4329	0.4348	0.4313	0.4471	0.4473	0.4369	0.4691
Washington Library	0.0945	0.0927	0.0914	0.0923	0.0934	0.0906	0.0905	0.0872	0.0923	0.0915
Washington Area Ambulance District	-	-	-	-	-	0.0500	0.1747	0.1732	0.1825	0.1817
Franklin County Library	0.0777	0.0777	0.0759	0.0758	0.0919	0.0913	0.0959	0.0959	0.1000	0.0999
Surtax	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Total Overlapping Governments	5.3715	4.7104	5.3198	5.3045	5.1940	5.2364	5.3924	5.4294	5.4480	5.4264
Total City And Overlapping Governments	5.9763	5.3124	5.9160	5.9004	5.7881	5.8221	5.9864	5.9471	5.9892	5.9684

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

**CITY OF WASHINGTON, MISSOURI**

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND ONE YEAR AGO**

Taxpayer	2012			2011		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
<b>REAL ESTATE</b>						
Creekside Land & Dev. Co. LLC	\$ 10,462,853	1	3.11 %	\$ 10,462,853	1	3.17 %
Wal-Mart Real Estate Business	5,719,446	2	1.70	5,748,464	2	1.74
Parker-Hannifin Corp.	3,491,535	3	1.04	3,624,292	3	1.10
Bank of Washington	3,294,955	4	0.98	2,610,563	8	0.79
MCW-RD Washington Crossing LLC	3,033,125	5	0.90	3,217,589	4	0.97
CG Power Systems USA, Inc.	2,664,285	6	0.79	-	-	-
Lowe's Home Centers, Inc.	2,624,406	7	0.78	2,688,355	6	0.81
Creekside Land & Dev. Co. LLC	2,464,000	8	0.73	2,635,229	7	0.80
Target Corporation Target Pro	2,407,815	9	0.72	2,607,744	9	0.79
PC IT Vertical LLC	2,341,374	10	0.70	-	-	-
Hollingsworth Capital Partner	-	-	-	2,361,635	10	0.71
Phoenix Center II Development	-	-	-	2,960,635	5	0.90
<b>Total Real Estate</b>	<b>\$ 38,503,794</b>		<b>11.45 %</b>	<b>\$ 38,917,359</b>		<b>11.78 %</b>
<b>PERSONAL PROPERTY</b>						
Harman Becker - Washington	\$ 3,532,072	1	1.05 %	\$ -	-	- %
PFHC Medical Management LLC	2,549,210	2	0.76	1,641,158	1	0.50
Bank of AM Leasing-CG Power System	1,319,083	3	0.39	-	-	-
RTI Trado, Inc. - Wash, Inc.	971,409	4	0.29	993,616	4	0.30
Magnet LLC	875,579	5	0.26	989,116	6	0.30
CG Power Systems USA, Inc.	869,181	6	0.26	1,183,164	2	0.36
Fricks Meat Products	833,710	7	0.25	991,992	5	0.30
Canam Steel Corp. - Midwestern	810,091	8	0.24	902,456	7	0.27
GHTM LC	791,351	9	0.24	819,437	8	0.25
Charter Communications - Washington	591,866	10	0.18	-	-	-
Parker-Hannifin Corp.	-	-	-	1,013,162	3	0.31
Wal-Mart Stores, Inc.	-	-	-	713,644	9	0.22
Missourian Publishing Co.	-	-	-	678,582	10	0.21
<b>Total Personal Property</b>	<b>\$ 13,143,552</b>		<b>3.92 %</b>	<b>\$ 9,926,327</b>		<b>3.02 %</b>

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**

<b>Fiscal Year</b>	<b>Tax Levy Year</b>	<b>Net Tax Levy</b>	<b>Current Tax Collections</b>	<b>Delinquent Tax (And Penalties) Collections</b>	<b>Percent Collected As Current</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes As Percent Of Levy</b>	<b>Total Tax Collections</b>	<b>Total Collections As Percent Of Levy</b>
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	1,969,961	1,926,147	43,814	97.8	50,980	2.6	1,918,981	97.4
2009	2008	1,886,889	1,825,204	61,685	96.7	48,048	2.5	1,838,841	97.5
2008	2007	1,817,863	1,774,524	43,339	97.6	N/A	N/A	1,774,524	97.6
2007	2006	1,682,372	1,653,059	29,313	98.3	N/A	N/A	1,653,059	98.3
2006	2005	1,645,599	1,596,785	48,814	97.0	N/A	N/A	1,596,785	97.0
2005	2004	1,410,469	1,374,216	36,253	97.4	N/A	N/A	1,374,216	97.4
2004	2003	1,181,395	1,144,746	36,649	96.9	N/A	N/A	1,144,746	96.9
2003	2002	1,178,787	1,157,264	21,523	98.2	N/A	N/A	1,157,264	98.2

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

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

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

Fiscal Year	Governmental Activities					Business-type Activities	Total Primary Government	Percentage Of Personal Income (1)	Per Capita
	Capital Lease Obligations	Leasehold Revenue Bonds	Certificates Of Participation	Tax Increment Revenue Notes	Loan Payable	Revenue Bonds			
2012	\$ -	\$ -	\$ 36,170,000	\$ 4,313,456	\$ -	\$ 22,055,000	\$ 62,538,456	1,279.32 %	\$ 4,146
2011	-	-	38,195,000	4,216,137	-	18,420,000	60,831,137	1,322.42	4,053
2010	20,647	-	26,835,000	3,793,925	-	19,380,000	50,029,572	1,083.81	3,307
2009	41,622	-	26,840,000	-	-	20,315,000	47,196,622	1,022.43	3,288
2008	61,937	-	30,965,000	-	-	20,405,000	51,431,937	1,102.15	3,574
2007	82,582	-	4,575,000	-	7,364,451	490,000	12,512,033	288.18	878
2006	82,582	-	5,000,000	-	-	570,000	5,652,582	130.19	402
2005	-	565,000	-	-	-	645,000	1,210,000	27.87	86
2004	-	1,110,000	-	-	-	715,000	1,825,000	42.03	132
2003	-	1,635,000	-	-	-	780,000	2,415,000	55.62	177

(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, 2012**

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
<b>Direct:</b>			
City of Washington	\$ -	100.00 %	\$ -
<b>Overlapping:</b>			
East Central College	17,478,640	22.97	4,015,213
Washington School District	32,395,000	51.37	16,642,425
Franklin County	<u>80,373,843</u>	18.17	<u>14,604,685</u>
	<u>\$ 130,247,483</u>		<u>\$ 35,262,323</u>
Per capita direct and overlapping general obligation debt			\$ 2,510.67
Ratio of direct and overlapping general obligation debt to assessed value			10.48 %
Ratio of direct and overlapping general obligation debt to estimated actual value			2.58 %

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	\$ 336,326,783
Debt Limit - 10% of Total Assessed Valuation	\$ 33,632,678
Amount of Debt Subject to Limit	
Total Bonded Debt	-
Less: Amounts available in Debt Service Fund	-
Total Amount Of Debt Applicable To Debt Limit	-
Legal Debt Margin	\$ 33,632,678

	For The Years Ended September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$ 33,632,678	33,052,272	31,648,586	31,648,586	33,041,943	31,648,586	30,506,174	28,317,992	28,096,286	23,745,276
Net Debt Applicable To Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 33,632,678	33,052,272	31,648,586	31,648,586	33,041,943	31,648,586	30,506,174	28,317,992	28,096,286	23,745,276
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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Age (1)</b>	<b>Median Household Income (1)</b>	<b>Per Capita Income (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
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
2003	13,631	N/A	43,417	N/A	N/A	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	2012			2003		
		Employees	Rank	Percent Of Total City Employment	Employees	Rank	Percent Of Total City Employment
Parker Hannifin (Sporlan Valve Div)	Manufacturer	1,278	1	6.36 %	637	2	3.17 %
Mercy Hospital	Health care	1,208	2	6.01	760	1	3.78
Washington School District	School district	600	3	2.99	-	-	-
CG Powers (Pauwels Transformers)	Manufacturer	460	4	2.29	288	6	1.43
Wal-Mart Super Center	Retail merchant	388	5	1.93	430	4	2.14
Magnet	Manufacturer	252	6	1.25	363	5	1.81
RTI Tradco	Manufacturer	203	7	1.01	-	-	-
Rawlings Sporting Goods Co.	Manufacturer	188	8	0.94	223	7	1.11
Valent Aerostructures	Manufacturer	150	9	0.75	-	-	-
Frick's Quality Meats	Meat processing	146	10	0.73	-	-	-
Hazel Promotional Products	Manufacturer	-	-	-	550	3	2.74
Missourian	Publishing	-	-	-	221	8	1.10
Schnucks	Grocery store	-	-	-	159	9	0.79
Canam Steel	Manufacturer	-	-	-	140	10	0.70

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Administration:										
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Emergency Preparedness Director	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
City Clerk/Human Resources Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Executive Secretary/Deputy City Clerk	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk - Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic development:										
Economic Developer Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Developer	-	0.5	0.5	-	-	-	-	-	-	-
Legal:										
Municipal Judge	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
City Attorney	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Court Clerk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Deputy Court Clerk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Building maintenance:										
Building Maintenance Supervisor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodian	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Communications:										
Director of Communications	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Lead Dispatcher	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Dispatcher	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Volunteer fire:										
Fire Chief	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodian	0.5	0.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Volunteer Fire Fighters	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0
Finance:										
Finance Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Finance Manager	-	-	1.0	1.0	-	-	-	-	-	-
General Ledger Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Accounts Payable Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Payroll/Accounts Receivable Clerk	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0
Special Accounts/Utility Billing Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Utility Billing Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cashier	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Information Technology:										
Information Technology Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Information Technology Specialist	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0
Library:										
Librarian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Librarian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Children's Librarian	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Shelvers	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

(Continued)

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

FUNCTIONS/PROGRAMS (Continued)	Full-Time Equivalent Employees As Of September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Parks and Recreation:</b>										
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	2.0
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	1.0	1.0	2.0	2.0	3.0	2.0
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	2.0
Parks and Recreation Laborer Seasonal	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
	24.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
<b>Planning and Engineering:</b>										
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	0.50	0.50	1.0	1.0	1.0	1.0	1.0	-	-
Assistant City Engineer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building Official	1.0	1.0	1.0	1.0	1.0	1.0	-	-	1.0	1.0
Building Inspector	1.0	1.0	1.0	1.0	2.0	1.0	2.0	2.0	1.0	1.0
Engineering Technician	1.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0
Infrastructure Inspector	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Zoning Officer	-	-	-	-	-	-	-	-	-	1.0
Engineering Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning and Engineering Services Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Police:</b>										
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	-	-
Police Lieutenant	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Police Sergeant	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	1.0	1.0
Detective	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	-	-
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	12.0	12.0	12.0	12.0	12.0	12.0	16.0	16.0
Patrol Officer - Traffic Safety	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	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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
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	4.0	3.0	3.0	2.0	2.0	2.0	1.0
Landfill Laborer	2.0	2.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Landfill Equipment Operator	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Compost Laborer	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Refuse Collector	2.0	2.0	2.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0
Street:										
Streets and Sanitation Super-										
intendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets Foreman	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Streets Equipment Operator	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Streets Lead Laborer	3.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets Truck Driver	-	-	-	1.0	-	-	2.0	2.0	2.0	1.0
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	4.5	4.0	5.0	4.0	4.0	3.0	3.0	3.0	1.0
Wastewater:										
Wastewater Treatment Plant										
Operator III	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Wastewater Plant Operator III	1.0	1.0	1.0	1.0	1.0	-	-	-	-	1.0
Lab Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wastewater Plant Operator II/										
Mechanic	1.0	1.0	1.0	1.0	1.0	-	-	-	-	1.0
Wastewater Plant Operator I	3.0	3.0	3.0	2.0	1.0	-	-	-	-	1.0
Secretary	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water:										
Water and Wastewater Super-										
intendent	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water and Wastewater Assistant										
Superintendent	-	-	-	-	1.0	-	-	-	-	-
Water and Wastewater Foreman	1.0	1.0	1.0	2.0	1.0	2.0	2.0	2.0	2.0	1.0
Water and Wastewater Lead										
Laborer	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	-
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	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water and Wastewater Laborer	1.0	1.0	1.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0
Water and Wastewater Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	<u>239.5</u>	<u>235.8</u>	<u>231.8</u>	<u>237.8</u>	<u>230.8</u>	<u>227.8</u>	<u>226.8</u>	<u>225.8</u>	<u>229.8</u>	<u>222.8</u>

Source: Finance Department

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

FUNCTIONS/PROGRAMS	As Of September 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Communications:										
Total Calls Handled:										
Police	37,162	35,353	34,892	37,525	37,087	25,812	18,378	19,291	29,052	30,018
Ambulance District	2,741	2,703	2,497	2,668	2,650	2,607	2,492	2,498	1,725	1,534
Fire	665	740	731	719	745	840	753	768	679	657
911 Calls	4,854	4,600	6,866	4,900	3,945	4,016	4,017	3,875	3,566	3,276
Fire:										
Number of Calls	634	712	731	719	745	841	753	768	679	657
Average Response Time	5:01	4:55	5:33	5:52	5:22	5:15	4:56	4:17	4:20	4:43
Number of City Calls	421	479	477	484	482	527	508	498	426	430
Average Response Time	4:14	4:42	3:50	4:04	4:14	4:23	4:08	3:29	3:20	3:53
Number of Rural Calls	132	149	187	162	190	222	172	194	182	164
Average Response Time	7:20	6:58	7:07	7:43	7:42	7:36	7:51	6:13	6:40	6:47
Police:										
Total Calls	37,573	38,414	34,922	37,781	36,030	37,491	33,187	33,958	39,020	32,572
Total Reports Filed	2,846	2,780	2,711	2,773	2,614	2,722	2,594	2,791	2,545	2,399
Municipal court:										
Total Letters	747	771	1,105	1,093	1,070	996	907	493	454	507
Total Continuances	2,235	1,905	3,324	3,717	3,775	4,059	3,182	2,534	2,364	2,819
Trial Setting	205	78	98	209	175	158	107	127	76	114
Total Warrants	608	724	1,023	1,024	952	927	759	580	659	552
Total Probation	Unknown	128	279	369	410	478	406	305	281	384
Total Balance Due Continued	Unknown	1,916	3,046	2,787	2,658	2,844	2,361	2,327	1,851	1,563
Total Cases Closed	1,463	2,894	5,090	5,567	5,322	4,317	3,257	2,259	1,901	1,852
Finance:										
Number of Accounts Payable Processed	8,779	8,909	8,276	7,686	8,354	10,152	10,307	9,830	9,773	10,010
Number of Accounts Receivable Processed	2,041	1,909	1,949	1,792	2,039	2,219	2,297	2,365	2,192	1,709
Number of Business Licenses Issued	1,041	809	1,131	1,100	1,085	1,084	1,117	1,118	1,109	1,045
Number of Water Bills Issued	74,664	74,611	74,550	74,505	74,496	73,302	72,535	71,390	70,081	70,151
Number of Tax Bills Assessed	13,641	13,326	13,379	13,379	13,247	13,194	13,146	12,956	13,088	12,951
Information technology:										
Internet Service Calls	38	79	86	83	67	72	56	29	26	27
Communication Service Calls	73	65	89	123	93	78	117	57	51	56
AS/400 Service Calls	59	39	53	31	49	60	56	52	51	30
Application Service Calls	1,663	1,537	1,352	1,284	1,128	1,012	925	1,051	1,107	730
Hardware Service Calls	227	231	193	254	237	306	510	318	355	273
City Web Site Hits (average per week)	1,639	1,147	1,003	1,221	1,126	Unknown	Unknown	1,100	1,000	500

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	13	13	13	14	14	14	13	13	13	12
Unmarked patrol units	7	7	7	7	7	7	7	7	7	7
Public works:										
Miles of streets	88.27	88.27	88.27	88.15	87.57	N/A	N/A	N/A	N/A	N/A
Traffic lights and signals	3	3	3	3	3	3	3	3	3	3
Street lights in city limits	1,182	1,247	1,241	1,241	1,241	1,204	1,199	1,095	1,095	N/A
Miles of water lines	110	109	109	109	109	108	107	102	N/A	N/A
Miles of sanitary sewers	103	103	103	103	103	102	101	97	77	N/A
Miles of sidewalks	31	31	30	27	27	27	27	27	27	N/A
Number of wells	9	9	9	9	9	9	9	9	10	10
Number of water towers	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Number of parks	12	12	12	12	12	11	11	11	11	11
Acres of parks	222	222	222	202	202	202	202	202	202	202
Miles of walking trail	9.5	9.5	9.5	9.5	9.5	7.5	7.5	7.5	7.5	7.5
Playgrounds	7	7	7	7	7	7	6	6	6	6
Swimming pools	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

Note: N/A = Not available