
**CITY OF WENTZVILLE,
MISSOURI**

FINANCIAL REPORT
(Audited)

Year Ended December 31, 2007

CITY OF WENTZVILLE, MISSOURI
FINANCIAL REPORT

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

INDEPENDENT AUDITORS' REPORT

June 13, 2008

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF WENTZVILLE, MISSOURI** (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 December 31, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2008, 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

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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 should be considered in assessing the results of our audit.

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

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

Hochschild Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WENTZVILLE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2007

Our discussion and analysis of the City of Wentzville Missouri's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the City's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended December 31, 2007, the City's total net assets increased by \$19,722,132 from \$97,535,436 to \$117,257,568, or 20% from the prior year.
- During the year, the City's expenses for governmental activities were \$20,064,325 and were funded by program revenues of \$13,316,302 and further funded with taxes and other general revenues that totaled \$19,001,317.
- In the City's business-type activities, such as utilities, revenues exceeded expenses by \$7,468,838.
- General Fund fund balance increased \$1,353,589. At December 31, 2007, the General Fund fund balance of \$8,368,466 is an increase of 19% from the prior year.
- Park Fund has a fund balance of \$1,067,794 after receiving transfers totaling \$1,646,288 from the General Fund and the Capital Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

As mentioned above, in the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

**CITY OF WENTZVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

- Governmental activities -- Most of the City's basic services are reported here, including the police, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, and sanitation activities are reported here.
- Blended component units -- These account for activities of the City's reporting entity that meet the criteria for blending, specifically Economic Development Council.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

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

CITY OF WENTZVILLE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2007

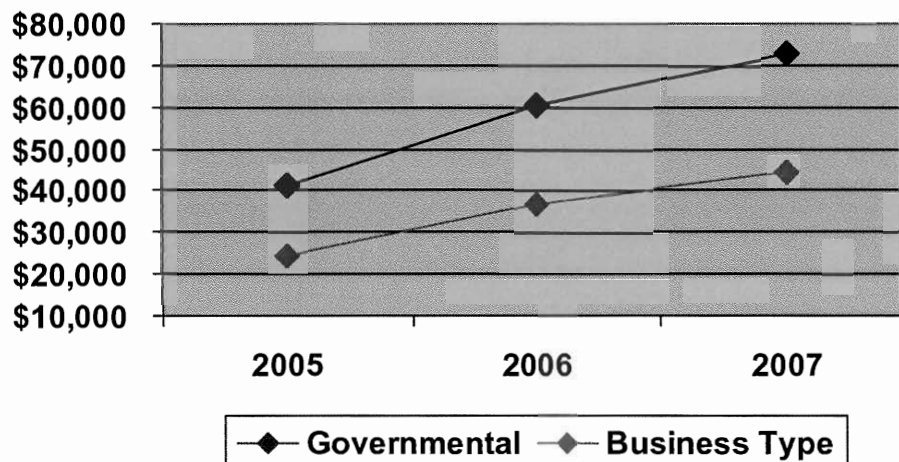
A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets

The City's combined net assets increased from \$97,535,436 to \$117,257,568 between fiscal years 2006 and 2007. Looking at the net assets of governmental and business-type activities separately, governmental activities at \$12,238,191 had a larger increase than business-type activities at \$7,483,941.

	Governmental Activities			Business-Type Activities			Total		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
ASSETS									
Current and other assets	\$11,875,961	11,997,372	14,854,920	37,279,168	33,230,196	29,996,297	49,155,129	45,227,568	44,851,217
Capital assets, net	38,253,495	58,236,873	68,834,235	34,670,007	57,838,945	72,188,807	72,923,502	116,075,818	141,023,042
Total Assets	50,129,456	70,234,245	83,689,155	71,949,175	91,069,141	102,185,104	122,078,631	161,303,386	185,874,259
LIABILITIES									
Current liabilities	1,933,161	3,058,352	1,883,001	3,090,375	12,034,793	16,679,916	5,023,536	15,093,145	18,112,917
Noncurrent liabilities	6,837,067	6,627,904	9,019,974	44,562,815	42,046,901	41,033,800	51,399,882	48,674,805	50,053,774
Total Liabilities	8,770,228	9,686,256	10,902,975	47,653,190	54,081,694	57,713,716	56,423,418	63,767,950	68,616,691
NET ASSETS									
Net assets invested in capital assets, et of related debt	36,598,495	56,726,873	61,342,757	17,470,521	35,445,503	35,731,210	54,069,016	92,172,376	97,073,967
Restricted	640,261	437,669	2,442,209	2,161,776	2,408,302	2,407,613	2,802,037	2,845,971	4,849,822
Unrestricted	4,120,472	3,383,447	9,001,214	4,663,688	(866,358)	6,332,565	8,784,160	2,517,089	15,333,779
Total Net Assets	\$41,359,228	60,547,989	72,786,180	24,295,985	36,987,447	44,471,388	65,655,213	97,535,436	117,257,568

Net Assets
(in 000's)



CITY OF WENTZVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Changes in Net Assets

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

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

For the year ended December 31, 2006 net assets of the primary changed as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues	\$20,284,370	21,063,448	41,347,818
Taxes and other general revenues	16,330,070	711,814	17,041,884
Total Revenues	36,614,440	21,775,262	58,389,702
Expenses			
General government	4,734,747	-	4,734,747
Public safety	5,069,540	-	5,069,540
Community development	5,371,645	-	5,371,645
Parks and recreation	2,007,723	-	2,007,723
Interest on long-term debt	224,529	-	224,529
WEDC	-	1,704,047	1,704,047
Trash/natural gas	-	1,313,118	1,313,118
Water and sewer facility	-	6,084,130	6,084,130
Total Expenses	17,408,184	9,101,295	26,509,479
Revenues over (under) expenses	19,206,256	12,673,967	31,880,223
Transfers	(17,495)	17,495	-
Change in Net Assets	\$19,188,761	12,691,462	31,880,223

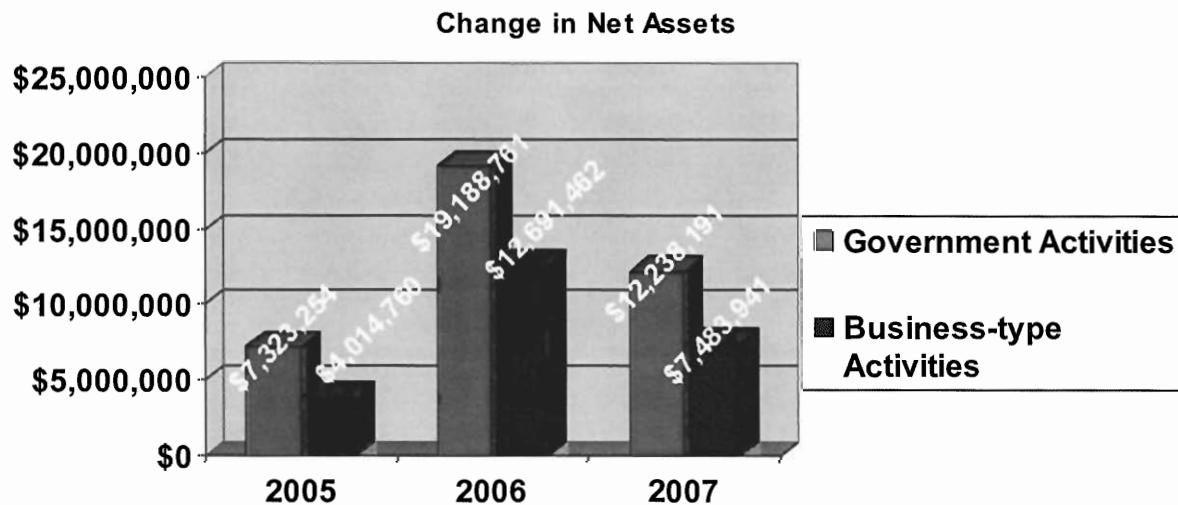
CITY OF WENTZVILLE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2007

For the year ended December 31, 2007 net assets of the primary changed as follows:

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues	\$13,316,302	17,046,454	30,362,756
Taxes and other general revenues	19,001,317	1,206,204	20,207,521
Total Revenues	32,317,619	18,252,658	50,570,277
Expenses			
General government	4,081,220	-	4,081,220
Public safety	5,799,258	-	5,799,258
Community development	7,758,672	-	7,758,672
Parks and recreation	2,274,789	-	2,274,789
Interest on long-term debt	150,386	-	150,386
WEDC	-	1,730,263	1,730,263
Trash	-	1,492,685	1,492,685
Water	-	3,559,571	3,559,571
Wastewater	-	4,001,301	4,001,301
Total Expenses	20,064,325	10,783,820	30,848,145
Revenues over (under) expenses	12,253,294	7,468,838	19,722,132
Transfers	(15,103)	15,103	-
Change in Net Assets	\$12,238,191	7,483,941	19,722,132



Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net revenues (expenses). The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is

CITY OF WENTZVILLE, MISSOURI

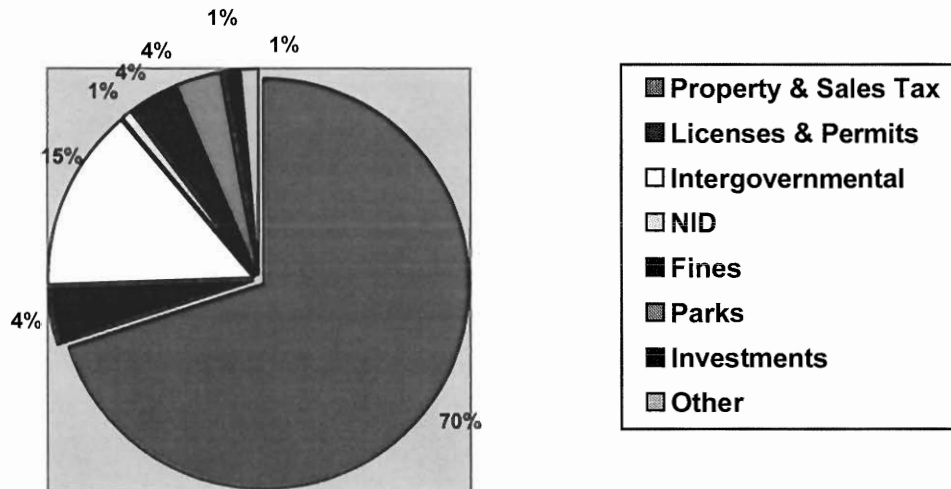
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2007

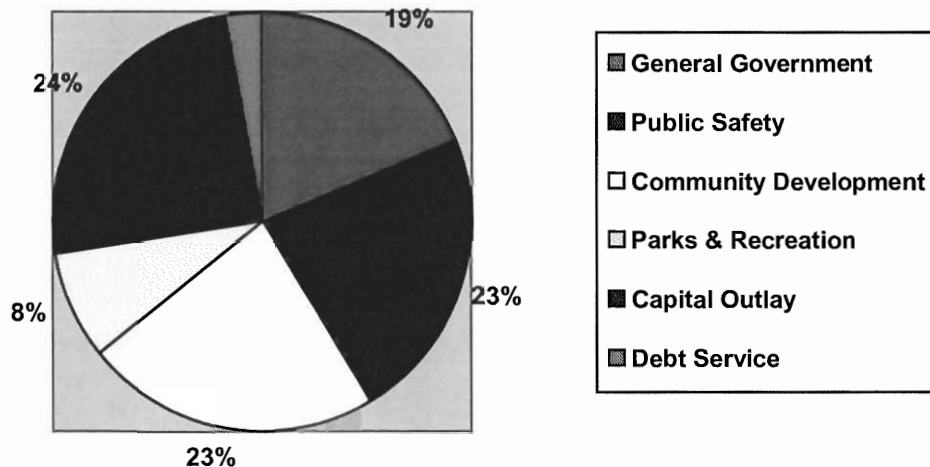
self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended December 31, 2007, the City's governmental fund activities were as follows:

Governmental Funds Revenues



Governmental Funds Expenditures



CITY OF WENTZVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Governmental Activities

	Total Expense of Services	Net Revenues (Expense) of Services
	<u>2007</u>	<u>2007</u>
General government	\$ 4,081,220	(2,927,202)
Public safety	5,799,258	(5,769,755)
Community development	7,758,672	3,397,474
Parks and recreation	2,274,789	(1,298,154)
Interest on long-term debt	150,386	(150,386)
Total	\$20,064,325	(6,748,023)

The City's governmental activities increase in net assets of \$12,238,191 represents a 20% increase in net assets for the prior year. In governmental activities revenues decreased from \$36,614,440 to \$32,317,619 or \$4,296,821. While taxes and other general revenues increased \$2,671,247, program revenues decreased \$6,968,068. The major contributor to this was in grants that reimburse the City for transportation projects and the dedication from developers of new infrastructure both declined.

Government wide expenses increased by 15% or \$2,656,141, from \$17,408,184 to \$20,064,325. Of these total expenses, taxpayers and other general revenues before transfers funded \$19,001,317, while those directly benefiting from the programs funded \$11,480,857 from grants and other contributions and \$1,835,445 from charges for services.

Of the increase in expenditures \$2,387,027 was in Community Development. These expenditures are due to depreciation of the infrastructure added in 2006 and the expense created by the M&B Sachs TIF.

Business-type Activities

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

- Total business-type activities reported program related revenues of \$17,046,454 and expenses of \$10,783,820 for a net increase of \$6,262,634.

	Total Expense of Services	Net Revenues (Expense) of Services
	<u>2007</u>	<u>2007</u>
Water	\$ 3,559,571	4,089,455
Wastewater	4,001,301	1,808,759
Trash	1,492,685	(37,132)
WEDC	1,730,263	401,552
Total	\$10,783,820	6,262,634

In Business type activities program revenues decreased by \$4,016,994 or 19%, meanwhile expenses increased by \$1,682,525 or 18%. The increase in expenses is related to the Water and Sewer Utilities, which in 2007 had expenses of \$7,560,872 compared to \$6,084,130 in 2006. A \$1,476,742 increase. \$1,152,000 of this amount is related to the engineering for the next phase of the wastewater treatment plant expansion. The decrease in revenue is related to the \$4,883,009 decrease in capital grant and contributions. This is due to a decrease in contributed capital from 2006 for dedications of infrastructure from developers.

CITY OF WENTZVILLE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2007

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2007 fiscal year, the governmental funds reported a combined fund balance of \$10,319,339 a \$2,809,463 (37%) increase from the prior year. The Enterprise Funds reported combined net assets of \$44,471,388 or a 20% increase from 2006.

Other fund highlights include:

- For the year ended December 31, 2007, the General Fund's total fund balance increased by \$1,353,589 or 19%.
- The Park Special Revenue Fund's total fund balance increased by \$755,994 including a transfer in of \$1,646,288.
- The Water and Wastewater Fund was split into separate funds in 2007. The Water Fund reported an increase in net assets for the year ended December 31, 2007 of \$4,294,637 (31%) and the Wastewater Fund reported an increase of \$2,693,738 (11%).
- The wastewater treatment plant expansion is being financed by \$19,430,000 in revenue bonds through the State of Missouri Department of Natural Resources revolving fund program. The voters actually passed authority for thirty million dollars worth of bonds. The remaining balance will be used for phase two of the expansion in 2009 or 2010.

General Fund Budgetary Highlights

Actual revenues were \$14,943,834 or 7% more than the revised budget. Expenditures were \$13,121,808 or 17% under revised budget. One reason for this is that the City budgets a Budget Stabilization (Reserve) account for unforeseen expenditures each year. The balance in Budget Stabilization on December 31, 2007 was \$882,750.

Fiscal year 2007 revenues were budgeted originally at \$415,347 more than the 2006 actual, a 3% increase. The actual increase of 2007 over 2006 is \$1,403,275 or 10%. The increase in revenues from 2006 actual to 2007 actual occurred in property and sales tax \$1,593,723, or 114% of the total increase. Permits reported a decrease of \$235,742 primarily related to the down turn in the housing market and national economy.

Expenditures were originally budgeted to increase \$3,580,921 or 31% over 2006 actual, the actual increase in expenditures was \$1,478,826 or 13% over the 2006 actual. The primary increases were personnel among all departments, 4 in police (\$285,062) including equipment and 5.5 in public works (\$449,094) including equipment and vehicles.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2005, the City had \$72,923,502 invested in capital assets, net of depreciation, including police equipment, buildings, park facilities, water lines, and sewer lines. At the end of December 31, 2006 the amount had increased to \$116,075,818, an increase of \$43,152,316 or 59%. By the end of 2007 the amount has risen to \$141,023,042, an increase of \$24,947,224 or 21% for 2007. Thus the City's assets continue to grow at a very good pace.

CITY OF WENTZVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Primary Government Capital Assets
(Net of accumulated depreciation)

	Governmental Activities			Business-Type Activities			Total		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Land	\$ 8,619,703	8,709,249	9,315,365	1,354,509	1,230,161	1,276,331	9,974,212	9,939,410	10,591,696
Buildings	2,219,204	2,088,555	1,941,067	6,531,374	6,287,465	24,963,265	8,750,578	8,376,020	26,904,332
Infrastructure	20,490,898	38,059,486	44,238,120	23,274,958	32,801,455	42,638,613	43,765,856	70,860,941	86,876,733
Equipment	2,976,041	2,878,059	3,107,264	320,045	745,923	930,877	3,296,086	3,623,982	4,038,141
Construction in progress	3,947,649	6,501,524	10,232,419	3,189,121	16,773,941	2,379,721	7,136,770	23,275,465	12,612,140
Totals	\$38,253,495	58,236,873	68,834,235	34,670,007	57,838,945	72,188,807	72,923,502	116,075,818	141,023,042

General activities increased by \$10,597,362, business activities increased by \$14,349,862.

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

Primary Government Long-Term Debt

In 2005 the City incurred \$4,714,771 in notes payable for the purchase of 28 acres for the Park Department. The Sewerage System Revenue Bond of \$19,430,000 and the Series 2005 Leasehold Bonds of \$7,540,000 were new debt. The Sewerage System Bonds were to finance the expansion of the wastewater treatment plant. The Series 2005 Leasehold Bonds were for the construction of a water tower, booster pumping station, and associated water mains. These projects were completed during 2007.

In 2007, the City added the Tax Incremental Financing Notes for M&B Sachs TIF. Also, now included in the schedule are various other notes payable that include \$581,400 for the purchase of 75 acres of park land and \$900,088 in various street projects that have been funded by developers and are being paid back over time, usually 3 years. The City's changes in long-term debt by type of debt are as follows:

	Governmental Activities			Business-type Activities			Total			Percentage Change
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2006-2007
Accrued absences	\$ 467,296	530,959	588,398	24,814	26,666	35,145	492,110	557,625	623,543	12%
Notes Payable/Rev Bonds	4,714,771	4,714,771	4,664,552	-	-	-	4,714,771	4,714,771	4,664,552	(1%)
Notes Payable Other	-	-	1,481,488	-	-	-	-	-	1,481,488	100%
TIF Notes	-	-	1,002,000	-	-	-	-	-	1,002,000	100%
Neighborhood Improvement District Bonds	1,655,000	1,510,000	1,400,000	-	-	-	1,655,000	1,510,000	1,400,000	(7%)
Sewerage System Revenue Bonds	-	-	-	19,430,000	19,430,000	19,430,000	19,430,000	19,430,000	19,430,000	-
Leasehold Revenue Bonds	-	-	-	25,125,000	23,175,000	22,100,000	25,125,000	23,175,000	22,100,000	(5%)
Totals	\$6,837,067	6,755,730	9,136,438	44,579,814	42,631,666	41,565,145	51,416,881	49,387,396	50,701,583	3%

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

CITY OF WENTZVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The 2008 budget includes expenditures of \$49,495,629 and revenues of \$46,734,299. The 2008 revenues are a decrease of \$3,981,578 from the 2007 amended budget. The decrease is primarily due to the reduction in grant funds for capital projects and decreases in expected growth in the new housing market. Sales taxes continue to grow, with the growth of the retail community, thus the City included a 7% increase or \$532,602 over 2007 revenues.

Expenditures in 2008 will be decreased to \$49,495,629 from the 2007 amended budget of \$55,949,006, again, because of the reduction in the amount allocated for capital projects now that the \$20,000,000 wastewater treatment plant expansion has been completed. Because of the growth of the City, from a population of 6,800 in 2000 to 25,000 at the end of 2007, the City has added 9.5 positions in 2008. The City has added a Stormwater Utility Fund for 2008 to track revenues and expenditure in this area. Continued residential growth and expansion of the commercial base is still happening just at a slower pace. The increase in commercial growth and sales taxes will help support the needs of the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 310 W. Pearce, Wentzville, MO 63385 or by phone (636) 327-5101.

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Primary Government			Component
	Governmental	Business-type		Unit - Community
	Activities	Activities	Total	Improvement
				District
ASSETS				
Cash and cash equivalents	\$ 4,215,794	6,575,311	10,791,105	63,850
Investments	2,149,364	-	2,149,364	-
Receivable:				
Property tax, net	3,398,130	-	3,398,130	12,438
Other taxes	2,576,118	-	2,576,118	31,709
Accounts, net	1,491,048	723,276	2,214,324	-
Accrued interest	26,186	60,990	87,176	-
Internal balances	58,810	(58,810)	-	-
Inventories	107,050	437,869	544,919	-
Prepaid items	494,358	50,792	545,150	-
Restricted assets:				
Cash and cash equivalents	283,500	597,992	881,492	-
Investments	-	21,011,075	21,011,075	-
Deferred charges	54,562	597,802	652,364	24,090
Capital assets:				
Land and construction in progress	19,547,784	3,656,052	23,203,836	-
Other capital assets, net of accumulated depreciation	49,286,451	68,532,755	117,819,206	-
Total Assets	<u>83,689,155</u>	<u>102,185,104</u>	<u>185,874,259</u>	<u>132,087</u>
LIABILITIES				
Accounts payable	1,146,884	653,739	1,800,623	-
Retainage payable	1,778	463,154	464,932	-
Accrued liabilities	368,857	552,368	921,225	-
Interest payable	328,122	847,157	1,175,279	237,012
Customer deposits	2,500	410,999	413,499	-
Payable from restricted assets:				
Court bonds	34,860	-	34,860	-
2005 SRF reserve deposit	-	12,733,707	12,733,707	-
Unearned revenues	-	1,018,792	1,018,792	-
Noncurrent liabilities:				
Due within one year	657,766	1,857,029	2,514,795	-
Due in more than one year	8,362,208	39,176,771	47,538,979	3,735,134
Total Liabilities	<u>10,902,975</u>	<u>57,713,716</u>	<u>68,616,691</u>	<u>3,972,146</u>
NET ASSETS				
Invested in capital assets, net of related debt	61,342,757	35,731,210	97,073,967	-
Restricted for protested taxes	4,780	-	4,780	-
Restricted for transportation	317,628	-	317,628	-
Restricted for capital improvements	388,583	-	388,583	-
Restricted for NID projects	1,671,433	-	1,671,433	-
Restricted for tax increment financing	59,785	-	59,785	-
Restricted for debt service	-	2,407,613	2,407,613	-
Unrestricted	9,001,214	6,332,565	15,333,779	(3,840,059)
Total Net Assets	<u>\$ 72,786,180</u>	<u>44,471,388</u>	<u>117,257,568</u>	<u>(3,840,059)</u>

See notes to financial statements

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS/PROGRAMS	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	
Primary Government	Expenses				Total	
Governmental Activities						
General government	\$ 4,081,220	924,498	160,257	(2,927,202)	(2,927,202)	-
Public safety	5,799,258	17,266	-	(5,769,755)	(5,769,755)	-
Community development	7,758,672	3,441,485	7,714,661	3,397,474	3,397,474	-
Parks and recreation	2,274,789	893,681	-	(1,298,154)	(1,298,154)	-
Interest and fiscal charges	150,386	-	-	(150,386)	(150,386)	-
Total Governmental Activities	20,064,325	3,605,939	7,874,918	(6,748,023)	(6,748,023)	-
Business-type Activities						
Water	3,559,571	5,227,839	2,421,187	-	4,089,455	-
Sewer	4,001,301	3,115,684	2,694,376	-	1,808,759	-
Trash	1,492,685	1,455,553	-	-	(37,132)	-
Wentzville Economic Dedvelopment Council	1,730,263	2,085,645	46,170	-	401,552	-
Total Business-type Activities	10,783,820	11,884,721	5,161,733	-	6,262,634	-
Total Primary Government	\$ 30,848,145	3,605,939	13,036,651	(6,748,023)	(485,389)	-
Component Unit						
Community Improvement District	\$ 3,952,169	-	-	-	-	(3,952,169)
General Revenues						
Taxes - property and sales				17,184,822	-	111,041
Licenses and permits				1,105,427	-	-
Investment income				350,247	1,194,224	75
Miscellaneous				360,821	11,980	994
Transfers				(15,103)	15,103	-
Total General Revenues And Transfers				18,986,214	1,221,307	112,110
CHANGE IN NET ASSETS				12,238,191	7,483,941	(3,840,059)
NET ASSETS, JANUARY 1				60,547,989	36,987,447	-
NET ASSETS, DECEMBER 31				\$ 72,786,180	44,471,388	(3,840,059)

See notes to financial statements

CITY OF WENTZVILLE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General Fund	Park Fund	Transportation Fund	Capital Improvement Fund	Neighborhood Improvement District Fund	Tax Increment Financing District Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,452,219	743,922	1,817	-	13,600	12	3,211,570
Investments	2,048,893	-	-	886	99,585	-	2,149,364
Receivable:							
Property taxes, net	2,805,605	439,788	-	-	152,737	-	3,398,130
Other taxes	1,272,335	-	853,803	387,662	2,545	59,773	2,576,118
Other	83,607	8,373	-	-	1,399,068	-	1,491,048
Accrued interest	22,253	-	-	35	3,898	-	26,186
Inventories	81,899	8,000	17,151	-	-	-	107,050
Prepaid items	426,325	59,181	8,852	-	-	-	494,358
Restricted assets:							
Cash and cash equivalents	283,500	-	-	-	-	-	283,500
Due from other funds	463,532	-	-	-	-	-	463,532
Total Assets	\$ 9,940,168	1,259,264	881,623	388,583	1,671,433	59,785	14,200,856
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 785,665	119,117	129,283	-	-	-	1,034,065
Retainage payable	-	-	1,778	-	-	-	1,778
Due to other funds	-	-	432,934	-	-	-	432,934
Accrued liabilities	335,915	32,942	-	-	-	-	368,857
Customer deposits	-	2,500	-	-	-	-	2,500
Payable from restricted assets - court bonds	34,860	-	-	-	-	-	34,860
Deferred revenue	415,262	36,911	-	-	1,554,350	-	2,006,523
Total Liabilities	1,571,702	191,470	563,995	-	1,554,350	-	3,881,517
Fund Balances							
Reserved for:							
Encumbrances	335,232	18,041	992,840	-	-	-	1,346,113
Protested taxes	4,780	-	-	-	-	-	4,780
Inventory and prepaid items	508,224	67,181	26,003	-	-	-	601,408
Unreserved:							
General Fund	7,520,230	-	(701,215)	-	-	-	7,520,230
Special Revenue Funds	-	982,572	-	-	-	59,785	341,142
Capital Projects Funds	-	-	-	388,583	117,083	-	505,666
Total Fund Balances	8,368,466	1,067,794	317,628	388,583	117,083	59,785	10,319,339
Total Liabilities And Fund Balances	\$ 9,940,168	1,259,264	881,623	388,583	1,671,433	59,785	14,200,856

CITY OF WENTZVILLE, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERN-
MENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2007

Total Fund Balances - Governmental Funds	\$ 10,319,339
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 \$84,913,380 and the accumulated depreciation is \$16,079,145.	68,834,235
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,154,309
The Internal Service Fund is used by the City to charge for services provided for insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net assets.	771,831
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:	
Accrued interest payable	(328,122)
Accrued compensated absences	(588,398)
Bonds and notes payable outstanding	(8,431,576)
Bond issuance cost, net	<u>54,562</u>
Total Net Assets Of Governmental Activities	<u><u>\$ 72,786,180</u></u>

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Park Fund	Transportation Fund	Capital Improvement Fund	Neighborhood Improvement District Fund	Tax Increment Financing District Fund	Total Governmental Funds
REVENUES							
General property and sales taxes	\$ 12,141,248	494,489	2,367,467	2,229,863	-	59,773	17,292,840
Licenses and permits	1,099,840	-	-	-	-	-	1,099,840
Intergovernmental	81,500	82,954	3,441,485	-	-	-	3,605,939
NID assessments	-	-	-	-	160,257	-	160,257
Fines and forfeitures	947,351	-	-	-	-	-	947,351
Parks memberships and programs	-	893,681	-	-	-	-	893,681
Investment income	339,393	323	-	2,104	8,415	12	350,247
Miscellaneous	334,502	27,235	-	-	-	-	361,737
Total Revenues	14,943,834	1,498,682	5,808,952	2,231,967	168,672	59,785	24,711,892
EXPENDITURES							
Current:							
General government	2,389,677	-	1,460,944	557,045	1,996	-	4,409,662
Public safety	5,443,985	-	-	-	-	-	5,443,985
Community development	4,445,593	-	-	-	-	983,000	5,428,593
Parks and recreation	-	1,981,170	-	-	-	-	1,981,170
Capital outlay	842,553	989,206	4,027,321	-	-	-	5,859,080
Debt service:							
Principal	-	114,329	386,349	-	110,000	-	610,678
Interest and fiscal charges	-	-	3,425	-	57,787	-	61,212
Debt issue costs	-	-	-	-	-	19,000	19,000
Total Expenditures	13,121,808	3,084,705	5,878,039	557,045	169,783	1,002,000	23,813,380
REVENUES OVER (UNDER) EXPENDITURES	1,822,026	(1,586,023)	(69,087)	1,674,922	(1,111)	(942,215)	898,512
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	49,729	-	-	-	-	49,729
Issuance of tax increment revenue notes payable	-	-	-	-	-	1,002,000	1,002,000
Issuance of notes payable	-	646,000	228,325	-	-	-	874,325
Transfers in	220,307	1,646,288	383,422	-	-	-	2,250,017
Transfers out	(688,744)	-	-	(1,576,376)	-	-	(2,265,120)
Total Other Financing Sources (Uses)	(468,437)	2,342,017	611,747	(1,576,376)	-	1,002,000	1,910,951
NET CHANGES IN FUND BALANCES	1,353,589	755,994	542,660	98,546	(1,111)	59,785	2,809,463
FUND BALANCES (DEFICIT), JANUARY 1	7,014,877	311,800	(225,032)	290,037	118,194	-	7,509,876
FUND BALANCES, DECEMBER 31	\$ 8,368,466	1,067,794	317,628	388,583	117,083	59,785	10,319,339

See notes to financial statements

CITY OF WENTZVILLE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net Change In Fund Balances - Governmental Funds \$ 2,809,463

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 (\$5,668,601) exceeded depreciation (\$2,720,268) in the current period. 2,948,333

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. 7,649,029

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds adjusted for deferred revenue. (40,559)

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, discount, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:

Notes payable	(874,325)
Tax increment revenue notes payable	(1,002,000)
Issuance costs	19,000

Repayments:

Bonds payable	110,000
Notes payable	500,678
Amortization	(15,407)

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	(73,767)
Accrued compensated absence liability - net increase	(57,439)

The Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities in the statement of activities. 265,185

Change In Net Assets Of Governmental Activities \$ 12,238,191

See notes to financial statements

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water Fund	Wastewater Fund	Trash Fund	Wentzville Economic Development Council Fund	Eliminations	Totals	
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 5,249,972	1,269,571	-	55,768	-	6,575,311	1,004,224
Receivable:							
Accounts, net	279,431	395,227	35,080	13,538	-	723,276	-
Other	-	4,100,625	-	-	(4,100,625)	-	-
Accrued interest	21,957	6,566	-	32,467	-	60,990	-
Inventories	417,066	20,803	-	-	-	437,869	-
Prepaid items	29,458	20,092	1,242	-	-	50,792	-
Due from other funds	1,344,992	-	-	-	-	1,344,992	-
Total Current Assets	<u>7,342,876</u>	<u>5,812,884</u>	<u>36,322</u>	<u>101,773</u>	<u>(4,100,625)</u>	<u>9,193,230</u>	<u>1,004,224</u>
Noncurrent Assets							
Capital assets:							
Land and construction in progress	229,070	1,792,797	165,273	1,468,912	-	3,656,052	-
Other capital assets, net of accumulated depreciation	11,914,277	38,632,356	-	19,060,901	(1,074,779)	68,532,755	-
Total Capital Assets	<u>12,143,347</u>	<u>40,425,153</u>	<u>165,273</u>	<u>20,529,813</u>	<u>(1,074,779)</u>	<u>72,188,807</u>	<u>-</u>
Restricted assets:							
Cash and cash equivalents	-	597,992	-	-	-	597,992	-
Investments	-	15,212,926	-	5,798,149	-	21,011,075	-
Deferred charges	-	264,333	-	333,469	-	597,802	-
Total Restricted Assets	<u>-</u>	<u>16,075,251</u>	<u>-</u>	<u>6,131,618</u>	<u>-</u>	<u>22,206,869</u>	<u>-</u>
Total Noncurrent Assets	<u>12,143,347</u>	<u>56,500,404</u>	<u>165,273</u>	<u>26,661,431</u>	<u>(1,074,779)</u>	<u>94,395,676</u>	<u>-</u>
Total Assets	<u>19,486,223</u>	<u>62,313,288</u>	<u>201,595</u>	<u>26,763,204</u>	<u>(5,175,404)</u>	<u>103,588,906</u>	<u>1,004,224</u>
LIABILITIES							
Current Liabilities							
Accounts payable	310,316	227,539	693	115,191	-	653,739	112,819
Retainage payable	-	337,032	-	126,122	-	463,154	-
Due to other funds	-	1,317,650	29,830	28,110	-	1,375,590	-
Accrued liabilities	23,049	528,555	764	-	-	552,368	-
Interest payable	-	428,757	-	2,494,025	(2,075,625)	847,157	-
Customer deposits	410,999	-	-	-	-	410,999	-
Deferred revenue	348,907	669,885	-	-	-	1,018,792	147,786
Compensated absences - current	4,179	2,652	198	-	-	7,029	-
Bonds payable - current	-	835,000	-	1,015,000	-	1,850,000	-
Total Current Liabilities	<u>1,097,450</u>	<u>4,347,070</u>	<u>31,485</u>	<u>3,778,448</u>	<u>(2,075,625)</u>	<u>7,178,828</u>	<u>260,605</u>
Noncurrent Liabilities							
Compensated absences	16,715	10,611	790	-	-	28,116	-
2005 SRF reserve deposit	-	12,733,707	-	-	-	12,733,707	-
Bonds payable	-	18,973,794	-	22,199,861	(2,025,000)	39,148,655	-
Total Noncurrent Liabilities	<u>16,715</u>	<u>31,718,112</u>	<u>790</u>	<u>22,199,861</u>	<u>(2,025,000)</u>	<u>51,910,478</u>	<u>-</u>
Total Liabilities	<u>1,114,165</u>	<u>36,065,182</u>	<u>32,275</u>	<u>25,978,309</u>	<u>(4,100,625)</u>	<u>59,089,306</u>	<u>260,605</u>
NET ASSETS							
Invested in capital assets, net of related debt	12,143,347	23,010,392	165,273	1,486,977	(1,074,779)	35,731,210	-
Restricted for debt service	-	-	-	2,407,613	-	2,407,613	-
Unrestricted	6,228,711	3,237,714	4,047	(3,109,695)	-	6,360,777	743,619
Total Net Assets	<u>\$ 18,372,058</u>	<u>26,248,106</u>	<u>169,320</u>	<u>784,895</u>	<u>(1,074,779)</u>	<u>44,499,600</u>	<u>743,619</u>
Adjustment to reflect the consolidation of the Internal Service Fund's activities related to Enterprise Funds						(28,212)	
Net Assets Of Business- type Activities						\$ 44,471,388	

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water Fund	Wastewater Fund	Trash Fund	Wentzville Economic Development Council Fund	Eliminations	Totals	
OPERATING REVENUES							
Charges for services	\$ 5,221,164	3,115,684	1,455,553	1,797,115	-	11,589,516	1,828,156
Licenses and permits	6,675	-	-	-	-	6,675	-
TIF assessments	-	-	-	288,530	-	288,530	-
Total Operating Revenues	5,227,839	3,115,684	1,455,553	2,085,645	-	11,884,721	1,828,156
OPERATING EXPENSES							
Personnel services	687,059	544,782	25,037	-	-	1,256,878	-
Other charges and services	2,060,812	1,406,956	17,400	-	-	3,485,168	1,270,825
Operating supplies	246,733	84,706	2,340	60	-	333,839	-
Repairs and maintenance	85,731	544,271	-	-	-	630,002	-
Depreciation and amortization	422,891	1,048,459	-	732,549	(56,566)	2,147,333	-
Contractual services	31,787	33,910	1,446,955	12,033	-	1,524,685	337,912
Total Operating Expenses	3,535,013	3,663,084	1,491,732	744,642	(56,566)	9,377,905	1,608,737
OPERATING INCOME (LOSS)	1,692,826	(547,400)	(36,179)	1,341,003	56,566	2,506,816	219,419
NONOPERATING REVENUES (EXPENSES)							
Investment income	175,695	873,360	-	347,669	(202,500)	1,194,224	15,686
Interest expense	(6,046)	(282,387)	-	(1,244,687)	202,500	(1,330,620)	-
Miscellaneous income	10,975	1,005	-	-	-	11,980	-
Loss on disposal of capital assets	-	(45,216)	-	-	-	(45,216)	-
Total Nonoperating Revenues (Expenses)	180,624	546,762	-	(897,018)	-	(169,632)	15,686
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,873,450	(638)	(36,179)	443,985	56,566	2,337,184	235,105
CAPITAL CONTRIBUTIONS	2,421,187	2,694,376	-	46,170	-	5,161,733	-
TRANSFERS							
Transfers in	-	-	15,103	-	-	15,103	-
CHANGES IN NET ASSETS	4,294,637	2,693,738	(21,076)	490,155	56,566	7,514,020	235,105
NET ASSETS, JANUARY 1	14,077,421	23,554,368	190,396	294,740	(1,131,345)	36,985,580	508,514
NET ASSETS, DECEMBER 31	\$ 18,372,058	26,248,106	169,320	784,895	(1,074,779)	44,499,600	743,619
Adjustment to reflect the consolidation of the Internal Service Fund's activities related to Enterprise Funds						(28,212)	
Net Assets Of Business-type Activities						\$ 44,471,388	

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water Fund	Wastewater Fund	Trash Fund	Wentzville Economic Development Council Fund	Totals	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
Cash flows from operating activities:						
Receipts from customers and users	\$ 5,183,177	2,649,622	1,456,873	2,072,897	11,362,569	-
Receipts from interfund services provided	-	-	-	-	-	1,946,040
Payments to suppliers	(2,589,726)	(3,048,345)	(1,466,461)	(439,141)	(7,543,673)	(1,560,053)
Payments to employees	(661,421)	(255,678)	(24,981)	-	(942,080)	-
Net Cash Provided By (Used In) Operating Activities	1,932,030	(654,401)	(34,569)	1,633,756	2,876,816	385,987
Cash flows from noncapital financing activities:						
Due to (from) other funds	528,133	(555,475)	19,466	28,110	20,234	-
Net transfers from other funds	-	-	15,103	-	15,103	-
Net Cash Provided By (Used In) Noncapital Financing Activities	528,133	(555,475)	34,569	28,110	35,337	-
Cash flows from capital and related financing activities:						
Purchase of capital assets	(353,030)	(10,901,789)	-	(884,567)	(12,139,386)	-
Principal payments on special obligation capital improve- ment bonds	-	-	-	(1,075,000)	(1,075,000)	-
Interest expense	(6,046)	(282,387)	-	(923,191)	(1,211,624)	-
Net Cash Used In Capital And Related Financing Activities	(359,076)	(11,184,176)	-	(2,882,758)	(14,426,010)	-
Cash flows from investing activities:						
Investment income	174,000	896,864	-	350,687	1,421,551	15,686
Investments purchased	-	(15,212,926)	-	(5,798,149)	(21,011,075)	-
Investments sold	1,528,104	1,366,656	-	1,990,486	4,885,246	-
Reserve deposits	-	6,654,388	-	-	6,654,388	-
Miscellaneous income	10,975	1,005	-	-	11,980	-
Net Cash Provided By (Used In) Investing Activities	1,713,079	(6,294,013)	-	(3,456,976)	(8,037,910)	15,686
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,814,166	(18,688,065)	-	(4,677,868)	(19,551,767)	401,673
CASH AND CASH EQUIVALENTS, JANUARY 1	1,435,806	20,555,628	-	4,733,636	26,725,070	602,551
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,249,972</u>	<u>1,867,563</u>	<u>-</u>	<u>55,768</u>	<u>7,173,303</u>	<u>1,004,224</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 1,692,826	(547,400)	(36,179)	1,341,003	2,450,250	219,419
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	422,891	1,048,459	-	732,549	2,203,899	-
(Increase) decrease in:						
Accounts receivables	(28,999)	(177,043)	1,320	(12,748)	(217,470)	102,196
Other receivable	-	(202,500)	-	-	(202,500)	-
Inventories	(78,841)	(2,806)	-	-	(81,647)	-
Prepaid items	(5,390)	(1,767)	(384)	-	(7,541)	-
Deferred charges	-	13,556	-	-	13,556	-
Increase (decrease) in:						
Accounts payable	(80,432)	(987,485)	618	(427,048)	(1,494,347)	48,684
Accrued liabilities	4,744	275,841	(43)	-	280,542	-
Compensated absences	20,894	13,263	99	-	34,256	-
Customer deposits	13,632	-	-	-	13,632	-
Deferred revenue	(29,295)	(86,519)	-	-	(115,814)	15,688
Total Adjustments	239,204	(107,001)	1,610	292,753	426,566	166,568
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,932,030</u>	<u>(654,401)</u>	<u>(34,569)</u>	<u>1,633,756</u>	<u>2,876,816</u>	<u>385,987</u>
Noncash activities:						
Capital contributions from developers	\$ 2,421,187	2,694,376	-	46,170	5,161,733	-
Payables for capital assets, December 31	<u>\$ -</u>	<u>544,634</u>	<u>-</u>	<u>168,871</u>	<u>713,505</u>	<u>-</u>

CITY OF WENTZVILLE, MISSOURI
STATEMENT OF NET ASSETS - FIDUCIARY FUND
DECEMBER 31, 2007

	<u>Agency Fund</u>
ASSETS	
Current Assets	
Cash and investments	\$ 64,066
Accounts receivable	<u>88,028</u>
 Total Current Assets	 <u><u>\$ 152,094</u></u>
 LIABILITIES	
Current Liabilities	
Due to others	<u><u>\$ 152,094</u></u>

CITY OF WENTZVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. The Financial Reporting Entity

The City defines its financial reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). Such standards require inclusion of component units based upon whether the City's governing body has any significant amount of financial accountability for potential component units (PCU). The City is financially accountable if it appoints a voting majority of a PCU's governing body and is able to impose its will on that PCU, or there is a potential for the PCU to provide specific financial benefits to, or impose specific financial burdens on, the City. The City's financial reporting entity consists of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of operational or financial relationships with the City.

Discretely Presented Component Unit

Wentzville Bluffs Community Improvement District (CID) -- The CID was incorporated in 2006. Three of the five directors of the CID are appointed by the City. The CID is organized to develop certain public and infrastructure improvements. The CID is a component unit of the City and is discretely presented as such in the financial statements.

Blended Component Unit

Wentzville Economic Development Council (WEDC) -- The WEDC was formed in 1994 as a Missouri not-for-profit corporation for the purpose of facilitating the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City. The WEDC is legally separate from the City; however, its governing body is substantively the same as the City's and, consequently, it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the accompanying financial statements and reported in a manner similar to the balances and transactions of the City itself.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2. Government-wide and Fund Financial Statements**

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

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

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

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

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

Governmental 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 com-

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

pensated absences and claims and judgments, are recorded only when payment is due (i.e., matured).

Property taxes, franchise taxes, licenses, court fines, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

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

Tax Increment Financing District Fund -- This fund is used to account for the activities related to the District.

The City reports the following major proprietary funds:

Water Fund -- This fund is used to account for operations of the City's water department.

Wastewater Fund -- This fund is used to account for operations of the City's wastewater department.

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

CITY OF WENTZVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

4. Cash, Cash Equivalents, and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

5. Special Assessments Receivable

Special assessments receivable represents the residents' portion of improvements related to the Neighborhood Improvement District which have been completed and billed. The City's portion of such improvements are expended as incurred. At the time of the levy, special assessments receivable in the amount of the levy and deferred revenue equal to the amount that is not currently available are recognized in the Neighborhood Improvement District Fund.

6. Inventories

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

7. Prepaid Items

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

8. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets (Continued)

historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 has been reported.

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

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

Assets	Years
Buildings	10 - 30
Infrastructure	30 - 40
Equipment	3 - 10

9. Restricted Assets

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

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

10. Allowance for Doubtful Accounts

The allowance for uncollectible receivables is as follows:

	December 31, 2007	
	Governmental Activities	Business-type Activities
General Fund	\$6,441	-
Park Fund	580	-
Water Fund	-	4,776
Wastewater Fund	-	3,181
Trash Fund	-	1,500
	<u>\$7,021</u>	<u>9,457</u>

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Long-Term Debt

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

12. Deferred Revenues

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

13. Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discount, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

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

14. Compensated Absences

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

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Reserved Fund Balance

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

16. Equity in Pooled Cash and Investments

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

17. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types. Encumbrances outstanding at year-end are reported as a reservation of fund balance. Encumbrances do not constitute current year expenditures or liabilities.

18. Grant Revenue

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

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

19. Property Taxes

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

The St. Charles County Assessor establishes assessed values and the County tax collector makes collections. The assessed value at January 1, 2007 upon which the 2007 levy was based for real estate, personal property, and railroads and utilities taxes was \$579,821,240.

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. Property Taxes (Continued)

The City's tax rate was levied at \$0.9079 per \$100 of assessed valuation which is used completely for general governmental services.

20. Interfund Eliminations

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

21. Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

22. Enterprise Fund Presentation

On January 1, 2007, the City separated the water and sewer activity and established separate funds and accounts that were previously combined.

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of December 31, 2007, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2007, the City had the following investments:

CITY OF WENTZVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Credit Risk</u>
Governmental Funds							
Repurchase agreement	\$ 7,200,000	-	7,200,000	-	-	-	AAA
Certificates of deposit	2,317,039	-	2,317,039	-	-	-	N/A
Federal agency notes	118,188	-	118,188	-	-	-	AAA
Money market funds	<u>155,947</u>	<u>155,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated
Total Investments	9,791,174	<u>155,947</u>	<u>9,635,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Amounts included in cash and cash equivalents	<u>(7,641,810)</u>						
Total Govern- mental Funds	<u>\$ 2,149,364</u>						
Proprietary Funds							
Certificates of deposit	\$ 4,529,479	-	4,369,660	159,819	-	-	N/A
Federal agency notes	1,824,394	-	76,998	810,358	-	937,038	AAA
Guaranteed investment contract	14,849,060	-	1,686,687	-	-	13,162,373	AA
Money market funds	<u>3,474,205</u>	<u>3,474,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated
Total Investments	24,677,138	<u>3,474,205</u>	<u>6,133,345</u>	<u>970,177</u>	<u>-</u>	<u>14,099,411</u>	
Amounts included in cash and cash equivalents	<u>(3,666,063)</u>						
Total Proprietary Funds	<u>\$21,011,075</u>						
Component Unit							
Money market funds	<u>\$62,750</u>	<u>62,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated

Investments Policies

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

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

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

CITY OF WENTZVILLE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

For The Year Ended December 31, 2007				
	Balance December 31 2006	Additions	Reclassi- fications And Deletions	Balance December 31 2007
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 8,709,249	655,845	49,729	9,315,365
Construction in progress	<u>6,501,524</u>	<u>3,918,459</u>	<u>187,564</u>	<u>10,232,419</u>
Total Capital Assets Not Being Depreciated	<u>15,210,773</u>	<u>4,574,304</u>	<u>237,293</u>	<u>19,547,784</u>
Capital assets being depreciated:				
Buildings	4,777,072	27,638	-	4,804,710
Infrastructure	44,782,877	7,997,873	-	52,780,750
Equipment	<u>6,861,537</u>	<u>971,012</u>	<u>52,413</u>	<u>7,780,136</u>
Total Capital Assets Being Depreciated	<u>56,421,486</u>	<u>8,996,523</u>	<u>52,413</u>	<u>65,365,596</u>
Less - Accumulated depreciation for:				
Buildings	2,688,517	175,126	-	2,863,643
Infrastructure	6,723,391	1,819,239	-	8,542,630
Equipment	<u>3,983,478</u>	<u>725,903</u>	<u>36,509</u>	<u>4,672,872</u>
Total Accumulated Depreciation	<u>13,395,386</u>	<u>2,720,268</u>	<u>36,509</u>	<u>16,079,145</u>
Total Capital Assets Being Depreciated, Net	<u>43,026,100</u>	<u>6,276,255</u>	<u>15,904</u>	<u>49,286,451</u>
Governmental Activities Capital Assets, Net	<u>\$58,236,873</u>	<u>10,850,559</u>	<u>253,197</u>	<u>68,834,235</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,230,161	46,170	-	1,276,331
Construction in progress	<u>16,773,941</u>	<u>1,587,011</u>	<u>15,981,231</u>	<u>2,379,721</u>
Total Capital Assets Not Being Depreciated	<u>18,004,102</u>	<u>1,633,181</u>	<u>15,981,231</u>	<u>3,656,052</u>
Capital assets being depreciated:				
Buildings	7,689,692	19,096,295	-	26,785,987
Water system	13,148,745	8,649,333	-	21,798,078
Sewer system	28,253,516	2,803,867	118,638	30,938,745
Equipment	<u>1,754,343</u>	<u>382,686</u>	<u>-</u>	<u>2,137,029</u>
Total Capital Assets Being Depreciated	<u>50,846,296</u>	<u>30,932,181</u>	<u>118,638</u>	<u>81,659,839</u>
Less - Accumulated depreciation for:				
Buildings	1,402,227	420,495	-	1,822,722
Water system	2,845,281	532,227	-	3,377,508
Sewer system	5,755,525	996,879	31,702	6,720,702
Equipment	<u>1,008,420</u>	<u>197,732</u>	<u>-</u>	<u>1,206,152</u>
Total Accumulated Depreciation	<u>11,011,453</u>	<u>2,147,333</u>	<u>31,702</u>	<u>13,127,084</u>
Total Capital Assets Being Depreciated, Net	<u>39,834,843</u>	<u>28,784,848</u>	<u>86,936</u>	<u>68,532,755</u>
Business-type Activities Capital Assets, Net	<u>\$57,838,945</u>	<u>30,418,029</u>	<u>16,068,167</u>	<u>72,188,807</u>

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

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

	For The Year Ended December 31 2007
Governmental activities:	
General government	\$ 116,014
Public safety	189,251
Community development	2,171,255
Parks and recreation	<u>243,748</u>
Total Depreciation Expense - Governmental Activities	<u>\$2,720,268</u>
Business-type activities:	
Water	\$ 422,891
Sewer	1,048,459
WEDC	<u>675,983</u>
Total Depreciation Expense - Business-type Activities	<u>\$2,147,333</u>

NOTE D - RESTRICTED ASSETS

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

	December 31, 2007	
	<u>Actual</u>	<u>Required</u>
Leasehold Revenue Bonds:		
Series 1999 Reserve	\$ 178,196	104,000
Series 2001 Reserve	1,385,528	290,500
Series 2002 Reserve	692,882	665,000
Series 2004 Reserve	676,567	638,500
Series 2005 Reserve Account	573,868	549,522
Series 2006 Reserve	286,100	272,500
Sewerage System Revenue Bonds, Series 2005 Reserve	<u>12,962,021</u>	<u>12,962,021</u>
	<u>\$16,755,162</u>	<u>15,482,043</u>

Certain reserve accounts may at times be below the required balance due to market fluctuations in the investment balances. The bank trustee and the City have agreed to restore the deficiency by paying additional payments through interest earnings and future increase until the Reserve Fund equals the requirement, if needed.

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - INTERFUND TRANSFERS

Interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>December 31 2007</u>
General Fund	Capital Improvement Fund - Capital Projects Fund	\$ 220,307
Park Fund - Special Revenue Fund	General Fund	673,641
Park Fund - Special Revenue Fund	Capital Improvement Fund - Capital Projects Fund	972,647
Transportation Fund - Special Revenue Fund	Capital Improvement Fund - Capital Projects Fund	383,422
Trash Fund - Enterprise Fund	General Fund	<u>15,103</u>
		<u>\$2,265,120</u>

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

NOTE F - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$4,849,822 of restricted net assets, of which \$2,442,209 is restricted by enabling legislation.

NOTE G - INTERFUND ASSETS/LIABILITIES

Interfund assets and liabilities are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>December 31 2007</u>
Water Fund - Enterprise Fund	Wentzville Economic Development Council Fund - Enterprise Fund	\$ 27,342
General Fund	Trash Fund - Enterprise Fund	29,830
General Fund	Transportation Fund - Special Revenue Fund	432,934
Water Fund - Enterprise Fund	Wastewater Fund - Enterprise Fund	1,317,650
General Fund	Wentzville Economic Development Council Fund - Enterprise Fund	<u>768</u>
		<u>\$1,808,524</u>

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERFUND ASSETS/LIABILITIES (Continued)

The outstanding balances between funds result mainly from the time lag between the dates that 1) inter-fund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2008.

NOTE H - LONG-TERM DEBT

The following is a summary of the long-term debt transactions:

	For The Year Ended December 31, 2007			Amounts	
	Balance	Additions	Reductions	Balance	Due
	December 31			December 31	Within
	2006			2007	One Year
Governmental activities:					
Neighborhood Improvement					
District Bonds	\$1,510,000	-	110,000	1,400,000	115,000
Less - Discounts	(8,989)	-	(799)	(8,190)	-
Less - Deferred loss	(118,837)	-	(10,563)	(108,274)	-
2005A and 2005B notes payable	4,714,771	-	50,219	4,664,552	-
Notes payable - other	1,057,622	874,325	450,459	1,481,488	425,086
Tax increment revenue notes	-	1,002,000	-	1,002,000	-
Compensated absences	<u>530,959</u>	<u>57,439</u>	<u>-</u>	<u>588,398</u>	<u>117,680</u>
Total Governmental Activities	<u>\$7,685,526</u>	<u>1,933,764</u>	<u>599,316</u>	<u>9,019,974</u>	<u>657,766</u>
Business-type activities:					
Leasehold Revenue Bonds	\$23,175,000	-	1,075,000	22,100,000	1,015,000
Sewerage System Revenue Bonds	19,430,000	-	-	19,430,000	835,000
Plus - Premium (net)	25,807	-	(6,752)	32,559	-
Less - Deferred loss	(610,572)	-	(46,668)	(563,904)	-
Compensated absences	<u>26,666</u>	<u>8,479</u>	<u>-</u>	<u>35,145</u>	<u>7,029</u>
Total Business-type Activities	<u>\$42,046,901</u>	<u>8,479</u>	<u>1,021,580</u>	<u>41,033,800</u>	<u>1,857,029</u>
Component unit:					
CID notes payable	<u>\$ -</u>	<u>3,735,134</u>	<u>-</u>	<u>3,735,134</u>	<u>-</u>

Bond discounts and deferred changes are recorded as a reduction of the debt obligation. Bond issuance costs are capitalized intangibles. Such amounts are amortized over the term of the related bonds.

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - LONG-TERM DEBT (Continued)

1. Neighborhood Improvement District Bonds

On April 1, 2006 the City issued \$1,510,000 of Neighborhood Improvement District Limited General Obligation Refunding Bonds (Bear Creek stormwater detention, sanitary sewer and water improvement project) Series 2006. The bonds were issued for the purpose of refunding in advance the \$1,585,000 of outstanding Neighborhood Improvement District Bonds Series 2000. The bonds are indebtedness of the City and are to be paid from special assessments that are assessed on the real property of the District. The bonds bear interest from 3.5% to 3.92% and are due March 1, 2018.

Annual principal and interest on the Neighborhood Improvement District Bonds, Series 2006 are as follows:

For The Years Ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 115,000	49,608	164,608
2009	120,000	45,495	165,495
2010	120,000	41,265	161,265
2011	125,000	36,885	161,885
2012	130,000	32,282	162,282
2013 - 2017	720,000	84,450	804,450
2018	<u>70,000</u>	<u>1,372</u>	<u>71,372</u>
	<u>\$1,400,000</u>	<u>291,357</u>	<u>1,691,357</u>

2. 2005A and 2005B Notes Payable

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

3. Notes Payable - Other

The City has issued various notes from 2006 to 2007 to finance the purchase of certain property. The interest rates on these notes vary from 0% to 9% and mature between 2008 and 2016. Annual principal and interest requirements to maturity are as follows:

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - LONG-TERM DEBT (Continued)

3. Notes Payable - Other (Continued)

For The Years Ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 425,086	84,031	509,117
2009	399,714	58,937	458,651
2010	269,088	35,686	304,774
2011	64,600	17,442	82,042
2012	64,600	14,535	79,135
2013 - 2016	<u>258,400</u>	<u>29,070</u>	<u>287,470</u>
	<u>\$1,481,488</u>	<u>239,701</u>	<u>1,721,189</u>

4. Tax Increment Revenue Notes

In 2007 the City issued \$1,002,000 in tax increment revenue notes pursuant to an ordinance dated May 2007. The bonds are special, limited obligations of the City, payable solely from payment in lieu of taxes and economic activity tax revenues, generated in the redevelopment area. The bonds mature in 2029 with interest rates at 8.25% and 9.25%.

5. WEDC - Leasehold Revenue Bonds

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

Funding of such capital improvements and facilities has been provided through the issuance of Leasehold Revenue Bonds. The Leasehold Revenue Bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any other political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the Leasehold Revenue Bonds does not obligate the City to levy any form of taxation or to make any appropriation for payment in any fiscal year. The WEDC has no taxing power.

On April 1, 1999, the WEDC issued \$3,195,000 of Leasehold Revenue and Improvement Bonds. A portion of the bonds amounting to \$1,815,000 were issued to fund the construction of water and sewer lines, roads, and sidewalks within the newly formed Tax Increment Financing District. The balance of the bonds amounting to \$1,380,000 were issued to advance refund \$1,290,000 of outstanding 1995 Leasehold Revenue Bonds. The bonds mature in varying amounts each year through 2015 and accrue interest at varying rates between 3.8% and 5.5%. Concurrent with the issuance of these bonds, the City entered into a lease agreement whereby certain assets acquired or constructed by the WEDC have been

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - LONG-TERM DEBT (Continued)

5. WEDC - Leasehold Revenue Bonds (Continued)

leased to the City. The lease terminates each December 31 and can be renewed for additional one-year periods through 2015. At the end of the lease, the assets are intended to become the property of the Wastewater Fund. Lease payments by the City are to be sufficient at all times to pay the total amount of interest, principal (whether at maturity, by acceleration, or by redemption as provided in the bond indenture), and premium, if any, on the bonds as they become due.

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

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

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

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - LONG-TERM DEBT (Continued)

5. WEDC - Leasehold Revenue Bonds (Continued)

On December 1, 2006, the WEDC issued \$2,725,000 of Leasehold Revenue Refunding Bonds, Series 2006. The proceeds are being used to refund \$2,615,000 of outstanding 1997 Leasehold Revenue Bonds. The 1997 bonds were used to finance certain sewer treatment facilities and improvements. Concurrent with the issuance of these bonds, the City sold certain assets related to the sewer treatment facilities to the WEDC. The WEDC then entered into a lease agreement with the City dated September 1, 1997, whereby these assets and future improvements thereto have been leased to the City. The lease terminates each December 31 and can be renewed for additional one-year periods through 2017. At the end of the lease, the assets are intended to become the property of the Wastewater Fund. Lease payments by the City are to be sufficient at all times to pay the total amount of interest, principal (whether at maturity, by acceleration, or by redemption as provided in the bond indenture), and premium, if any, in the bonds as they become due. The bonds mature in varying amounts each year through 2017 and accrue interest at varying rates between 3.45% and 3.9%.

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

For The Years Ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,015,000	897,773	1,912,773
2009	995,000	864,184	1,859,184
2010	1,030,000	829,013	1,859,013
2011	1,070,000	791,110	1,861,110
2012	1,105,000	750,591	1,855,591
2013 - 2017	6,590,000	3,038,185	9,628,185
2018 - 2022	8,780,000	1,466,715	10,246,715
2023 - 2025	<u>1,515,000</u>	<u>129,484</u>	<u>1,644,484</u>
	<u>\$22,100,000</u>	<u>8,767,955</u>	<u>30,867,955</u>

6. Water Pollution Control Revenue Bonds Payable

In November 2005, the Missouri State Environmental Improvement and Energy Resources Authority (the Authority) authorized and issued Water Pollution Control Revenue Bonds (State Revolving Funds Programs) Series 2005C (Series 2005C). The Series 2005C bonds provided funds to make loans to various Missouri political subdivisions that will be used to finance water treatment projects. A portion of the proceeds of the Series 2005C bonds issued by the Authority were used to purchase Participant Revenue Bonds (Participant

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - LONG-TERM DEBT (Continued)

6. Water Pollution Control Revenue Bonds Payable (Continued)

Bonds) authorized and issued by the City in the aggregate principal amount of \$19,430,000, the proceeds of which will be used for constructing, repairing, and equipping new and existing wastewater facilities. The District's Participant Bonds have interest rates ranging from 3.25% to 5% and are payable in semi-annual installments at varying amounts through 2027.

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

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

For The Years Ended December 31	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 835,000	857,514	1,692,514
2009	840,000	830,376	1,670,376
2010	845,000	802,656	1,647,656
2011	855,000	773,082	1,628,082
2012	865,000	741,018	1,606,018
2013 - 2017	4,540,000	3,150,710	7,690,710
2018 - 2022	5,020,000	2,077,012	7,097,012
2023 - 2027	<u>5,630,000</u>	<u>797,964</u>	<u>6,427,964</u>
	<u>\$19,430,000</u>	<u>10,030,332</u>	<u>29,460,332</u>

7. CID Notes Payable

In 2007, the CID issued \$3,735,134 in Community Improvement Revenue Notes with interest at prime and prime plus 1% maturing March 2027. The notes are special obligations payable from certain revenues and are not a general obligation of the CID, City, or any other political subdivision.

NOTE H - LONG-TERM DEBT (Continued)

8. Interest Capitalization

In accordance with FASB Statement No. 62, the City capitalizes the net effect of interest expense, related interest revenue and arbitrage expense on major construction while in progress amounting to \$223,191 for the year. The components of this amount include capitalized interest expense of \$643,135, related offsetting interest income of \$624,055 and related offsetting arbitrage rebate payable of \$204,111 for the year.

9. Defeased Debt

The City has defeased various debt issues by placing the proceeds in irrevocable trusts to provide for all future debt service payments on the old debt. Accordingly, the trust assets and liability for the defeased debt are not included in the City's financial statements. As of December 31, 2007, \$1,075,000 of debt is considered defeased.

NOTE I - EMPLOYEE RETIREMENT BENEFIT PLAN

1. Plan Description and Provisions

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

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

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

2. Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rates are 7.6% (general) and 8.1% (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.

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

3. Annual Pension Cost

For 2007, the City's annual pension cost of \$543,321 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2005 and/or 2006 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2007 included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and zero years for women; and e) postretirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2007 was 15 years.

Three-year trend information follows:

<u>For The Years Ended June 30</u>	<u>Pension Cost (APC)</u>	<u>Annual Percentage Of APC Contributed</u>
2007	\$543,321	100%
2006	506,283	100
2005	440,577	100

Schedule of funding progress follows:

<u>For The Valuation Years Ended February 28</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (Excess Assets)</u>
2007	\$9,258,271	\$8,661,717	(\$596,554)
2006	8,379,444	8,034,501	(344,943)
2005	7,351,566	7,145,850	(205,716)

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

3. Annual Pension Cost (Continued)

For The Valuation Years Ended February 28	Funded Ratio	Annual Covered Payroll	Unfunded AAL As A Percentage Of Covered Payroll
2007	107%	\$6,613,488	- %
2006	104	6,232,549	-
2005	103	5,667,981	-

Note: The above assets and AAL 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, 2006 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 - MAJOR CUSTOMERS

General Motors Corporation (GM) is a major customer of the City's water and sewer services. The amount received from GM for the year ended December 31, 2007 was approximately \$1,091,000.

NOTE K - RISK MANAGEMENT

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a state-wide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multi-line package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2008.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$681,608 for MIRMA's fiscal year ended June 30, 2008. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

CITY OF WENTZVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE L - CONTINGENCIES

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

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

The City entered into an agreement with Public Water Supply District No. 2 of St. Charles County (Water District) as of September 26, 2007 for the purchase of a maximum of 20 million gallons of water daily. The contract is in effect until July 18, 2026 and will automatically renew for two ten-year terms unless terminated by either party.

The City has an agreement with the Wentzville Parkway Transportation Corporation (Corporation) that issued debt of \$12,935,000 of bonds payable in 2001. Upon final payment of the debt, the title and interest of the Corporation will be dedicated to the Missouri Highway and Transportation Commission (Commission). The City has agreed to provide funding from its transportation sales tax or other legally available amount less the amount of Commission payments and other amounts available to the Corporation sufficient to pay the principal and interest on the bonds and other specified items when due. The amount of bonds outstanding as of December 31, 2007 was \$2,905,000.

The City had commitments to purchase water and sewer supplies and project services totaling \$1,270,428 and for a road widening project totaling \$4,600,000 at December 31, 2007.

NOTE M - PRIOR PERIOD ADJUSTMENT

The previously stated fund balance has been adjusted as follows:

	<u>Transportation Fund</u>
Fund balance (deficit), December 31, 2006, as previously reported	(\$1,282,655)
Restatement for note payable	<u>1,057,623</u>
Fund Balance (Deficit), December 31, 2006, As Restated	(\$ <u>225,032</u>)

NOTE N - SUBSEQUENT EVENT

The City approved the refunding of the Series 2002 Leasehold Revenue Bonds in March 2008.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF WENTZVILLE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			2006
	Budgeted Amounts		Over (Under) Budget	Actual
	Original	Final	Actual	
REVENUES				
General property and sales taxes	\$ 11,346,751	11,346,751	12,141,248	794,497
Licenses and permits	1,193,905	1,193,905	1,099,840	(94,065)
Intergovernmental	-	1,620	81,500	79,880
Fines and forfeitures	1,076,700	1,076,700	947,351	(129,349)
Investment income	100,000	100,000	339,393	239,393
Miscellaneous	238,550	263,758	334,502	70,744
Total Revenues	13,955,906	13,982,734	14,943,834	961,100
				13,540,559
EXPENDITURES				
Current:				
General government:				
Administrative:				
Personnel services	715,604	682,201	698,865	16,664
Other charges and services	488,494	488,494	457,315	(31,179)
Operating supplies	1,047,150	929,230	80,672	(848,558)
Repairs and maintenance	133,425	128,316	66,901	(61,415)
Contractual services	185,065	201,879	220,455	18,576
Capital outlay	177,800	224,251	76,714	(147,537)
Total Administrative	2,747,538	2,654,371	1,600,922	(1,053,449)
				1,333,456
Finance:				
Personnel services	460,912	463,819	451,146	(12,673)
Other charges and services	117,362	117,722	82,127	(35,595)
Operating supplies	12,900	12,900	13,804	904
Repairs and maintenance	47,855	47,855	36,737	(11,118)
Contractual services	61,455	46,455	43,054	(3,401)
Capital outlay	168,000	168,000	-	(168,000)
Total Finance	868,484	856,751	626,868	(229,883)
				606,587
Municipal court:				
Personnel services	193,278	193,896	189,478	(4,418)
Other charges and services	19,450	19,450	17,268	(2,182)
Operating supplies	7,000	7,000	4,826	(2,174)
Repairs and maintenance	2,120	2,120	1,871	(249)
Contractual services	25,000	25,000	25,158	158
Total Municipal Court	246,848	247,466	238,601	(8,865)
Total General Government	3,862,870	3,758,588	2,466,391	(1,292,197)
				2,156,622
Public safety - Police Department:				
Personnel services	4,342,074	4,403,309	4,422,342	19,033
Other charges and services	542,928	545,862	436,472	(109,390)
Operating supplies	281,178	284,862	274,286	(10,576)
Repairs and maintenance	173,286	156,879	133,242	(23,637)
Contractual services	216,438	222,938	177,643	(45,295)
Capital outlay	276,250	324,109	285,631	(38,478)
Total Public Safety - Police Department	5,832,154	5,937,959	5,729,616	(208,343)
				5,039,566

(Continued)

CITY OF WENTZVILLE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			2006	
	Budgeted Amounts		Actual	Over	Actual
	Original	Final		(Under) Budget	
EXPENDITURES (Continued)					
Community development:					
Economic development:					
Personnel services	143,671	144,912	144,518	(394)	138,909
Other charges and services	61,296	61,296	52,386	(8,910)	52,598
Operating supplies	38,225	50,225	41,616	(8,609)	36,841
Repairs and maintenance	1,250	2,212	3,521	1,309	649
Contractual services	81,500	65,543	32,307	(33,236)	10,520
Capital outlay	-	38,975	-	(38,975)	-
Total Economic Development	<u>325,942</u>	<u>363,163</u>	<u>274,348</u>	<u>(88,815)</u>	<u>239,517</u>
Public works:					
Personnel services	2,472,248	2,436,926	2,141,476	(295,450)	1,916,502
Other charges and services	302,182	302,182	235,911	(66,271)	216,851
Operating supplies	143,144	144,546	91,197	(53,349)	97,279
Repairs and maintenance	45,672	48,616	45,023	(3,593)	43,913
Contractual services	91,640	206,133	149,547	(56,586)	172,764
Capital outlay	507,900	797,225	370,997	(426,228)	447,917
Total Public Works	<u>3,562,786</u>	<u>3,935,628</u>	<u>3,034,151</u>	<u>(901,477)</u>	<u>2,895,226</u>
Street:					
Personnel services	752,172	750,947	718,456	(32,491)	594,857
Other charges and services	357,395	357,395	392,058	34,663	361,193
Operating supplies	149,950	152,816	218,563	65,747	123,774
Repairs and maintenance	64,025	72,375	77,763	5,388	77,858
Contractual services	149,759	149,759	101,251	(48,508)	130,804
Capital outlay	166,850	240,966	109,211	(131,755)	23,565
Total Street	<u>1,640,151</u>	<u>1,724,258</u>	<u>1,617,302</u>	<u>(106,956)</u>	<u>1,312,051</u>
Total Community Development	<u>5,528,879</u>	<u>6,023,049</u>	<u>4,925,801</u>	<u>(1,097,248)</u>	<u>4,446,794</u>
Total Expenditures	<u>15,223,903</u>	<u>15,719,596</u>	<u>13,121,808</u>	<u>(2,597,788)</u>	<u>11,642,982</u>
REVENUES OVER (UNDER)					
EXPENDITURES	<u>(1,267,997)</u>	<u>(1,736,862)</u>	<u>1,822,026</u>	<u>3,558,888</u>	<u>1,897,577</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	447,107	220,307	220,307	-	10,545
Transfers out	<u>(559,580)</u>	<u>(688,744)</u>	<u>(688,744)</u>	<u>-</u>	<u>(664,185)</u>
Total Other Financing Sources (Uses)	<u>(112,473)</u>	<u>(468,437)</u>	<u>(468,437)</u>	<u>-</u>	<u>(653,640)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,380,470)</u>	<u>(2,205,299)</u>	<u>1,353,589</u>	<u>3,558,888</u>	<u>1,243,937</u>
FUND BALANCE, JANUARY 1			<u>7,014,877</u>		
FUND BALANCE, DECEMBER 31			<u>\$ 8,368,466</u>		

CITY OF WENTZVILLE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARK SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007				2006
	Budgeted Amounts			Over (Under) Budget	
	Original	Final	Actual		Actual
REVENUES					
General property and sales taxes	\$ 500,140	500,140	494,489	(5,651)	458,053
Intergovernmental	83,000	83,000	82,954	(46)	4,620
Parks memberships and programs	987,360	987,360	893,681	(93,679)	682,536
Investment income	-	-	323	323	-
Miscellaneous	9,300	16,032	27,235	11,203	18,354
Total Revenues	1,579,800	1,586,532	1,498,682	(87,850)	1,163,563
EXPENDITURES					
Parks and recreation:					
Personnel services	1,113,126	1,112,835	1,074,362	(38,473)	978,639
Other charges and services	600,171	600,171	539,852	(60,319)	296,287
Operating supplies	337,060	341,686	246,020	(95,666)	245,938
Repairs and maintenance	106,324	120,964	90,573	(30,391)	135,308
Contractual services	42,900	50,400	30,363	(20,037)	36,616
Total Parks And Recreation	2,199,581	2,226,056	1,981,170	(244,886)	1,692,788
Capital outlay	1,163,686	1,675,608	989,206	(686,402)	156,410
Debt service:					
Principal	-	-	114,329	114,329	-
Total Expenditures	3,363,267	3,901,664	3,084,705	(816,959)	1,849,198
REVENUES OVER (UNDER) EXPENDITURES					
	(1,783,467)	(2,315,132)	(1,586,023)	729,109	(685,635)
OTHER FINANCING SOURCES					
Sale of capital assets	-	-	49,729	49,729	3,795
Issuance of notes payable	-	-	646,000	646,000	-
Transfers in	1,524,407	1,646,288	1,646,288	-	745,895
Total Other Financing Sources	1,524,407	1,646,288	2,342,017	695,729	749,690
NET CHANGE IN FUND BALANCE					
	\$ (259,060)	(668,844)	755,994	1,424,838	64,055
FUND BALANCE, JANUARY 1			311,800		
FUND BALANCE, DECEMBER 31			\$ 1,067,794		

CITY OF WENTZVILLE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007				2006
	Budgeted Amounts			Over (Under) Budget	
	Original	Final	Actual		Actual
REVENUES					
General property and sales taxes	\$ 2,320,392	2,320,392	2,367,467	47,075	2,129,048
Intergovernmental	2,684,360	4,276,397	3,441,485	(834,912)	4,616,649
Total Revenues	5,004,752	6,596,789	5,808,952	(787,837)	6,745,697
EXPENDITURES					
General government:					
Other charges and services	1,015,206	1,015,206	960,060	(55,146)	654,535
Repairs and maintenance	913,760	714,678	700,496	(14,182)	97,509
Contractual services	96,000	63,464	90,162	26,698	1,169,734
Total General Government	2,024,966	1,793,348	1,750,718	(42,630)	1,921,778
Capital outlay	3,188,300	6,171,791	4,027,321	(2,144,470)	7,461,384
Debt service:					
Principal	-	-	96,575	96,575	-
Interest and fiscal charges	-	-	3,425	3,425	-
Total Expenditures	5,213,266	7,965,139	5,878,039	(2,087,100)	9,383,162
REVENUES OVER (UNDER) EXPENDITURES					
	(208,514)	(1,368,350)	(69,087)	1,299,263	(2,637,465)
OTHER FINANCING SOURCES					
Issuance of notes payable	-	-	228,325	228,325	-
Transfers in	208,514	384,273	383,422	(851)	1,353,936
Total Other Financing Sources	208,514	384,273	611,747	227,474	1,353,936
NET CHANGE IN FUND BALANCE					
	\$ -	(984,077)	542,660	1,298,412	(1,283,529)
FUND BALANCE (DEFICIT), JANUARY 1					
			(225,032)		
FUND BALANCE, DECEMBER 31					
			\$ 317,628		

CITY OF WENTZVILLE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

Budgetary Data

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

- a. Prior to December, the City Administrator, after receiving input from each department head, submits to the Board of Aldermen the operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to January 1, the budget is legally enacted through passage of an ordinance.
- c. A motion from the Board of Aldermen is required to transfer budgeted amounts between funds, or to transfer substantial budgeted amounts between departments within any fund or for any revisions that would alter the total expenditures of any fund.
- d. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds except for the Tax Increment Financing District Fund which is not budgeted.
- e. Current year budget includes amendments. Management may authorize transfers of appropriations up to \$2,500 within a department. The Board of Aldermen must approve all transfers between departments and/or in excess of \$2,500.

Excess of Expenditures over Appropriations

For the year ended December 31, 2007, expenditures exceeded appropriations in the Neighborhood Improvement District Capital Projects Fund by \$847. This over expenditure was funded by available fund balance.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF WENTZVILLE, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	2007			2006	
	Budgeted Amounts			Over (Under) Budget	
	Original	Final	Actual		Actual
REVENUES					
General property and sales taxes	\$ 2,160,835	2,160,835	2,229,863	69,028	1,932,080
Investment income	-	-	2,104	2,104	-
Total Revenues	2,160,835	2,160,835	2,231,967	71,132	1,932,080
EXPENDITURES					
General government:					
Other charges and services	585,703	585,703	557,045	(28,658)	525,499
REVENUES OVER EXPENDITURES	1,575,132	1,575,132	1,674,922	99,790	1,406,581
OTHER FINANCING USES					
Transfers out	(1,575,132)	(1,577,227)	(1,576,376)	(851)	(1,463,686)
NET CHANGE IN FUND BALANCE	\$ -	(2,095)	98,546	100,641	(57,105)
FUND BALANCE, JANUARY 1			290,037		
FUND BALANCE, DECEMBER 31			\$ 388,583		

CITY OF WENTZVILLE, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPEN-
DITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NEIGHBORHOOD IMPROVEMENT DISTRICT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2007</u>		<u>2006</u>
	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u> <u>Actual</u>
REVENUES			
General property and sales taxes	\$ -	-	- 668
NID assessments	163,770	160,257	(3,513) 161,433
Investment income	5,166	8,415	3,249 5,014
Total Revenues	<u>168,936</u>	<u>168,672</u>	<u>(264)</u> <u>167,115</u>
EXPENDITURES			
General government	-	1,996	1,996 3,620
Debt service:			
Principal	114,178	110,000	(4,178) 70,000
Interest and fiscal charges	54,758	57,787	3,029 77,228
Bond issuance costs	-	-	- 42,181
Total Expenditures	<u>168,936</u>	<u>169,783</u>	<u>847</u> <u>193,029</u>
REVENUES UNDER EXPENDITURES	<u>-</u>	<u>(1,111)</u>	<u>(1,111)</u> <u>(25,914)</u>
OTHER FINANCING SOURCES (USES)			
Discount on Neighborhood Improvement District Bonds	-	-	- (9,588)
Issuance of Neighborhood Improvement District Bonds	-	-	- 1,510,000
Payment to escrow agent	-	-	- (1,626,794)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u> <u>(126,382)</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>(1,111)</u>	<u>(1,111)</u> <u>(152,296)</u>
FUND BALANCE, JANUARY 1		<u>118,194</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 117,083</u>	

CITY OF WENTZVILLE, MISSOURI
SCHEDULE OF CHANGES IN ASSETS AND
LIABILITIES - FIDUCIARY FUND
DECEMBER 31, 2007

	<u>Balance December 31 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2007</u>
ASSETS				
Current Assets				
Cash and investments	\$ -	653,119	589,053	64,066
Accounts receivable	<u>58,273</u>	<u>88,028</u>	<u>58,273</u>	<u>88,028</u>
Total Current Assets	<u><u>\$ 58,273</u></u>	<u><u>741,147</u></u>	<u><u>647,326</u></u>	<u><u>152,094</u></u>
LIABILITIES				
Current Liabilities				
Due to other funds	\$ 164	-	164	-
Due to others	<u>58,109</u>	<u>741,147</u>	<u>647,162</u>	<u>152,094</u>
Total Current Liabilities	<u><u>\$ 58,273</u></u>	<u><u>741,147</u></u>	<u><u>647,326</u></u>	<u><u>152,094</u></u>