2025 PAFR FAQs

Q: What is the Popular Annual Financial Report?

A: The Popular Annual Financial Report (PAFR) is a simplified summary of the City's financial condition and results. It presents key financial information in a format that is easier to understand than the City's Annual Comprehensive Financial Report (ACFR).

Q: What is the difference between the PAFR and the ACFR?

A: The ACFR is the City's complete financial report, prepared in accordance with governmental accounting standards and independently audited each year. The PAFR summarizes that information in plain language, providing residents with an overview of the City's finances.

Q: Is the PAFR audited?

A: The PAFR is prepared using information from the City's independently audited ACFR. While the PAFR itself is not audited, all financial information is derived from the audited financial statements.

Q: Where can I read the full report?

A: The complete Popular Annual Financial Report and Annual Comprehensive Financial Report are available at **www.wentzvillemo.gov/PAFR**.

Q: Why is the City sharing this information?

A: The City is committed to transparency and helping residents better understand how public funds are managed. The PAFR provides an easy-to-read overview of the City's financial performance and highlights how resources are invested to support community services and infrastructure.

Q: The Water Fund increased its net position by $4.2 million. Does that mean the City made a profit?

A: Not exactly. Government utilities are operated to provide reliable services rather than generate profit for owners. The increase means that revenues exceeded expenses during the year, and that other factors, such as investment earnings and changes in capital-related activity, also contributed. These resources support ongoing operations, infrastructure maintenance and future system improvements.

Q: Does the Water Fund increase mean water rates will decrease?

A: Not necessarily. Water rates are established to support operating costs, infrastructure maintenance and long-term system reliability. Positive financial performance helps maintain a financially healthy utility system. Rates are reviewed periodically through financial analysis that considers operating costs, capital needs, debt obligations and long-term system sustainability.

Q: If the Water Fund increased, why does the City still need approximately $40 million in future water improvements?

A: Water infrastructure is planned over many years. The Water Master Plan identifies approximately $40 million in improvements recommended over the next five years to support growth, replace aging infrastructure and maintain reliable service.

Q: What benefits does the Advanced Metering Infrastructure (AMI) system provide?

A: AMI allows customers to monitor their water usage more easily, improves leak detection and helps the City operate the water system more efficiently.

Q: Why did the Capital Improvement Fund balance decrease by $1.6 million?

A: This was planned. The Capital Improvement Fund is intended to finance major infrastructure projects. As projects move forward, fund balances decrease because those resources are being invested into the community.

Q: Is a decrease in the Capital Improvement Fund balance a bad thing?

A: No. A planned decrease simply means previously accumulated funds are being used for their intended purpose—constructing or improving long-term community assets.

Q: What types of projects are funded through the Capital Improvement Fund?

A: Capital Improvement Fund resources support major investments such as transportation infrastructure, utility expansion projects, public safety facilities, growth-related infrastructure improvements and major equipment replacement.

Q: What does it mean that the City's capital assets increased by $8.4 million?

A: It means the City added approximately $8.4 million in long-term assets during 2025, such as roads, utilities, buildings, facilities or equipment that will serve residents for many years.

Q: Where does the Park Fund receive its money?

A: The Park Fund is supported primarily through the voter-approved parks sales tax, recreation program fees and other park-related revenues.

Q: What does it mean that the Park Fund balance increased by $1.2 million?

A: The increase represents the amount by which Park Fund revenues exceeded expenditures during 2025. Those additional resources help support park operations, recreation programs, facility maintenance and future improvements.

Q: Will the Park Fund increase be used to build new parks?

A: The additional fund balance supports maintaining existing parks and facilities, operating recreation programs and community events, meeting existing park-related debt obligations and planning for future maintenance and improvements. Future park projects are evaluated through the City's planning and budgeting processes.

Q: Why is Park Fund money used to pay debt?

A: Existing park-related debt helped finance improvements that residents use today. Meeting those obligations is part of responsible financial management and helps preserve funding for future park investments.

Q: If the City has positive fund balances, why not reduce taxes or fees?

A: Many City funds have legal, statutory, contractual or policy limitations on how resources may be used. Responsible financial planning also includes maintaining reserves, funding infrastructure improvements and preparing for future maintenance and replacement costs.

Q: Why does the City invest in growth-related infrastructure?

A: As Wentzville continues to grow, infrastructure investments help ensure roads, utilities and public services keep pace with development while maintaining service levels for current residents.

Q: What is the difference between a "fund balance" and "net position"?

A: Different types of City funds use different accounting terms. Governmental funds, such as the Park Fund and Capital Improvement Fund, report a **fund balance**, while enterprise funds, such as the Water Fund, report **net position**. Both represent the financial position of the fund, but they are calculated differently based on governmental accounting standards. This distinction helps ensure each type of fund is reported appropriately for its purpose. This is one of those questions that even engaged residents—and sometimes reporters—find confusing, so it's worth having an approved answer ready.