



2017
2017

Popular Annual
Financial Report



Wentzville
Missouri
The Crossroads Of
INC. 1872

FOR THE FISCAL YEAR ENDED DEC. 31, 2017

PAFR Overview

A MESSAGE FROM THE CITY ADMINISTRATOR

I am pleased to present the City of Wentzville's Popular Annual Financial Report (PAFR), which details the City's finances and administrative activities for the fiscal year ended Dec. 31, 2017. This report provides a brief overview of where the City revenue comes from and where those dollars are spent, as well as covering local economy trends. This report is intended to summarize the financial activities of the City of Wentzville and includes a portion of the information that appears in the 2017 Comprehensive Annual Financial Report (CAFR).

This abbreviated report is unaudited and is not presented in a Generally Accepted Accounting Principles (GAAP) format. A copy of the complete, audited and GAAP-formatted CAFR is available at City Hall, 1001 Schroeder Creek Blvd., or on the City's website at <http://bit.ly/wentzvillefinancialstatements>. If you have any questions or comments regarding the information in this document, please contact the Finance Department at (636) 639-2155.



Sincerely,

A handwritten signature in black ink, appearing to read "David Gipson". The signature is stylized and includes a long horizontal stroke at the end.

David Gipson
City Administrator

Report Purpose

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared from detailed information contained in the City's 2017 Comprehensive Annual Financial Report (CAFR), with selected information from CAFRs prepared for earlier years.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements completed by an independent firm of licensed certified public accountants. As such, it provides much more detail as well as full disclosure of all material events, both financial and nonfinancial.

The information in the CAFR can be technical and complex and as such not as useful to residents who wish to gain an overview of the City's finances. The PAFR has been prepared to simplify the information in the CAFR; therefore, better informing the public about the overall financial condition of the City – without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

The Popular Annual Financial Reporting Award Program (PAFR Program)

The Government Finance Officers Association (GFOA) established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments in extracting information from their CAFRs to produce high-quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

To be eligible for the award, governments wishing to participate in the PAFR program must 1) submit their CAFR to the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the current fiscal year and 2) ultimately receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the current fiscal year. The award is valid for a period of one year only. This is the first year the City of Wentzville has applied for the award.

Wentzville Governance



MAYOR
Nick Guccione



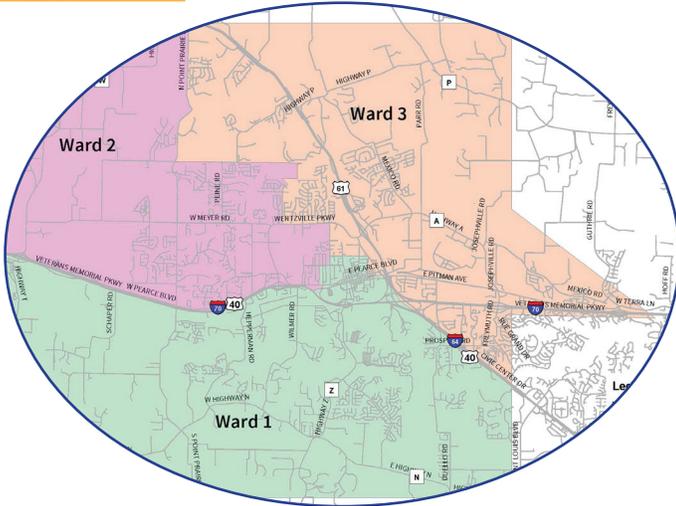
Robert Hussey
Alderman, Ward 1



Bryan Harr
Alderman, Ward 1



Brittany Gillett
Alderman, Ward 2



Michael Rhoades
Alderman, Ward 2



Matt Swanson
Alderman, Ward 3



Linda Wright
Alderman, Ward 3

History of Wentzville

Frontiersman Daniel Boone and members of his family were among the first Americans to settle in St. Charles County in 1795. During the 1830s, German craftsmen and farmers began to arrive and, in turn, fostered development of county communities, including Wentzville.

Wentzville was founded in 1855 when the great movement of pioneers across our country was reaching its highest tempo. A railroad was pushing across Missouri to the west to carry these settlers and to furnish services for those few who were already established in the new area. This movement prompted William M. Allen, a great land owner and slaveholder to Western St. Charles County, to give a tract of land along the railroad right-of-way to establish a station to serve the local community. Allen laid out the town, which consisted of a narrow tract of ground seven blocks long lying east and west along the railroad. In giving the ground for the first railroad station, he stipulated in the grant that in the event the station was moved or taken away, the land would revert to his heirs. This assured the station's site for the community and made the new town's future more secure.

The railroad construction pushed through Wentzville during the year 1856 and the first train arrived in 1857. The construction and building of the line was under the supervision of Erasmus Livingston Wentz of New York state. Wentz assisted Allen in surveying the present town's lots and streets and so, in turn, Allen honored his good friend

Erasmus Wentz by naming the town after him.

Wentzville was incorporated as a fourth-class city in March 1872 and its government is composed of an elected Mayor and six aldermen, with an appointed city administrator.

In the following decades, Wentzville sustained a slow but steady growth as an agricultural hamlet, primarily in the small services, professional and retail sectors. In 1980, however, General Motors Corporation began construction of its largest, most modern auto assembly plant at the time, providing more than 6,000 jobs when it went into full operation.

Today, Wentzville has a population of about 38,000. The City boasts excellent schools, both public and private, many churches and clubs. Although, Wentzville is less than an hour away from downtown St. Louis, it is still a quiet, pleasant, peaceful community, rich in history and identity.

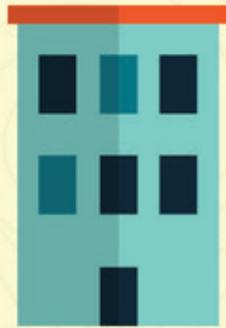


Photo courtesy: Wentzville Historical Society

Wentzville enjoys the benefits of exemplary schools, quality and affordable housing, outdoor recreation opportunities — including hiking trails and parks — and is easy accessibility to both I-70 and I-64.

WENTZVILLE, MISSOURI CITY PROFILE

Year of Incorporation: 1872



FORM OF GOVERNMENT

MAYOR
BOARD OF ALDERMEN
CITY ADMINISTRATOR



LOCATION

WESTERN ST. CHARLES COUNTY,
MISSOURI, AT THE INTERSECTION
OF I-70 AND I-65/U.S. 40/61

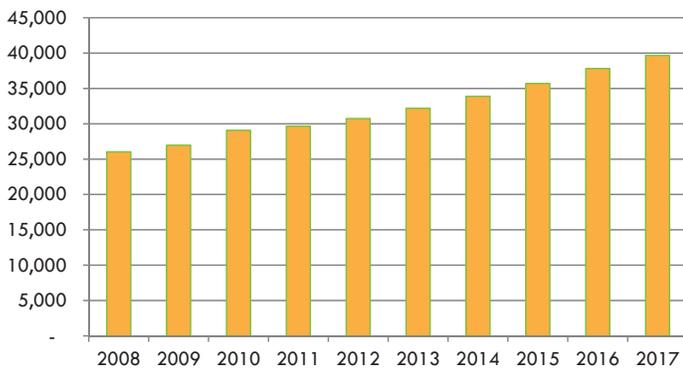


City of Wentzville Top 10 Employers

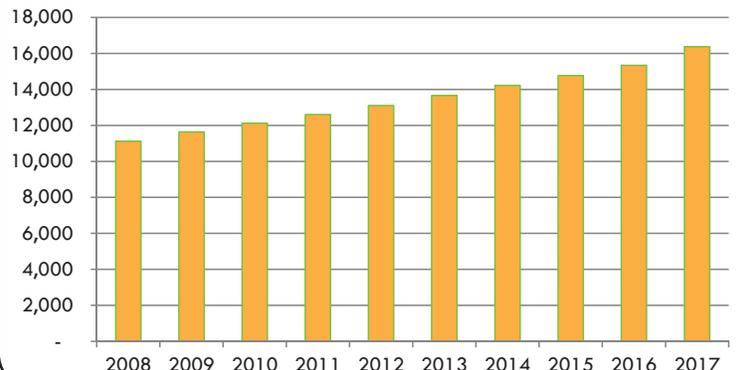


COMPANY	PRODUCT/SERVICE	EMPLOYEES
General Motors	Automotive	4,561
Wentzville R-IV School District	Public Schools	1,560
Crider Health Center	Health Care	711
TVS Supply	Logistics/Supply-Chain Management	475
Etrailer Corp.	Automotive Parts Manufacturer	370
Faurecia Automotive Seating	Automotive Parts Manufacturer	300
City of Wentzville	Government	280
Rapid Response	Logistics/Freight	265
SSM St. Joseph Health Center	Health Care	219
RK Stratman Company Inc.	Apparel Manufacturer	201
Lear Corporation	Automotive Parts Manufacturer	194

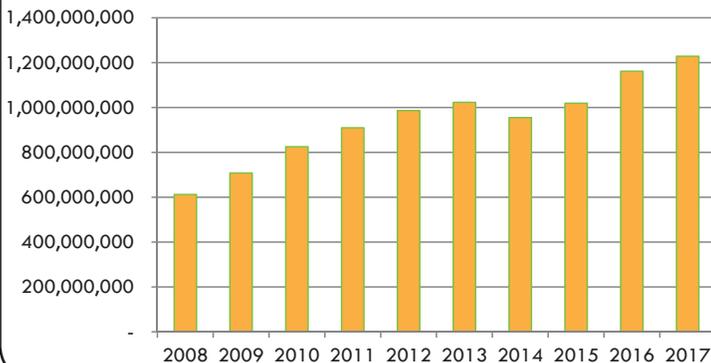
POPULATION GROWTH



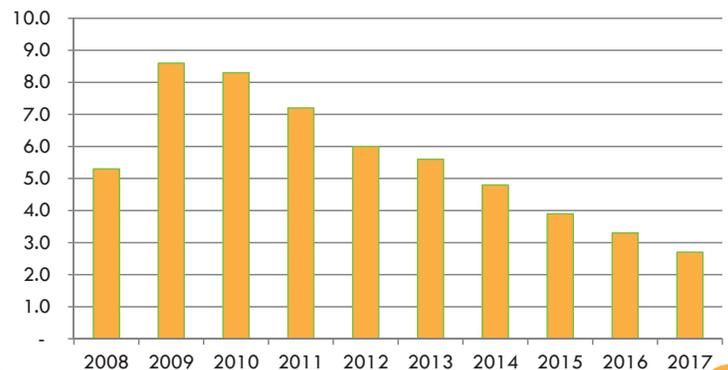
SCHOOL ENROLLMENT



PERSONAL INCOME



COUNTY UNEMPLOYMENT RATE



Fiscal years 2008-2015 reflect County unemployment rates;
2016-2017 reflect City unemployment rates.

Financial Activity

Statements

FOR THE YEARS ENDED
DEC. 31, 2016, AND DEC. 31, 2017

GOVERNMENTAL FUNDS – Typically used to account for tax-supported activities, the governmental funds for the City of Wentzville include the General Fund, Park Fund, Transportation Fund, Debt Funds and Capital Fund. The City's basic services, including General Government (made up of City Clerk, Human Resources, Information Technology, Procurement and Finance), Economic Development Municipal Court, Police, Public Works (made up of Stormwater, Engineering, Streets and Signals, Fleet and Facility Operations), Community Development, Parks and Recreation, Transportation, and capital improvements are accounted for in these funds. The decrease in fund balances for 2016 and 2017 resulted from the drawdowns on fund balance reserves to fund a new City Hall, which was completed in 2017.

GOVERNMENTAL FUNDS		
Revenues	2016	2017
Taxes	\$28,823,374	\$30,933,068
Intergovernmental	5,450,662	3,288,618
Licenses and Permits	1,822,683	1,326,188
Fines and Forfeitures	674,720	680,732
Charges for Service	2,041,798	2,305,569
Investment Income	448,769	221,863
Miscellaneous	293,370	191,179
Total Revenues	\$39,555,376	\$38,947,217
Expenditures by Function	2016	2017
General Government	\$3,985,457	\$4,369,765
Police	7,550,644	8,037,108
Community Development and Public Works	9,862,120	10,334,125
Parks and Recreation	3,370,135	3,785,398
Capital Outlay	13,530,049	15,489,954
Debt Service	2,949,420	3,166,113
Total Expenditures	\$41,247,825	\$45,182,463
Other Financing Sources (Uses):	2016	2017
Sale of capital assets	\$46,667	\$48,877
Transfer in (out)	(229,668)	(231,178)
Total Other Financing Sources (Uses)	\$(183,001)	\$(182,301)
Change in Fund Balance	\$(1,875,450)	\$(6,417,547)
Fund Balance – Beginning of Year, Restated	\$41,902,484	\$40,027,301
Fund Balance – End of Year	\$40,027,034	\$33,609,484

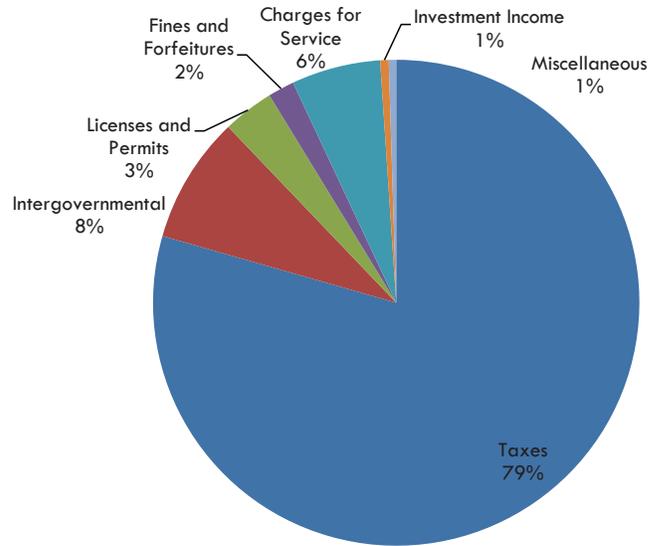
PROPRIETARY FUNDS

Operating Revenue	2016	2017
Water	\$7,353,251	\$7,837,866
Wastewater	7,999,291	8,447,756
Trash	2,377,823	2,546,001
Total Operating Revenues	\$17,730,365	\$18,831,623
Operating Expenses	2016	2017
Water	\$6,290,487	\$6,850,482
Wastewater	6,401,467	6,444,902
Trash	2,390,628	2,537,015
Total Operating Expenses	\$15,082,582	\$15,832,399
Nonoperating Revenue (Expense)	2016	2017
Investment Income	\$448,099	\$187,412
Interest and fiscal charges	(1,630,505)	(1,160,499)
Gain (loss) on the disposal of assets	25,695	9,030
Total Nonoperating Revenue (Expense)	\$(1,156,711)	\$(964,057)
Income Before Operating Transfers and Capital Contributions	2016	2017
Capital Contributions	\$1,491,072	\$2,035,167
Capital Contributions	\$1,675,179	\$5,539,876
Transfers In (Out)	\$229,668	231,178
Change in Net Position	\$3,395,919	\$7,806,221
Net Position – Beginning of Year	\$64,754,519	\$68,150,438
Net Position – End of Year	\$68,150,438	\$75,956,659

PROPRIETARY FUNDS – The financial activities for the Water Utility, Sewer Utility and Trash Utility are recorded in proprietary funds for the City of Wentzville and are financed primarily by a user charge for the provision of that service, and activities where the periodic measurement of net income is deemed appropriated to provide funding for capital maintenance and improvements. The Water, Sewer and Trash utilities generate enough revenue to pay for operations and debt service, without subsidy from the General Fund.

Where Does the Money Come from?

- Taxes:** The majority of the City's revenue, 79%, is generated by taxes levied on property, retail sales and the gross receipts tax on the sale of electricity, gas, telephone and television video services. The City's sales taxes include a 1% general sales tax, a 0.50% parks sales tax, a 0.50% capital sales tax and a 0.50% transportation sales tax. Tax revenue also includes the receipts from the state for fuel taxes and motor vehicles sales tax and license fees. The City continues to experience growth both residentially and commercially, which directly correlates with the increase in sales tax.
- Intergovernmental Revenues:** This represents 8% of the City's total revenues and include the receipts from federal, state and county grants.
- Licenses and Permits:** Includes the revenues from building permits, engineering permits, business licenses, liquor licenses and occupancy inspections. The City is experiencing a higher increase in residential building than the surrounding cities in St. Charles County, Missouri. Building permits continue to increase year after year.
- Fines and Forfeitures:** Includes the fines collected by the City's Municipal Court.
- Charges for Services:** Includes fees from Parks & Recreation and an administrative charge based on a percentage of the administrative services in the General Fund that are allocated to the proprietary funds and the Park Fund. The administrative fee includes overhead costs for departments



such as Human Resources, Information Technology, Procurement, Finance and others, as well as a portion of the legal fees and Citywide information-technology related fees.

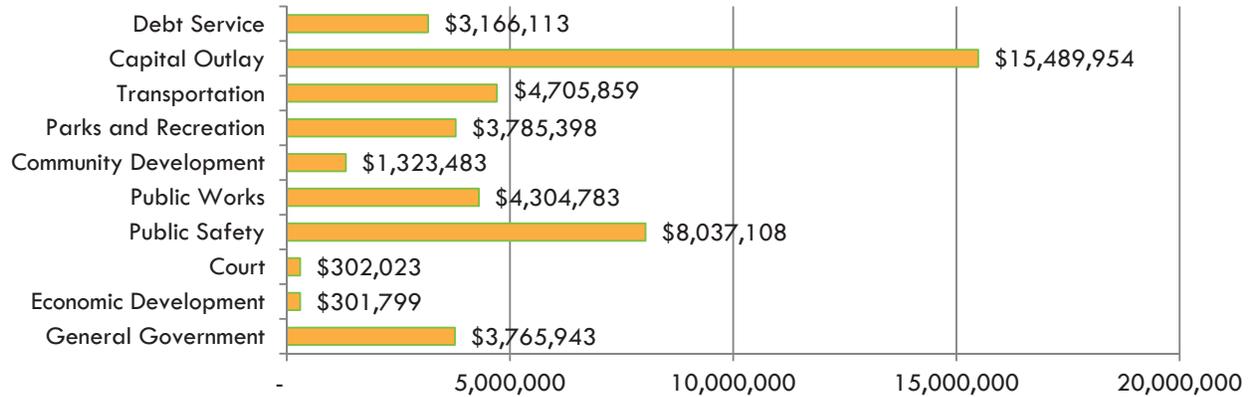
- Investment Income:** Includes revenues earned from the investment of idle City funds throughout the year in accordance with the City's investment policy.
- Miscellaneous:** Includes proceeds from the sale of equipment, false alarm fees and contract services provided to local schools by the Police Department.

Revenues	2017
Taxes	\$30,933,068
Intergovernmental	3,288,618
Licenses and Permits	1,326,188
Fines and Forfeitures	680,732
Charges for Services	2,305,569
Investment Income	221,863
Miscellaneous	191,179
Total Revenues	\$38,947,217



Where Does the Money Go?

2017 GOVERNMENTAL FUND TYPE - EXPENDITURE BY FUNCTION



The expenditures for governmental funds total \$45,182,463 for 2017. The largest category of expenditure is for capital outlay and public safety.

- **General Government** includes expenditures for the Administration, Human Resources, Information Technology, Procurement and Finance departments.
- **Public Works** includes expenditures for the Administration, Stormwater, Engineering, Streets and Signals, Fleet, and Facility Operations departments.
- **Community Development** includes expenditures for the Administration, Planning and Zoning, and Building Inspection departments.
- **Parks and Recreation** includes expenditures for the Administration, Aquatics, Recreation and Maintenance departments. Peruque Valley Park opened in April 2017, which features a baseball/softball complex with four lighted and irrigated ball fields.
- **Transportation** expenditures include funding for road projects and street and sidewalk maintenance, including increased dollars set aside for the slab replacement program.

- **Capital Outlay** expenditures include land, land improvements, buildings, building improvements, furniture, fixtures, machinery, equipment, vehicles and all other assets costing \$5,000 or more, which have an initial useful life extending beyond one year. Projects for 2017 included: completion of the new City Hall; the Highway 61 Outer Road project; Flashing Yellow Arrow and ADA Traffic Signal and Battery updates; design for West Meyer Road — Phase III and Wentzville Parkway Turn Lane — Phase II; beginning phases of David Hoekel Parkway; and continuous revitalization of downtown.
- **Debt Service** includes principal and interest payments for the City's outstanding debt on parks (Splash Station Aquatic Center, Heartland, Peruque Valley), the Law Enforcement Center, and infrastructure enhancements throughout the City.

Expenditures	2017
General Government	\$3,765,943
Economic Development	301,799
Court	302,023
Public Safety	8,037,108
Public Works	4,304,783
Community Development	1,323,483
Parks and Recreation	3,785,398
Transportation	4,705,859
Capital Outlay	15,489,954
Debt Service	3,166,113
Total Expenditures	\$45,182,463

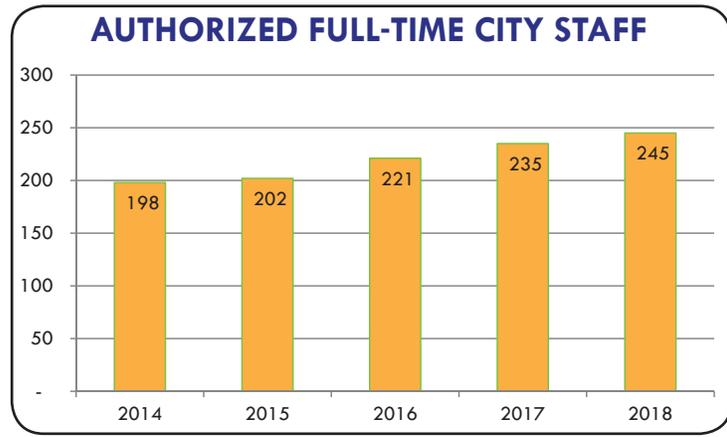
Where Does Property Tax Go?

A Wentzville homeowner with a home with a \$200,000 market value paid \$2,892.94 in real estate taxes, with 0.7095¢ or \$269.91 going to the City of Wentzville.



Authorized Full-Time City Staff 2014-2018

Increase in staff over the years due to opening of new Parks, additional maintenance of aging infrastructure, and increase in volume of work due to an increase in population.



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1. Wentzville R-IV School District 4.9801¢ (65.42%)+
2. Wentzville Fire Protection District 0.8667¢ (11.39%)
3. Special Districts* 0.7966¢ (10.46%)
4. City of Wentzville 0.7095¢ (9.32%)
5. St. Charles County** 0.2301¢ (3.02%)
6. State of Missouri 0.0300¢ (0.39%)

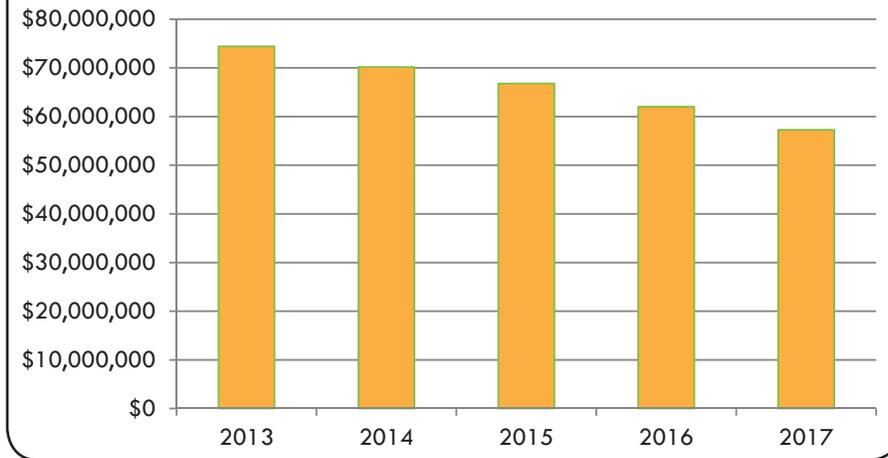
†Please note if you live in the Fort Zumwalt School District, the rate is 4.8527%.

*Special Districts: St. Charles County Ambulance District, Development Disability, St. Charles County Library District and St. Charles Community College

** Includes County, Road and Bridge, and Alarm Dispatch

What does the City Owe?

OUTSTANDING DEBT



CREDIT RATINGS

The City has the following ratings assigned by Mood's Investor Service: Aa2 for our Certificates of Participation Series 2010B; Aa3 for our Certificates of Participation 2015, 2015B and 2016; Aa2 for our Leasehold Revenue Bonds Series 2006 and 2008.

	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES					
Neighborhood Improvement District	\$655,000	\$520,000	\$373,202	\$224,000	\$69,800
Leasehold Revenue	888,970	824,970	757,165	687,272	615,379
Certificates of Participation	26,175,000	25,160,000	24,614,040	23,396,798	21,904,551
Notes Payable	4,582,599	4,362,409	4,076,398	3,734,717	3,449,130
Tax Increment Revenue	1,002,000	1,002,000	1,002,000	1,002,000	1,002,000
TOTAL	\$33,303,569	\$31,869,379	\$30,822,805	\$29,044,787	\$27,040,860
BUSINESS-TYPE ACTIVITIES					
Leasehold Revenue	\$9,566,030	\$8,471,495	\$7,426,909	\$2,529,716	\$1,947,381
Certificates of Participation	-	-	-	3,584,356	3,161,822
Sewer System Revenue	31,547,777	30,189,820	28,533,395	26,840,970	25,119,545
TOTAL	\$41,113,807	\$38,661,315	\$35,960,304	\$32,955,042	\$30,228,748
TOTAL PRIMARY GOVERNMENT	\$74,417,376	\$70,530,694	\$66,783,109	\$61,999,829	\$57,269,608

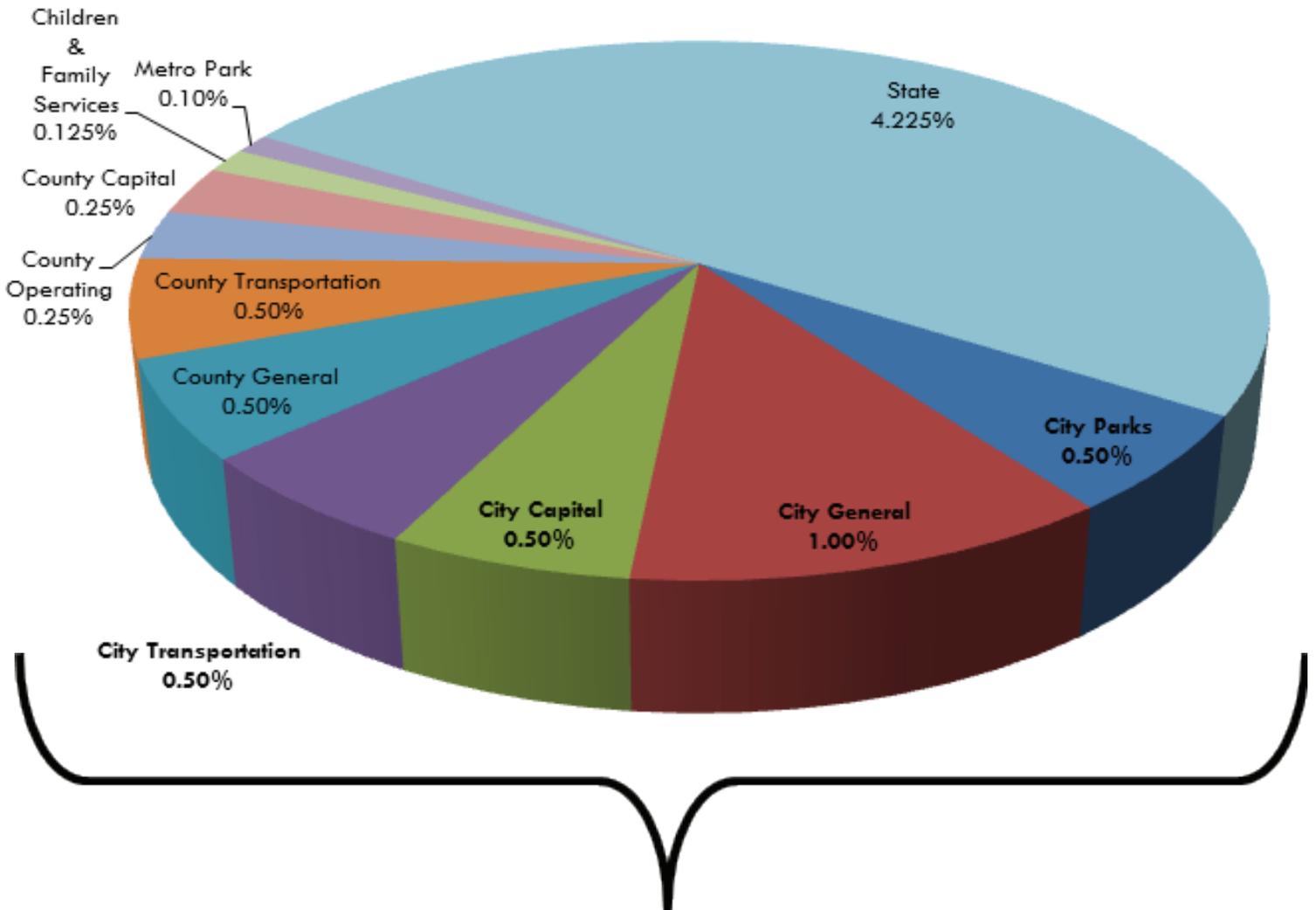


Debt Breakdown

- On March 14, 2011, the City began participating in the State of Missouri Direct Loan Program of the Missouri Department of Natural Resources and the Clean Water Commission of the state of Missouri to issue Sewerage Revenue Bonds – Direct Loan Program. The City authorized the issuance of bonds not to exceed \$20,631,000 with an interest rate of 1.66% due in various principal installments through 2032. The project was completed in October 2012 and the final draw was made in 2013. Total bonds issued were \$17,640,777.
- On July 1, 2015, the City issued \$15,675,000 of Certificates of Participation, Series 2015. The proceeds were used to refund \$15,700,000 of outstanding Series 2011 Certificates of Participation. The refunding resulted in a net savings of \$1,577,924.
- On Nov. 1, 2015, the City issued \$4,630,000 of Certificates of Participation, Series 2015B. The proceeds were used to refund \$4,720,000 of outstanding Series 2010A Certificates of Participation. The refunding resulted in a net savings of \$238,766.
- On Nov. 1, 2016, the City issued \$3,430,000 of Certificates of Participation, Series 2016. The proceeds, along with other funds from the City, were used for a current refunding of \$4,000,000 of outstanding Series 2011 Leasehold Revenue Bonds. Payment of the principal is for varying amounts due each year on July 1 through July 2025. Interest is due semi-annually, with interest rates that vary from 2-3%.
- On Feb. 15, 2017, the City made the last and final payment on the WEDC 2006 Leasehold Revenue bonds.
- On March 2, 2017, the City entered into a Direct Loan Agreement and Promissory Note in the amount of \$5,000,000 with the Missouri Highways and Transportation Commission and the Transportation Finance Corporation (MTFC) to assist in funding David Hoekel Parkway. The loan matures in 2023. The interest rate is 1.00% and the first debt-service payment is scheduled for July 1, 2018.

How is Sales Tax Allocated?

Total sales tax collected in
Wentzville is 8.45%



The City of Wentzville receives 2.5%.

Breakdown of Sales Tax Rate

Total sales tax collected in the City of Wentzville is 8.45%. The City receives 2.5%, the County receives 1.5%, Children & Family Services receives 0.125%, Metro Park receives 0.10%, and the state of Missouri receives 4.225%.

Of the City's 2.5% sales tax, 1% is for General Fund operations, 0.5% is deposited in the Capital Fund, 0.5% is deposited the Transportation Fund for related transportation projects, and 0.5% is deposited in the Park Fund for operations, capital and debt payments.

The total sales tax the City received in fiscal year 2017 was \$19,724,966.

Glossary

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Capital Expenditures – Expenses involving land, improvements to land, easements, building, building improvements, furniture, fixtures, machinery, equipment, vehicles and all other tangible or intangible assets that are used in operations and that have an initial useful life extending beyond a single reporting year.

CAFR – Comprehensive Annual Financial Report.

Debt – A liability resulting from the borrowing of money or from the purchase of goods and services. Debts of governmental units include bonds, time warrants, notes and floating debt.

Department – A management unit of closely associated City activities headed by a director or chief. Each department may have several divisions.

Enterprise Funds – These funds are used to account for resources committed to self-supporting activities of governmental units that render services to the general public on a user-charged basis. Budgeted enterprise funds include the Water Fund, Wastewater Fund and Trash Fund.

Expenditure – An actual obligation incurred for goods or services received whether or not yet paid by City.

Fiscal Year – The period used for the accounting year. The City of Wentzville has a fiscal year of January 1 through December 31.

Fund – A self-balancing set of accounts designed to track specific revenues and the uses of those revenues.

Fund Balance – An accumulated excess of revenues over expenditures in a fund. An amount left over after expenditures are subtracted from resources is added to a beginning fund balance each year.

GAAP – Generally Accepted Accounting Principles.

General Fund – The principal fund operating the city which accounts for most of the financial resources of the government. General Fund revenues include taxes; intergovernmental revenues; licenses, fees and other revenues; transfers; and interest. This fund usually includes most of the basic operating services, such as administration, engineering, finance, legal, municipal court, parks and police.

General Government – The general government term has been used to account for administration, finance, legal, municipal court and other administrative services.

Governmental/Trust Funds – Includes the General Fund, Expendable Trust Funds, Non-Expendable Trust Funds, Special Revenue Funds, and Capital Project Fund.

Intergovernmental Revenues – Revenues from other governments in the form of grants, entitlement, shared revenues or payments in lieu of taxes.

Non-Operating Expenses – Expenses incurred by Enterprise Funds that are not directly related to the fund's primary service activities. Examples of non-operating expenses include Interest Expense and Miscellaneous Expenses.

Non-Operating Revenues – Enterprise Fund revenues that are not directly related to the fund's primary service activities. Examples of non-operating revenues include Interest Revenue and Miscellaneous Revenue.

Property Tax – This refers to the property tax placed on property. The tax income is determined by multiplying the tax rate by each \$100 of assessed valuation.

Proprietary Fund – a business-like fund of a state or local government including enterprise funds. Enterprise funds provide goods or services to the general public for a fee.

Revenue Bonds – Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

Revenues – Money generated through taxes, charges, licenses and other sources to fund City operations.

Special Revenue Funds – These funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Tax Rate – The level at which taxes are levied. The tax rate must be adopted prior to October 1st of each year.

User Charges or Fees – The payment of a charge or fee for direct receipt of a service by the party benefiting from the service.



City of Wentzville
1001 Schroeder Creek Blvd.
Wentzville, MO 63385
(636) 327-5101
www.wentzvillemo.org



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

City of Wentzville
Missouri

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morvill

Executive Director/CEO