FENTON
CITY OF PARKS

CITY OF FENTON, MISSOURI

Annual Financial Report
For the fiscal year ended
December 31, 2011

Prepared By The Finance Department
Richard Snyder, CGFM
Finance Director

TABLE OF CONTENTS

INTRODUCTORY SECTION
- Letter of Transmittal 1
- Principal Elected and Appointed Officials 5

FINANCIAL SECTION
- Independent Auditors' Report 6
- Management's Discussion and Analysis 8
- Basic Financial Statements
  - Government-Wide Statements:
    - Statement of Net Assets 21
    - Statement of Activities 22
  - Fund Financial Statements:
    - Balance Sheet - Governmental Funds 23
    - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 24
    - Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds 25
    - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities 26
    - Statement of Fiduciary Net Assets Police Pension Trust Fund 27
    - Statement of Changes in Fiduciary Net Assets Police Pension Trust Fund 28
  - Notes to the Basic Financial Statements 29
- Required Supplementary Information
  - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:
    - General Fund 50
    - Storm Water/Parks Fund 51
  - Schedule of Funding Progress - Employee Pension Plan 52
- Additional Supplementary Information
  - Budgetary Comparison
    - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:
      - Capital Projects Fund 53
      - Gravois Bluffs TIF Fund 54
      - Fenton Crossing TIF Fund 55
      - RiverChase Debt Service Fund 56
      - Fabick Debt Serve Fund 57
- Combining Balance Sheet - Nonmajor Governmental Funds 58
- Combining Schedule of Revenues, Expenditures and Changes in Fund balance - Nonmajor Governmental Funds 59

INTRODUCTORY SECTION

FENTON
CITY OF PARKS
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June 13, 2012

To the Honorable Mayor, Members of the Board of Aldermen, and the Citizens of the City of Fenton, Missouri:

Missouri Revised Statutes Section 67.1978 requires that every local government annually publish a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Botz, Deal and Company, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Fenton's financial statements for the year ended December 31, 2011. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD & A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD & A complements this letter of transmittal and should be read in conjunction with it.

Profile of The City of Fenton

The City of Fenton was founded on the banks of the Meramec River in 1874 and is the fourth oldest community in St. Louis County. The original town consisted of eight square blocks, which are currently known as Olde Towne. The City was formally organized as a fourth class city in 1959. The current permanent population is 4,022 with a daytime average population of almost 25,000 due to the influx of workers in the industrial park and commercial areas of Fenton.

A Mayor and eight Aldermen govern the City. The Mayor is elected at large and serves a two-year term. The City is divided into 4 wards, with each ward electing two Aldermen. Aldermen serve alternating two year terms such that one alderman from each ward stands for election each year. Board meetings are held on the fourth Thursday of each month. Committee meetings are held on the first and second Thursday of each month. The Board appoints the City Administrator, City Clerk and each department head upon recommendation of the Mayor.

The City of Fenton operates on a calendar year budget cycle. The Board of Aldermen adopts a budget for the upcoming year in December of each year through the passage of a budget resolution. The budget then becomes effective on January 1. The budget is developed based on fund, function (e.g., Administration) and department (e.g., City Clerk). Any changes to the budget require formal action by the Board of Aldermen through a budget amendment resolution.

The City of Fenton provides a wide range of services, which includes, but is not limited to, maintenance of streets and roads, recreational and cultural activities, and planning and zoning functions. Police services are provided through a contract with St. Louis County. The residents of the City of Fenton are provided with a broad spectrum of services, which include free trash and yard waste services, curbside recycling and street lighting.

The City of Fenton is known as "The City of Parks" because of its extensive park and recreation system. The City has eight fully developed parks consisting of over 350 acres, which include soccer fields, ball diamonds, sand volleyball courts, basketball courts, playgrounds, fishing ponds and over eight miles of bike/pedestrian paths.

Economic Factors

The City of Fenton is located in Southern St. Louis County bounded by Interstate 44 on the North and State Highway 141 on the South. Interstate 270 is just east of the City and State Highway 30 runs throughout the City. This highway infrastructure provides Fenton with excellent access to the entire St. Louis metropolitan area.

Due to the industrial park, Gravois Bluffs, and Fenton Crossing shopping centers, the City enjoys a solid financial position. Government operations are funded primarily by a 1% countywide sales tax, a ½% Storm Water/Parks sales tax and a 5% commercial gross receipts tax on utilities. The City does not charge businesses with any merchants, manufacturers, municipal real estate or personal property tax. Residents pay no municipal real estate or personal property taxes. The gross receipt tax on utilities is not levied on residential use.

The Countywide sales tax is distributed based on two methods – (1) The point of sale method and (2) the pool method. Most of the stores located on the east side of Highway 141 are considered point of sale stores and those sales taxes are distributed 58% to the City of Fenton and 42% to the County. All stores located on the west side of Highway 141 (which includes all of the Fenton Crossing shopping center and more than half of the Gravois Bluffs shopping center) and some of the stores on the east side of Highway 141 are considered pool stores. Those receipts are distributed 4% to the City of Fenton and 96% to St Louis County for redistribution to other cities within the county. In total, 63% of sales tax receipts generated within Fenton are redistributed to St Louis County and other cities within the county.

The industrial expansion in Fenton began in 1959 with the construction of the Daimler Chrysler Assembly Plant located along Interstate 44. Home to 594 companies, the current industrial park encompasses 12,205,000 square feet of space**.** The occupancy rate in the industrial park was at 92% in 2007, but dropped to 82% in 2008 and then to 80% in 2009. The industrial base in Fenton has declined since 2007 because of the closure of the two Chrysler assembly plants. As a result of this closure, several companies whose main business was supplying parts or services to Chrysler closed their Fenton operations.

Fenton's diverse housing base is relatively new with most of the 1,549 plus homes having been built within the last 30 years.

As a result of redevelopment efforts undertaken over the past 14 years, Fenton is home to Fenton Crossing and Gravois Bluffs shopping centers. Per a survey conducted by the City in late 2011, the two centers together total 1.5 million square feet of retail space.

Long Term Financial Planning

General Fund

As of December 31, 2011, total fund balance in the General Fund was approximately $3.6 million, which was comprised of the following categories:

Item	2011 Final
50% Operating Reserve	$ 2,635,000
Unassigned Fund Balance	838,474
Prepaid Expenditures	83,954
	$ 3,557,428

As of January 1, 2011, the Board established a new Capital Projects Fund to account for capital expenditures separately from operating expenditures. The $5.9 million transfer establishing the new fund came primarily from the General Fund with a small portion coming from the Storm Water/Parks Fund.

The $838,474 in unassigned fund balance is available for whatever purpose the Board of Aldermen chooses to use it for.

The $2,635,000 in operating reserve represents 50% of 2011 operating expenditures and, per Board policy, may only be used for an emergency. This account increased by $46,000 during 2011 because operating expenditures increased in 2011 compared to 2010 operating expenditures (not including the Chrysler Grant Match expenditure of $131,250 in 2010).

Storm Water/Parks Fund

As of December 31, 2011, total fund balance in the Storm Water/Parks Fund was approximately $1.7 million, which was comprised of the following categories:

Item	2011 Final
50% Operating Reserve[1]	$ 1,256,000
Restricted for Storm Water/Parks[1]	369,759
Prepaid Expenditures	44,740
	$ 1,670,499

[1] The 50% Operating Reserve and the Restricted Fund Balance for Storm Water/Parks is combined as a total ($1,625,759) and shown as Restricted for Storm Water/Parks in the Storm Water/Parks Fund column on the Balance Sheet – Governmental Funds, page 23.

As of January 1, 2011, the Board of Aldermen established two new debt service funds to track debt expenditures separately from operating expenditures. $2,532,000 in the existing Debt Service Reserve was transferred to the two new debt service funds during 2011. $1,372,000 was transferred to the RiverChase Debt Service Fund and $1,160,000 was transferred to the Fabick Property Debt Service Fund, to provide the initial funding to these funds.

$13,500 in the Capital Projects Account was transferred to the new Capital Projects Fund during 2011 to set up the new fund. Additional transfers of $5,500 were made to the Capital Projects Fund during fiscal year 2011 to fund computer equipment purchases.

The $369,759 restricted for Storm Water/Parks is available and may be used by the Board for any lawful activity in the Storm Water/Parks Fund.

The $1,256,000 in operating reserve represents 50% of 2011 operating expenditures and, per Board policy, may only be used for an emergency. This account decreased by $44,000 during 2011 because operating expenditures decreased in 2011 compared to 2010.

Overall, the City of Fenton has weathered a long economic downturn and the loss of two Chrysler plants fairly well because of prudent financial management on the part of the Board of Aldermen. Budget cuts made in 2011 and in prior years have produced surpluses which may be used by the Board to fund future operations of the City.

Acknowledgements

The preparation of this report on a timely basis would not have been possible without the efficient and dedicated service of city employees. We wish to extend our appreciation and thanks to all employees who assisted in the preparation of this report. Appreciation must also be given to the City's auditors, Botz, Deal and Company, whose suggestions and attention to detail enhanced the quality of this report. Credit must also be given to the Mayor and Board of Aldermen for their dedication in establishing sound financial policies and for the time they spend reviewing all financial reports to ensure compliance with these policies.

Respectfully submitted,

Richard C. Snyder, CGFM
Finance Director

Mark Sartors
City Administrator

City of Fenton, Missouri
Principal Elected and Appointed Officials
As of December 31, 2011

ELECTED OFFICIALS

TITLE	NAME
Mayor	Dennis Hancock
Alderman – Ward 1	Harold Bade Paul Seemayer
Alderman – Ward 2	Joe Maurath Mike Beiser
Alderman – Ward 3	Dan Borgard Chris Clauss
Alderman – Ward 4	Lisa Horn James Mauller

APPOINTED OFFICIALS

TITLE	NAME
City Attorney	Jerome Wallach
Municipal Court Judge	Charles Billings
Prosecuting Attorney	Stan Wallach
City Administrator	Mark Sartors
City Clerk	Diane Monteleone
Community Development Director	Gary Crabtree
Court Clerk	Jan Fischer
Finance Director	Richard Snyder
Human Resources Manager	Janet Skelton
Information Systems Manager	Leigh Dohack
Parks & Recreation Director	Thomas Diven
Project Manager	Dan Howard
Public Works – Operations Superintendent	Dale Oberhaus
St. Louis County Police – Precinct Captain	Jeff Bader

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

The Honorable Mayor and Members
of the Board of Aldermen
CITY OF FENTON, MISSOURI

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fenton, Missouri, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2010 financial statements and, in our report dated June 13, 2011, we expressed an unqualified opinion on the respective financial statements of the governmental activities, each major fund and the aggregate fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, each major fund, and the aggregate remaining fund information of the City of Fenton, Missouri, as of December 31, 2011, and the respective changes in the financial position where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2012, on our consideration of the City of Fenton, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary comparison information on pages 8 through 20 and 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fenton, Missouri's financial statements as a whole. The introductory section, other supplementary information budget schedules, and combining nonmajor fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The other supplementary information budget schedules, combining nonmajor fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Botz Deal + Company

June 13, 2012

As management of the City of Fenton, we offer this narrative overview and analysis of the financial activities of the City of Fenton for the year ended December 31, 2011. We have prepared this discussion and analysis of the city's financial activities to add additional information to the basic financial statements presented in the next section of this report.

FINANCIAL HIGHLIGHTS

- As of December 31, 2011, the City's assets exceeded liabilities by approximately $56.4 million. Included in this amount are approximately $19.6 million of resources that are restricted by enabling legislation to specific projects or purposes. The City has a deficit in unrestricted net assets of approximately $16.9 million due to approximately $25.6 million in TIF Bonds outstanding at year-end that were issued for economic development costs on property not owned by the City.

- Cash and investment balances as of December 31, 2011 were approximately $23.4 million and current liabilities were approximately $3.2 million. Federal and State laws restrict approximately $13.0 million of the cash and investments on hand to the repayment of outstanding debt.

- Net assets increased by approximately $10.0 million during fiscal year 2011. This increase was due to paying off approximately $10.2 million in long-term debt during 2011.

- Fund balances, which are a measure of current financial resources in the governmental funds, decreased by approximately $984,000 to an ending balance of $28 million. $838,000 is unassigned in governmental funds and is available for future appropriation by the Board of Aldermen. Per the financial policies of the City, $2.6 million in fund balance is held in General Fund as committed for emergencies. These funds can only be used by official action of the Board of Alderman and only in the event of a natural disaster that would require readily available funds to recover from the natural disaster.

- Total fund balance in the General Fund was approximately $3.6 million, or about 67% of 2011 operating expenditures. $84,000 is non-spendable fund balance to be used to pay 2012 expenditures that were prepaid in December 2011, $2.6 million is held for emergencies as noted above, and $838,000 is unassigned.

- The City's gross outstanding debt was approximately $35.4 million. Of this amount $25.6 million is due on TIF bonds that are repayable only from sales tax revenues generated by the TIF District and are not a claim on general resources of the City of Fenton. Another $9.8 million is due on Certificates of Participation issued to buy Fabick Nature Preserve ($1.7 million), and to build RiverChase, remodel City Hall and make storm water improvements ($8.1 million).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Fenton's basic financial statements. The City of Fenton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide our readers with an overview of the City of Fenton's finances, in a manner similar to a private-sector business.

The Statement of Net Assets - This statement presents information on all of the City's assets and liabilities, including long-term debt and capital assets as part of the governmental funds. The difference between assets and liabilities is reported as Net Assets. Over time, increases or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Fenton is improving or deteriorating.

The Statement of Activities - This statement presents information showing how the government's net assets changed during the year. All changes in net assets are reported as soon as transactions occur, regardless of when the related cash flows are reported. Therefore, some revenues and expenses included in this statement may reflect cash flows that will actually occur in future periods.

Government-wide statements are separated into two major categories: (1) governmental activities that are principally supported by taxes and intergovernmental revenues, and (2) business type activities that are supported mainly by user fees and charges. The City of Fenton has no business type activities and so the government-wide statements only reflect governmental activities. Governmental activities include such services as administration, finance, planning, economic development, municipal court, public works, human resources, city clerk, police and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been designated for specific programs or activities. The City of Fenton, like other state and local governments, uses fund accounting to demonstrate compliance with the laws, regulations and contractual agreements that establish the authority for the city's programs and services. The City of Fenton has two types of funds: 1) governmental and 2) fiduciary.

Governmental funds - These funds are used to account for the City's basic services, which are the same services that are included in the governmental activities on the government-wide financial statements. However, the information contained in the fund statements is measured differently. Government funds focus on current financial resources rather than economic resources. Therefore, the statements for these types of funds only include short-term resources, such as cash, investments and receivables that will be collected within the first 60 days of 2012 and short-term liabilities that will be retired with these monies. This information is important for assessing the City's current financial resources.

Balance Sheet - This statement shows the assets, liabilities and fund equity of each of the major City funds.

Statement of Revenues, Expenditures, and Changes in Fund Balance - This statement shows the revenues and expenditures of each of the major City funds along with the impact annual operations had on fund balance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for each of the different statements. This report contains two reconciliations, one after each of the two fund statements, to explain the difference between the activity in governmental funds as presented in the fund statements and the governmental activities presented in the government-wide financial statements.

The City of Fenton used the following governmental funds during 2011:

1. General Fund
2. Storm Water/Parks Fund
3. Capital Projects Fund
4. Gravois Bluffs TIF Bonds Debt Service Fund
5. Fenton Crossing TIF Bonds Debt Service Fund
6. RiverChase Debt Service Fund
7. Fabick Debt Service Fund

The first five funds are considered major funds and are reported separately in the fund financial statements. The remaining two funds do not meet the normal criteria for a major fund, but are reported as supplementary information and combined and reported as nonmajor funds in the basic financial statements.

The City of Fenton adopts an annual budget for all governmental funds in accordance with Missouri Revised Statutes Section 67.010. The budget to actual comparisons are reported as required supplementary information and other supplementary information both of which follow the footnotes.

Fiduciary Funds - These funds are used to account for assets held by the City of Fenton in a trustee capacity or as a collection agent for others. The City of Fenton has one fiduciary fund - The Police Pension Fund. The Police Pension Fund accounts for the retirement accounts held for former Police Department employees that have not yet retired. All of the fiduciary activities of the city are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These funds are excluded from the government-wide financial statements because these assets cannot be used to finance city operations.

Notes to the Financial Statements

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

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Fenton's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements.

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Fenton, assets exceeded liabilities by approximately $56.4 million at the end of fiscal year 2011.

The largest portion of the City of Fenton's net assets ($53.7 million) reflects the investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Fenton uses these capital assets to provide services to citizens; consequently, these assets are **not available** for future spending. It should be noted that the resources needed to repay this debt must be provided from current resources due to the fact that the investment in capital assets is reported net of related debt. The capital assets themselves cannot be used to liquidate these particular liabilities.

The following table summarizes the Statement of Net Assets:

	Governmental Activities	
	2011	2010
Current assets	$ 30,885,863	$ 30,449,553
Deferred charges - bond issue and refunding costs	844,660	907,417
Capital assets	60,425,761	59,306,199
Total Assets	92,156,284	90,663,169
Long-term debt outstanding (net of deferred charges)	32,476,165	42,272,610
Other liabilities	3,233,240	1,976,553
Total Liabilities	35,709,405	44,249,163
Net assets:		
Invested in capital assets, net of related debt	53,706,613	46,926,199
Restricted	19,643,973	19,819,719
Unrestricted	(16,903,707)	(20,331,912)
Total Net Assets	$ 56,446,879	$ 46,414,006

Provisions of various laws, regulations and contractual agreements restrict approximately $19.6 million of net assets for use solely on storm water or parks activities ($1.7 million) or future debt service payments ($18.0 million). $53.7 million of net assets are invested in capital assets, net of related debt. This means that unrestricted net assets are a negative $16.9 million because of $25.6 million in outstanding TIF bonds that were issued providing resources for the Gravois Bluffs and Fenton Crossing shopping centers. This debt did not result in capital assets being provided to the City as a result of the investment.

The next government-wide statement is the Statement of Activities. The following table outlines the major components of this statement:

	Governmental Activities - 2011	Governmental Activities - 2010	$ Change	% Change
REVENUES				
Program Revenues:				
Charges For Services	$ 2,378,715	$ 2,462,158	$ (83,443)	-3.39%
Capital Grants & Contributions	1,903,598	2,267,923	(364,325)	-16.06%
General Revenues:				
Sales Taxes	10,286,703	10,424,573	(137,870)	-1.32%
Intergovernmental	5,063,800	4,857,886	205,914	4.24%
Utility Taxes	1,404,202	1,559,566	(155,364)	-9.96%
Other Taxes	368,356	432,749	(64,393)	-14.88%
Investment Earnings	406,140	444,173	(38,033)	-8.56%
Other General Revenues	181,914	84,124	97,790	116.25%
Total Revenues	21,993,428	22,533,152	(539,724)	-2.40%
PROGRAM EXPENSES				
Storm Water/ Parks	3,001,274	3,151,788	(150,514)	-4.78%
Interest Expense	2,095,320	2,744,511	(649,191)	-23.65%
Public Works	2,412,963	2,403,192	9,771	0.41%
Public Safety	2,346,288	2,380,724	(34,436)	-1.45%
General Government	1,781,511	1,705,413	76,098	4.46%
Community Development	323,199	332,326	(9,127)	-2.75%
Total Expenses	11,960,555	12,717,954	(757,399)	-5.96%
Increase In Net Assets	10,032,873	9,815,198	217,675	
Net Assets - Beginning of Year	46,414,006	36,598,808	9,815,198	
Net Assets - End of Year	$ 56,446,879	$ 46,414,006	$ 10,032,873	

Some observations about 2011 revenues and expenditures compared to 2010:

- Total revenues were down by $540,000 or 2.4%. Revenues changed as follows:
  - Utility taxes were down by $155,000 (10.0%) due to the Chrysler plant and other closings, and a decrease in natural gas prices which reduced the billing amounts on which the tax is calculated combined with the receipt of cell phone tax settlements in 2010 not received in 2011.
  - Sales taxes decreased by $137,000 (1.3%) because of general economic conditions.
  - Grants and contributions decreased by $364,000 (16%) due to the timing of work completed on the construction of the Gravois Road Bridge project and the Old Highway 141/Fenton Creek Bridge project.
  - Intergovernmental revenues increased by $206,000 (4.2%) due to an increase in payments received from the TIF Districts for property taxes.
  - Other taxes were down by $64,000 (14.9%) because of a reduction in County road and bridge tax revenue.
  - Other general revenue increased $98,000 (116.3%) due to the receipt of an EDA grant match refund check from the St. Louis County Economic Council.

- Program expenses were down by $757,000 or 6.0%. This was due to the following items:
  - Interest expense decreased by $649,000 (23.7%) due to early retirement of TIF debt during 2009, 2010 and 2011. This caused lower interest costs since fewer bonds were outstanding.
  - Storm Water/Parks expenditures decreased by $150,000 (4.8%) because of:
    - $35,000 reduction in salaries and benefits in the Parks & Recreation Department.
    - $21,000 reduction in salaries and benefits in the RiverChase Department.
    - $25,000 from lower maintenance costs in the Parks & Recreation Department. These costs include tree trimming, mowing, landscaping, parks maintenance and general building maintenance performed during 2011.
    - $9,000 from lower maintenance costs in the RiverChase Department. These costs include building cleaning and maintenance, mowing, landscaping, and pool maintenance.
    - $4,000 reduction in program supplies and costs.
    - Operating expenditures (not including insurance) decreased by $103,000.
    - This was partially offset by an increase of $12,000 in storm water maintenance costs, which includes slab replacements, and a $34,000 increase in insurance.
  - Public Works costs increased by $10,000 (0.4%) due to:
    - $56,000 increase in operating expenditures.
    - This was partially offset by a reduction of $31,000 in salaries and benefits.
  - General Government expenditures increased by $76,000 (4.5%) due to:
    - An increase of $9,000 in insurance.
    - The payment of $20,000 for lobbyist fees.
    - An increase of $16,000 in legal fees.
    - An increase of $48,000 for financial consulting fees due to the vacancy of the Finance Director's position.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

The focus of the City of Fenton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Fenton's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Financial information for the governmental funds is summarized in two statements: 1) The Balance Sheet and 2) The Statement of Revenues, Expenditures and Changes in Fund Balance. At the end of 2011, the City of Fenton's governmental funds reported combined ending fund balances of $28 million. This was a decrease of $984,000, with a $5.7 million decrease in the General Fund.

While ending fund balance in the General Fund decreased by $5.7 million, revenue exceeded expenditures by $276,000. The reduction in the General Fund's fund balance of $5.7 million is the result of the City establishing a Capital Projects Fund with money previously held in the General Fund.

REVENUE ANALYSIS

Fund	2010	2011	$ Change	% Change
General Fund	$ 7,389,000	$ 5,546,929	$ (1,842,071)	-24.93%
Storm Water/Parks Fund	5,363,324	4,735,213	(628,111)	-11.71%
Capital Projects Fund	-	1,903,632	1,903,632	-
Gravois Bluffs TIF Fund	8,635,035	8,609,528	(25,507)	-0.30%
Fenton Crossing TIF Fund	1,145,792	1,162,106	16,314	1.42%
Nonmajor Funds	-	36,816	36,816	-
Total Revenues	$ 22,533,151	$ 21,994,224	$ (538,927)	-2.39%

Citywide revenues were $22.0 million in 2011, a decrease of $539,000 or 2.4%.

General Fund revenues decreased by $1.8 million or 25% mostly due to the recording of grants in the new Capital Projects Fund in 2011 instead of the General Fund in 2010. Other General Fund revenues that decreased were:

- Gross receipt taxes: down $156,000 (10.3%) due to a decrease in natural gas prices which reduced the billing amounts on which the tax is calculated combined with the receipt of cell phone tax settlements in 2010 not received in 2011.
- County road and bridge tax: down by $64,000 (14.9%).

Miscellaneous revenue in the General Fund increased by $124,960 or 216.4% helping to offset a portion of the General Fund revenue decreases. An EDA grant match refund check from the St. Louis County Economic Council made up most of this increase.

Storm Water/Parks Fund revenues decreased by $628,000 or 11.7%:

- Recreation fees decreased by $51,000 due to decreased participation in the various programs offered by the Parks Department.
- Grant revenue ($503,000) was received in 2010 for the flood buy out program wherein houses in the flood plain were purchased by the City and converted to open space parkland.
- The remaining decrease was the result of a decrease in investment income in 2011 compared to 2010.

The Capital Projects Fund revenues increased $1.9 million because in previous years, grant revenue was reported in the General Fund and the Storm Water/Parks Fund.

EXPENDITURE ANALYSIS

Fund	2010 Expenditures	2011 Expenditures	$ Change	% Change
General Fund	$ 7,322,056	$ 5,270,800	$ (2,051,256)	-28.01%
Storm Water/Parks Fund	5,493,663	2,511,116	(2,982,547)	-54.29%
Capital Projects Fund	-	3,009,849	3,009,849	-
Gravois Bluffs TIF Fund	7,656,731	7,950,251	293,520	3.83%
Fenton Crossing TIF Fund	1,244,128	1,139,428	(104,700)	-8.42%
Nonmajor Funds	-	2,768,885	2,768,885	-
Total Expenditures	$ 21,716,578	$ 22,650,329	$ 933,751	4.30%

Citywide expenditures were $22.7 million, an increase of $934,000 or 4.3% compared to 2010.

General Fund expenditures decreased by $2.1 million or 28.0% because of the creation of the Capital Projects Fund; all capital expenditures are paid out of the Capital Projects Fund instead of the General Fund.

Storm Water/Parks Fund expenditures decreased by $3.0 million (54.3%) because of the creation of two debt service funds which will be used to report the debt service expenditures. The RiverChase Debt Service Fund and the Fabick Debt Service Fund are both reported as nonmajor funds of the City. If the debt service payments were included in the Storm Water/Parks Fund in 2011, total expenditures for that fund would show a decrease $214,000.

The Capital Projects Fund was created in 2011; all capital expenditures in 2011 are paid out of the Capital Projects Fund and no longer from the General Fund or Storm Water/Parks Fund.

The major expenditures in the Capital Project Fund during 2011 were:

Gravois Road Bridge project	$	1,631,000
Old Highway 141/Fenton Creek Bridge project		998,000
Land Improvements		9,000
Vehicles		16,000
Machinery & Equipment		8,000
Old Highway 141 Road Improvements		330,000
Gravois/Old Highway 141 Intersection project		3,000
Preslar Lake Dam		10,000
Recreation Computer & Software		5,000
	$	3,010,000

Expenditures for the Gravois Bluffs TIF Fund increased by $294,000 (3.8%) due to an increase in the amount of bonds redeemed early compared to the amount redeemed in 2010.

Expenditures for the Fenton Crossing TIF Fund decreased $105,000 (8.4%) due to a decrease in the amount of bonds redeemed early compared to the amount redeemed in 2010.

BUDGETARY HIGHLIGHTS

The fund financial statements for 2011 include information about both the original budget as adopted by the Board of Aldermen and the final budget as amended during the year. The Board of Aldermen amended the 2011 budget on four occasions for the following purposes:

1. Resolution 11-02 (approved March 24, 2011) amended the 2011 budget to carryover 2010 projects that were not completed by December 2010. This resolution added $17,000 to the revenue budget and $17,000 to the expenditure budget in the Capital Projects Fund, and it increased transfers out in the General Fund by $17,000.
2. Resolution 11-03 (approved April 28, 2011) amended the 2011 budget to provide funding for legal services (lobbyist), provide funding for the Recreation Trails Program Fiscal Year 2010 Grant, and to reflect the impact of the refunding of the Fabick Property Bonds. The budget amendment also changed the budgeted amounts of the Gravois Road Bridge project and the Old Highway 141 Bridge and Road projects. This resolution increased revenues by $2,171,605 and increased expenditures by $2,572,706.
3. Resolution 11-07 (approved November 22, 2011) amended the 2011 budget to provide additional funding for accounting & auditing services, full time wages, health and dental insurance, and public bid notices, all in the Finance Department. Sources of funding were savings in the full-time salaried account, part time wages, FICA and pension accounts, all in the Finance Department. Additional funding came from the lobbyist (special legal fees) account in the City Administration Department. Overall expenditures were not increased.

4. Resolution 12-03 (approved April 19, 2012) amended the 2011 budget to reflect adjustments to departments that were overdrawn at the end of 2011. The resolution did not increase total revenues or expenditures in the General Fund or in the Storm Water/Parks Fund. The net increase in Capital Projects revenues was $10,050; the net increase in Capital Projects expenditures was $10,050. The COPS Debt - RiverChase Fund revenues were decreased by $17,240. The COPS Debt - Fabick Fund revenues were increased by $17,240 and the expenditures were increased by $550,920. The Gravois Bluffs and Fenton Crossing TIF Funds' expenditures were increased by $582,000 and $46,250 respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of December 31, 2011, the City of Fenton's investment in capital assets was $60.4 million (net of accumulated depreciation), an increase of $1.1 million or 1.9%. This increase was due to the continuing construction on the Old Gravois Road Bridge project and the Old Highway 141/Fenton Creek Bridge project. More detailed information on the City's capital assets is presented in Footnote III. E. in the financial statements.

Asset Category	2010	2011	$ Change	% Change
Land	$ 15,541,115	$ 15,541,115	$ -	0.00%
Land improvements	1,018,197	941,814	(76,383)	-7.50%
Buildings	14,273,053	13,746,871	(526,182)	-3.69%
Building improvements	193,250	185,825	(7,425)	-3.84%
Machinery and equipment	383,745	346,439	(37,306)	-9.72%
Infrastructure	25,387,410	24,186,884	(1,200,526)	-4.73%
Construction in progress	2,509,429	5,476,813	2,967,384	118.25%
Total Net Assets	$ 59,306,199	$ 60,425,761	$ 1,119,562	1.89%

At December 31, 2011, the total long-term debt of the City was $35.4 million:

Debt Series	Governmental Activities 2010	2011
Gravois Bluffs TIF Refunding Bonds - Series 2006	$ 28,780,000	$ 22,135,000
Certificates of Participation	9,325,000	9,815,000
Fenton Crossing TIF Bonds - Series 2010	4,395,000	3,455,000
PFA Bonds - Series 2003	3,055,000	-
Total Outstanding Debt	45,555,000	35,405,000
Deferred Charges	(3,466,014)	(3,095,853)
Compensated Absences	183,624	167,018
Net Long Term Liabilities	$ 42,272,610	$ 32,476,165

State statutes limit the amount of general obligation bonds a governmental entity may issue to 10% of its total assessed value. Based on a 2011 assessed value of approximately $353.1 million, the City of Fenton's legal debt limit is approximately $35.3 million. None of the above listed debt is included in the calculation of the City's legal debt margin because none of the above debt is general obligation debt. All of the above debt is payable solely from specific revenue sources such as sales taxes.

Total debt outstanding decreased by $10.2 million during 2011. More detailed information on the City's long-term debt is presented in Footnote III. H. in the financial statements.

2012 BUDGET

General Fund

The 2012 budget, as adopted by the Board of Aldermen in January 2012, proposed revenues of $5,436,030 and expenditures of $5,402,090, with a projected operating surplus of $33,940.

The 2012 budget calls for operating expenditures to decrease by $68,310 or 1.2% from the prior year's budget. Expenditures are proposed to decrease as follows:

1. $57,690 in savings from reducing costs in Administrative Services.
2. $12,500 in savings from reducing costs in Public Works.
3. $2,120 in savings from reducing costs in Community Development.

Police Services will increase by $4,000.

The 2012 budget projects ending unassigned fund balance in the General Fund will increase by $68,095.

Storm Water/Parks Fund

The 2012 budget proposes revenues in this fund to be $4,885,600 while expenditures will be $4,774,600, with a projected operating surplus of $111,000.

The 2012 budget calls for total expenditures to decrease by $69,100 or 1.4% from the prior year's budget. Expenditures are proposed to decrease as follows:

1. $26,870 in savings from reducing costs in RiverChase Operations.
2. $58,000 in savings from reducing costs in the RiverChase Building Maintenance Reserve.

Expenditures will increase as follows:

1. Additional $5,510 in the Parks & Recreation Department.
2. Additional $6,000 for the Storm Water Maintenance.
3. $4,260 for additional Debt Service Payments.

The 2012 budget projects that fund balance will increase by $111,000.

Capital Projects Fund

The 2012 budget proposes revenues in this fund to be $2,128,000 while expenditures will be $3,777,500, with a projected operating deficit of $(1,649,500).

Expenditures in the Capital Projects Fund are budgeted to be greater than revenues due to the planned use of fund balance for one-time capital improvements.

The 2012 budget projects that fund balance will decrease by $(1,649,500).

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Fenton's finances for those with an interest in the finances of the city. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to:

Richard Snyder, CGFM
Finance Director
City of Fenton, Missouri
625 New Smizer Mill Road
Fenton, Missouri 63026
Phone 636-343-2080 Ext. 1106

BASIC FINANCIAL STATEMENTS

CITY OF FENTON, MISSOURI

Statement of Net Assets

December 31, 2011

With Comparative Totals For December 31, 2010

	Governmental Activities	
	2011	2010
ASSETS		
Cash and investments	$ 10,376,215	$ 10,156,515
Taxes receivables:		
Property	4,693,015	4,014,276
Sales	2,061,848	2,148,959
Other	126,642	151,470
Other receivables	471,810	350,762
Interest receivable	16,917	59,047
Prepaid items	128,694	129,295
Restricted assets		
Cash and investments	13,010,722	13,439,229
Deferred charges - bond issue costs	844,660	907,417
Capital assets net:		
Nondepreciable	21,017,927	18,050,543
Depreciable	39,407,834	41,255,656
TOTAL ASSETS	92,156,284	90,663,169
LIABILITIES		
Accounts payable and other current liabilities	2,497,354	1,064,805
Deposits	119,536	131,905
Accrued interest payable	406,322	569,804
Unearned revenue	210,028	210,039
Non-current liabilities:		
Due within one year	5,761,177	5,290,452
Due in more than one year	26,714,988	36,982,158
TOTAL LIABILITIES	35,709,405	44,249,163
NET ASSETS		
Invested in capital assets, net of related debt	53,706,613	46,926,199
Net assets restricted for:		
Storm water/parks and recreation	1,670,499	1,572,137
Debt service	17,973,474	18,247,582
Unrestricted	(16,903,707)	(20,331,912)
TOTAL NET ASSETS	$ 56,446,879	$ 46,414,006

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Statement of Activities

For The Year Ended December 31, 2011

With Comparative Totals For The Year Ended December 31, 2010

		Program Revenues		Net Revenue (Expense) and Changes in Net Assets	
Functions/Programs	Expenses	Charges For Services	Capital Grants & Contributions	2011	2010
Primary Government:					
Governmental Activities:					
General Government	$ 1,781,511	$ 12,000	$ 1,903,598	$ 134,087	$ 66,606
Community Development	323,199	78,388	-	(244,811)	(290,223)
Public Safety	2,346,288	458,570	-	(1,887,718)	(1,848,461)
Public Works	2,412,963	-	-	(2,412,963)	(2,403,192)
Storm Water/Parks and Recreation	3,001,274	1,829,757	-	(1,171,517)	(768,092)
Debt Service Expenditures	2,095,320	-	-	(2,095,320)	(2,744,511)
Total Governmental Activities	$ 11,960,555	$ 2,378,715	$ 1,903,598	(7,678,242)	(7,987,873)
	General Revenues:				
	Sales Taxes			10,286,703	10,424,573
	Intergovernmental			5,063,800	4,857,886
	Utility Taxes			1,404,202	1,559,566
	Other Taxes			368,356	432,749
	Investment Earnings			406,140	444,173
	Other General Revenue			181,914	84,124
	Total General Revenues			17,711,115	17,803,071
	Change in Net Assets			10,032,873	9,815,198
	Net Assets - Beginning of Year			46,414,006	36,598,808
	Net Assets - End of Year			$ 56,446,879	$ 46,414,006

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Balance Sheet

Governmental Funds

As of December 31, 2011

With Comparative Totals As Of December 31, 2010

	General Fund	Storm Water/Parks Fund	Capital Projects Fund	Gravois Bluffs TIF Fund	Fenton Crossing TIF Fund	Nonmajor Funds	Total 2011	Total 2010
ASSETS AND OTHER DEBITS								
Cash and investments	$ 3,870,269	$ 1,486,812	$ 5,019,134	$ -	$ -	$ -	$ 10,376,215	$ 10,156,514
Cash and investments - restricted	13,880	-	-	10,144,789	710,521	$ 2,141,532	13,010,722	13,439,229
Taxes receivables:								
Sales	642,763	491,171	-	792,518	135,396	-	2,061,848	4,014,276
Property	130,602	-	-	4,174,134	388,279	-	4,693,015	2,148,959
Other	126,642	-	-	-	-	-	126,642	151,470
Other receivables	22,976		452,899	-	-	-	475,875	350,762
Interest receivable	1,844	27	35	6,955	1,389	6,667	16,917	59,047
Prepaid items	83,954	44,740	-	-	-	-	128,694	129,295
Due (to)/from	(43,452)	-	-	34,800	8,652	-	-	-
TOTAL ASSETS	$ 4,849,478	$ 2,022,750	$ 5,472,068	$ 15,153,196	$ 1,244,237	$ 2,148,199	$ 30,889,928	$ 30,449,552
LIABILITIES AND FUND EQUITY								
Liabilities								
Accounts payable	$ 1,143,819	$ 125,118	$ 614,524	$ -	$ -	$ 572,158	$ 2,455,619	1,018,135
Accrued payroll	34,351	11,449	-	-	-	-	45,800	46,670
Deposits payable	113,880	5,656	-	-	-	-	119,536	131,904
Deferred revenue	-	210,028	-	-	-	-	210,028	210,039
TOTAL LIABILITIES	1,292,050	352,251	614,524	-	-	572,158	2,830,983	1,406,748
Fund Equity								
Non-Spendable Fund Balance	83,954	44,740	-	-	-	-	128,694	129,295
Restricted Fund Balance								
Restricted For Storm Water/Parks	-	1,625,759	-	-	-	-	1,625,759	1,531,293
Restricted For Debt Service	-	-	-	15,153,196	1,244,237	1,576,041	17,973,474	18,247,582
Committed Fund Balance								
Committed For Capital Projects	-	-	4,857,544	-	-	-	4,857,544	5,938,184
Committed For Emergencies	2,635,000	-	-	-	-	-	2,635,000	2,589,000
Unassigned Fund Balance	838,474	-	-	-	-	-	838,474	607,450
TOTAL FUND BALANCE	3,557,428	1,670,499	4,857,544	15,153,196	1,244,237	1,576,041	28,058,945	29,042,804
TOTAL LIABILITIES AND FUND EQUITY	$ 4,849,478	$ 2,022,750	$ 5,472,068	$ 15,153,196	$ 1,244,237	$ 2,148,199	$ 30,889,928	$ 30,449,552

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI
Reconciliation of the Balance Sheet
of Governmental Funds to the
Statement of Net Assets
As of 12/31/2011

Total Fund Balance of All Governmental Funds	$	28,058,945
Amounts Reported on The Statement of Net Assets Differ Because:		
Capital assets used in governmental activities are not financial resources; therefore, the assets are not reported in the funds balance sheet.		60,425,761
Deferred charges for bond issue costs are not current financial resources; therefore, deferred charges are not reported in the funds balance sheet. These charges will be amortized as interest expense over the life of the bonds.		844,660
Deferred charges for bond refunding costs are not current financial resources; therefore, these deferred charges are not reported in the funds balance sheet. These costs will be amortized as interest expense over the life of the debt.		3,095,852
Compensated Absences are not due and payable in the current period; therefore, compensated absences are not reported as liabilities in the funds balance sheet.		(167,017)
Certain long-term liabilities are not due and payable in the current period; therefore, these liabilities are not reported as liabilities in the funds balance sheet. Long-term liabilities at the end of the year consisted of:		
Accrued interest payable		(406,322)
TIF bonds payable		(25,590,000)
Certificates of participation payable		(9,815,000)
Net Adjustments		28,387,934
Net Assets of Governmental Activities Per Statement of Net Assets	$	56,446,879

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Statement of Revenues, Expenditures and Changes In Fund Balance

Governmental Funds

For The Year Ended December 31, 2011

With Comparative Totals For The Year Ended December 31, 2010

	General Fund	Storm Water/Parks Fund	Capital Projects Fund	Gravois Bluffs TIF Fund	Fenton Crossing TIF Fund	Nonmajor Funds	Total 2011	Total 2010
REVENUES								
Sales Taxes	$ 2,576,662	$ 2,882,539	$ -	$ 4,063,740	$ 763,762	$ -	$ 10,286,703	$ 10,424,573
Intergovernmental	292,551	-	-	4,382,970	388,279	-	5,063,800	4,857,885
Utility Taxes	1,360,747	-	-	34,800	8,655	-	1,404,202	1,559,566
Other Taxes	368,356	-	-	-	-	-	368,356	432,749
Fines and court costs	458,570	-	-	-	-	-	458,570	532,262
Charges For Services	90,388	1,829,757	-	-	-	-	1,920,145	1,956,271
Grants	-	-	1,903,598	-	-	-	1,903,598	2,267,923
Investment Income	216,945	22,917	34	128,018	1,410	36,816	406,140	444,172
Miscellaneous	182,710	-		-	-	-	182,710	57,750
TOTAL REVENUES	5,546,929	4,735,213	1,903,632	8,609,528	1,162,106	36,816	21,994,224	22,533,151
EXPENDITURES								
Current Expenditures								
Parks & Recreation	-	2,511,116	-	-	-	-	2,511,116	2,657,095
Public Safety	2,346,288	-	-	-	-	-	2,346,288	2,380,724
General Governmental	1,505,376	-	-	82,000	-	-	1,587,376	1,643,702
Public Works	1,133,020	-	-	-	-	-	1,133,020	1,070,004
Community Development	286,116	-	-	-	-	-	286,116	295,243
Debt Service								
Principal	-	-	-	6,645,000	940,000	2,220,000	9,805,000	8,375,000
Interest	-	-	-	1,218,548	194,394	475,294	1,888,236	2,405,222
Trustee fees and issuance costs	-	-	-	4,703	5,034	73,591	83,328	205,684
Capital Expenditures	-	-	3,009,849	-	-		3,009,849	2,683,904
TOTAL EXPENDITURES	5,270,800	2,511,116	3,009,849	7,950,251	1,139,428	2,768,885	22,650,329	21,716,578
Excess of Revenues Over (Under) Expenditures	276,129	2,224,097	(1,106,217)	659,277	22,678	(2,732,069)	(656,105)	816,573
Other Financing Sources (Uses)								
Transfers in/(out)	(5,944,710)	(4,657,840)	5,963,761	-	-	4,638,789	-	
Bond Proceeds	-	-	-	-		2,225,000	2,225,000	4,395,000
Funds paid to escrow agent	-	-	-	-		(2,570,000)	(2,570,000)	(4,795,000)
Bond premium	-	-	-	-	-	14,321	14,321	-
Sale of assets	2,925	-	-	-	-	-	2,925	-
Total Other Financing Sources (Uses)	(5,941,785)	(4,657,840)	5,963,761	-	-	4,308,110	(327,754)	(400,000)
Net Change in Fund Balance	(5,665,656)	(2,433,743)	4,857,544	659,277	22,678	1,576,041	(983,859)	416,573
Fund Balance - Beginning	9,223,084	4,104,242	-	14,493,919	1,221,559	-	29,042,804	28,626,231
Fund Balance - Ending	$ 3,557,428	$ 1,670,499	$ 4,857,544	$ 15,153,196	$ 1,244,237	$ 1,576,041	$ 28,058,945	$ 29,042,804

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For The Year Ended 12/31/2011

Net Changes In Fund Balance Per Statement of Revenues and Expenditures	$	(983,859)
Amounts reported for governmental activities in the state of activities differ because:		
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of these assets is allocated over their estimated useful life and reported as depreciation expense. This is the amount by which depreciation costs ($1,886,567) were less than capital outlay costs ($3,009,849) during the year.		1,123,282
When capital assets are disposed of the proceeds from the disposal are reported in the governmental funds, however the gain or loss is reported in the statement of net assets. The change in net assets differs from the change in fund balance by the net book value of the assets sold.		(3,721)
Bond issue costs and premiums and discounts are reported in governmental funds as expenditures in the year the bonds are issued. In the statement of activities, the cost of this action is allocated over the life of the bonds and reported annually as interest expense. This is the amount reported as interest expense in 2011 that relates to bond issue costs from prior years.		(487,199)
Bond issue costs in governmental funds are reported as expenditures in the year the bonds are issued. In the statement of activities, these costs are allocated over the life of the bonds and reported annually as interest expense. This is the amount of bond issue costs that were incurred during 2011.		53,031
During 2011 the Missouri PFA Leasehold Revenue Refunding Bonds were refunded. In governmental funds this is reported as expenditures in the year of refunding. The refunding act is reported on the Statement of Net Assets as a liability reduction and so the Statement of Activities is not impacted. This is amount of bonds paid off in 2011.		345,000
Changes in compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources; therefore compensated absences are not reported as expenditures in governmental funds. This is the amount by which compensated absences changed during the year.		16,607
The repayment of debt consumes the current financial resources of governmental funds, however, it has no effect on net assets. The net effect of these transactions is:		
Accrued interest payable		164,732
Bond principal payments		9,805,000
Net Adjustments		11,016,732
Changes In Net Assets Per The Statement of Activities	$	10,032,873

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Statement of Net Assets - Fiduciary Fund Types

Police Pension Trust Fund

As of December 31,2011

	Police Pension Fund
ASSETS	
Deposits Held With Trustees	$ 18,290
NET ASSETS	
Held in trust for police pension benefits	$ 18,290

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Statement of Changes In Fiduciary Net Assets

Police Pension Trust Fund

For The Year Ended December 31, 2011

ADDITIONS		
Investment Earnings	$	819
DEDUCTIONS		
Administrative Fees		322
Plan Distributions		3,802
Total Deductions		4,124
Changes in Net Assets		(3,305)
Net assets - beginning		21,595
Net assets - ending	$	18,290

The notes to the financial statements are an integral part of this statement

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Fenton, Missouri (the "City") was incorporated as a town within St. Louis County, Missouri on December 28, 1874. In April 1959, the residents voted to approve the town becoming a fourth-class city as provided by the Missouri state statutes. The City operates under a Mayor and Board of Aldermen form of government, which consists of the Mayor and eight Aldermen. The City's major operations include street maintenance and improvements, parks and recreation activities and general administrative services. St. Louis County provides police protection on a contract basis.

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles.

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement # 14 and Statement # 39. The City is the primary government unit. Component units are those entities, which are financially accountable to the primary government, either because the component unit will provide a financial benefit to, or impose a financial burden on, the primary government. The City of Fenton has one component unit as noted below.

Blended Component Unit: The City of Fenton, Missouri Public Facilities Authority is included in the financial statements of the City of Fenton as a blended component unit. Criteria for including an entity as a blended component unit includes the governing body's ability to exercise financial accountability. Financial accountability includes control or dependence over budget adoption, taxing authority, funding and appointment of the respective board. Based upon the application of these criteria, the Public Facilities Authority has been determined to be a component unit of the City of Fenton. Its purpose is to act on behalf of the City in its acquisition, construction, improvement, extension, repair, remodeling and financing of capital improvement projects. The financial information of the Authority has been incorporated into the City's financial statements using the blending method. Under the blending method, transactions of a component unit are presented as if they were executed directly by the primary government.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the City of Fenton and its component units. 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.

The statement of activities demonstrates the degree to which the direct expenses for 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 the 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund 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 general revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, intergovernmental revenues, and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the city.

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

The city reports the following major governmental funds:

> The General Fund is the city's primary operating fund. It accounts for all financial resources of the city, except for those that are required to be accounted for in another fund.
>
> The Storm Water/Parks Fund is a special revenue fund and accounts for the resources accumulated for the operations and capital needs of the city's parks and storm water systems. This fund also supplies the financial resources accumulated to make the debt service payments on the Certificates of Participation and PFA bonds issued by the City. The major funding source for this fund is a ½% sales tax that is restricted by law to only be used for parks operations or storm water improvements.
>
> The Capital Projects Fund is used to account for resources accumulated for the purchase of capital items.
>
> The Gravois Bluffs TIF Debt Service Fund accounts for the resources accumulated and the payments made for principal and interest on the TIF bonds that were issued for the Gravois Bluffs shopping center project.
>
> The Fenton Crossing TIF Debt Service Fund accounts for the resources accumulated and the payments made for principal and interest on the TIF bonds that were issued for the Dierbergs Fenton Crossing Shopping Center project.

The other governmental funds of the City are considered nonmajor. They are debt service funds, which account for resources set aside to service the outstanding debt of the City.

Additionally, the city reports the following fund types:

> Police Employees Pension Trust Fund - This fund is used to account for a deposit administration contract with the Equitable Life Assurance Society of the United States. The value of the assets and changes therein has been reported at an amount that represents contributions to the plan plus investment income credited less benefit and termination payments and administration charges.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

The City's investment policies conform to Missouri Statute 30.260 that authorize the deposit of funds in banks and trust companies or investment in United States Treasury bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Investments are recorded at their fair market value, which is determined based on the last reported sales price as noted on the national exchange.

There is additional information regarding deposits and investments under Footnote Section III A of this report.

2. Due To/From Other Funds

All outstanding balances between funds outstanding at the end of the year are referred to as "due to/from other funds". Due to/from other funds at December 31, 2011 are as follows:

	DUE FROM	DUE TO
General Fund	$ -	$ $ 43,452
Gravois Bluff TIF Fund	34,800	-
Fenton Crossing TIF Fund	8,652	-

The General Fund owes the Gravois Bluff TIF Fund and the Fenton Crossing TIF Fund for taxes received in December and distributed in January.

3. Interfund Transactions

The following transfers were made during the fiscal year ending December 31, 2011:

	TRANSFER IN	TRANSFER OUT
General Fund	$ -	$ 5,944,710
Stormwater/Parks Fund	-	4,657,840
Capital Projects Fund	5,963,761	-
RiverChase Debt Service Fund	2,866,875	-
Fabick Debt Service Fund	1,771,914	-

The City transferred resources from the General Fund for the establishment of the Capital Projects Fund. The City transferred resources from the Stormwater/Parks Fund for the establishment of the RiverChase Debt Service Fund, the Fabick Debt Service Fund, and the Capital Projects Fund.

4. Inventories and Prepaid Items

Certain payments made to vendors during 2011 reflect costs that are applicable to future accounting periods and recorded as prepaid items in both the government-wide and fund financial statements.

The City had no material inventory of supplies on hand as of December 31, 2011.

5. Restricted Assets

Certain proceeds and resources of the City are classified as restricted assets on the balance sheet because these resources are maintained in separate bank accounts or their use is restricted by applicable bond covenants.

The General Fund reports restricted resources that represent bonds received from defendants in Municipal Court pending a hearing before the Municipal Court judge.

Prior to January 1, 2011, the Storm Water/Parks Fund reported restricted resources that are used to account for resources set aside for debt service payments on the Series 2004 Refunding Certificates of Participation and the Series 2003 PFA refunding bonds. Effective January 1, 2011, the Board of Aldermen have established two new debt service funds to account for resources set aside for debt payments and to account for these debt payments separately from the Storm Water/Parks Fund.

The Gravois Bluffs TIF Fund is used to account for resources set aside for debt service payments on the series 2006 Gravois Bluffs TIF refunding bonds.

The Fenton Crossing TIF Fund is used to account for resources set aside for debt service payments on the series 2010 Fenton Crossing TIF bonds.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with initial individual cost of more than $5,000 and an estimated useful life in excess of two years.

In the case of the initial capitalization of general infrastructure assets the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriated price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs. These costs are amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of donation.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Buildings & Improvements	5 - 50
Land Improvements	10 - 25
Machinery & Equipment	4 - 20
Infrastructure	7 - 50

7. Compensated Absences

As of May 1, 2010 City policy was changed to eliminate vacation and sick leave and replace them with paid time off (PTO). Paid time off expires at the end of the fiscal year and cannot be carried over from year-to-year.

All permanent employees with six months of service are entitled to paid time off based on their continuous length of service to the City as follows:

Years of Service	Weeks of Paid Time Off
1 to 4	3
5 to 14	4
15 plus	5

Unused vacation time was frozen at the balance in an employee's account on April 30. The employee may use this time or be paid for the balance in the account upon termination from employment. The amount to be paid at termination was frozen at the rate of pay in effect on April 30, 2010. Thus, there will be no increase in the dollar value of the unused vacation time. The liability for unused vacation time as of December 31, 2011 has been recorded as a liability in the government-wide financial statements.

Unused sick leave was also frozen at the balance that existed on April 30. An employee may use the balance in their sick leave account or be paid for part of the unused sick leave upon termination of employment with the City. An employee who has completed five years of service as of April 30, 2010 will be paid for one-half of their unused sick leave, up to a maximum of 480 hours. The rate of pay was frozen at the employee's rate as of April 30 so that the value of future payouts will not increase. Accordingly, one-half of the accrued leave for employees with five or more years of continuous service as of April 30, 2010 has been recorded as a liability in the government-wide financial statements.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as any bond issue costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issue costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. In addition, payments made to an escrow agent for advance refunding of bonds are reported as other financing uses. Bond issue costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balance

Governmental Accounting Standards Board (GASB) statement number 54 – Fund Balance Reporting requires that fund balance in governmental funds be broken down into classifications according to the availability of the fund balance to be spent during the normal course of operations. The following fund balance classifications are now used by the City of Fenton:

> Non-Spendable fund balance represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Both the General Fund and the Storm Water/Parks Fund report non-spendable fund balance for 2012 expenditure items that were prepaid in December 2011.

Restricted fund balance represents amounts that are restricted to being spent only for specific purposes because of constraints placed on the use of these resources from one of two sources: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments: or (b) imposed by law through enabling legislation. The Storm Water/Parks Fund reports restricted fund balance because the main revenue source for this fund is a ½% sales tax. The legislation that enabled this tax restricted the use of the money to parks or storm water purposes. The Gravois Bluff TIF Fund and other debt service funds report restricted fund balance as all fund balance for these funds can only be used for the retirement of debt in accordance with bond covenants.

Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen. As of December 31, 2011, the City reported the following items as committed fund balance:

> Per section 100 of the Financial Policies Manual, which was adopted on March 20, 2006 with ordinance #2791, 50% of annual expenditures will be kept in committed fund balance to be used only in the case of a natural disaster that would require cash flow to be used during recovery from the natural disaster. All amounts above this 50% amount is to be kept in unassigned fund balance and used as directed by the Board of Aldermen through a budget amendment resolution. As of December 31 General Fund committed fund balance for emergency use was $2,635,000.
>
> Committed Fund balance in the Capital Projects Fund has a balance of $4,857,544. This represents the amount designated by the Board to be used for capital projects.

Assigned fund balance represents amounts that the city intends to use for specific purposes, but are neither restricted nor committed. As of the end of 2011, the City had no assigned fund balance amounts.

Unassigned fund balance is the residual classification of fund balance for the General Fund only. As of December 31, 2011 this account had a balance of $838,474.

When resources are expended that could come from more than one fund balance category, it is the policy of the City of Fenton that restricted, committed and assigned fund balance will be used before unassigned fund balance.

10. Net Assets

In the government-wide financial statements, net assets are displayed in three components as follows:

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

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

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. All annual appropriations lapse at the end of each year.

Department heads prepare the appropriated budget by fund, function, and department. Department heads are responsible for keeping expenditures within the confines of the total department budget although individual line items may exceed budget so long as the total appropriations for the department are not exceeded. The legal level of budgetary control is the department level.

B. Excess of Expenditures Over Appropriations

Because of Resolution 12-03, expenditures did not exceed appropriations in any fund during 2011.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Missouri state law governs the deposit and investment limitations of the City of Fenton. As allowed under state law, the City's written investment policy authorizes the following type of investments:

a. United States Treasury Securities for which the full faith and credit of the United States are pledged for the payment of principal and interest.

b. United States Government Agency Obligations, including:
   - U.S. Government Agency Discount Notes purchased at a discount with maximum maturities of ten (10) years.
   - U.S. Government Agency Callable Securities with maximum maturities of ten (10) years.

c. Repurchase agreements with commercial banks or government securities dealers. The purchaser in a repurchase agreement enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices.

d. Collateralized public deposits (Certificates of Deposit) issued by financial institutions, which state that specified sums have been deposited for specified periods of time, for specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by state statute.

e. Insured money market accounts that are collateralized by acceptable collateral as dictated by state statute.

f. Bank Acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc or Standard and Poor's Corporation and that do not exceed 90 (ninety) days in length.

g. Governmental Mutual Funds that invest solely in government backed securities and that have an average short-term investment horizon of less than one year. Investment in such funds cannot exceed 25% of the total investment portfolio.

The deposits and investments held at December 31, 2011, and reported at fair value, are as follows:

City of Fenton, Missouri
2011 Fiscal Year
Investment Footnote

DEPOSITS:		
Demand Deposits	$	4,498,615
Cash on Hand		3,550
Nonnegotiable Certificates of Deposit		7,925,026
		12,427,191
INVESTMENTS:		
Federal Home Loan Bank (FHLB)		1,778,714
Fidelity Treasury Fund		6,165,088
Federal National Mortgage Association (FNMA)		2,359,645
Federal Farm Credit Bureau (FFCB)		656,299
		10,959,746
TOTAL DEPOSITS AND INVESTMENTS	$	23,386,937
RECONCILIATION TO THE FINANCIAL STATEMENTS:		
Statement of Net Assets		
Cash and Investments	$	10,376,215
Restricted Cash and Investments		13,010,722
TOTAL DEPOSITS AND INVESTMENTS PER THE STATEMENT OF NET ASSETS	$	23,386,937

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, City deposits may not be returned. Per state law and the City investment policy, all demand deposits or certificates of deposit must be collateralized by government securities for all amounts in excess of the FDIC insurance limit. As of December 31, 2011, all City deposits were either insured or collateralized.

Custodial Credit Risk - Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or the collateral securities that are in the possession of the outside party. The City's policy to minimize credit risk is to pre-qualify the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business. The City's investments were not exposed to custodial credit risk this year.

Investment Interest Rate Risk - As of December 31, 2011 the City had the following investments and maturities:

Investment Type	Fair Value	Less Than 3 Yrs	3 to 8 Yrs	Over 8 Yrs
Government and Agency Securities	$ 4,794,658	$ -	$ 3,486,715	$ 1,307,943
Mutual Funds	6,165,088	6,165,088	-	-
Totals	$ 10,959,746	$ 6,165,088	$ 3,486,715	$ 1,307,943
Percentage	100.00%	56.25%	31.81%	11.93%

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the maturities of operating fund investments in the portfolio as follows:

Maturity	Minimum	Maximum
One to Three Years	25.00%	100.00%
Four to Seven Years	0.00%	50.00%
More Than Eight Years	0.00%	25.00%

Investment Credit Risk - As documented on previous pages, City investment policy and state law limit its investment choices. At December 31, 2011, the City's investments in U.S. Agency obligations not directly guaranteed by the U.S. Government were rated as follows:

Investment Credit Risk

Investment Type	Credit Rating	Amount
Government Agency Securities	AA	$ 4,794,658

Concentration of Investment Credit Risk - Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The City places no limits on the amount it may invest in any one issuer; however, it is the City's policy to diversify the portfolio so that potential losses on individual securities will be minimized. At December 31, 2011, the City had the following investments that were more than 5% of the City's total investments:

Investment	Amount	Percent
Federal Home Loan Bank Notes	$ 1,778,714	16.22%
Federal National Mortgage Assoc	2,359,645	21.53%
Federal Farm Credit Bureau	656,299	5.99%

B. Receivables and Deferred Revenue

Receivable	General Fund	Parks/Storm Water Fund	Capital Projects Fund	Gravois Bluffs TIF Fund	Fenton Crossing TIF Funds	Nonmajor	Total
Property Taxes	$ 130,602	$ -	$ -	$ 4,174,134	$ 388,279	$ -	$ 4,693,015
Sales Taxes	642,763	491,171	-	792,518	135,396	-	2,061,848
Accrued Interest	1,844	27	-	6,955	1,389	6,667	16,917
Utility Taxes	126,642	-	-	-	-	-	126,642
Grants	-	-	452,899	-	-	-	452,899
Miscellaneous	22,976	-	-	-	-	-	22,976
Total	$ 924,827	$ 491,198	$ 452,899	$ 4,973,607	$ 525,064	$ 6,667	$ 7,374,297

Governmental funds report deferred revenue in connection with resources that have been received, but not yet earned. As of December 31, 2011, the Storm Water/Parks Fund reported approximately $210,000 in money that had been received from customers for classes to be held in 2012 and for memberships that will be consumed during 2012.

C. Property Taxes

The City's property tax is levied each September based on the assessed value listed by St. Louis County as of the prior January 1 for all real and personal property located in the City. As of January 1 of each year, property taxes attach as an enforceable lien. The City has historically voluntarily reduced the property tax rate to zero. Therefore, there are no outstanding taxes receivable levied by the City as of December 31, 2011.

D. Insurance Programs

The City, along with various other local municipal governments, participates in an insurance trust - the St. Louis Area Insurance Trust (SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment and prorated expenses to cover the estimated costs of claims and establish reserves for claims from each participant in the trust. The members of the trust have no legal interest in the assets, liabilities or fund balances of the insurance trust. However, the City has a contingent liability to fund its pro-rata share of any deficit incurred by the trust, should the trust cease operations at some future date. The trust has contracted with The Daniel and Henry Company to handle all administrative matters, including processing of claims filed. Within the last three years, settled claims have not exceeded the City's commercial coverage.

E. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

Account	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 15,541,115	$ -	$ -	$ 15,541,115
Construction in Progress	2,509,429	2,967,384	-	5,476,813
Land Improvements	2,551,573	10,008	-	2,561,581
Buildings	21,509,418	-	-	21,509,418
Building Improvements	259,440	-	-	259,440
Machinery & Equipment	1,826,040	29,031	(21,899)	1,833,172
Infrastructure	48,268,446	3,427	-	48,271,873
Total Assets	$ 92,465,461	$ 3,009,850	$ (21,899)	$ 95,453,412
Acc Deprec - Land Improvements	$ (1,533,376)	$ (86,391)	$ -	$ (1,619,767)
Acc Deprec - Buildings	(7,236,365)	(526,182)	-	(7,762,547)
Acc Deprec - Bldg Improvements	(66,190)	(7,425)	-	(73,615)
Acc Deprec - M & E	(1,442,295)	(62,616)	18,178	(1,486,733)
Acc Deprec - Infrastructure	(22,881,036)	(1,203,953)	-	(24,084,989)
Total Accumulated Depreciation	$ (33,159,262)	$ (1,886,567)	$ 18,178	$ (35,027,651)
Capital Assets, Net	$ 59,306,199	$ 1,123,283	$ (3,721)	$ 60,425,761

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

Function	2011 Depreciation
General Government	$ 62,775
Community Development	37,083
Public Works	1,296,551
Parks and Recreation	490,158
	$ 1,886,567

GASB Statement 34 requires the City to report and depreciate new infrastructure assets, effective with fiscal year 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. As of December 31, 2007, the retroactive reporting has been completed for all infrastructure assets.

F. Construction Commitments

As of December 31, 2011, the City had the following construction commitments:

Company	Purpose	Approved Amount	Paid to Date	Balance
Pace Construction	Build Gravois Road Bridge	$ 4,635,871	$ 3,244,975	$ 1,390,896

G. Lease Commitments

The City leases two office copiers under non-cancelable operating leases. The lease for the copier located at City Hall costs $437 per month and runs from May 19, 2008 to May 19, 2013. The lease for the copier at the Public Works facility costs $140 per month and runs from January 15, 2008 through January 15, 2013.

Total costs for such leases were $9,736 for the year ended December 31, 2011. The future minimum lease payments on these leases is as follows:

Year Ending December 31,	Amount
2012	$ 7,188
2013	2,185

H. Long-Term Debt

As of December 31, 2011 the City has the following outstanding long-term liabilities:

Name	Balance 01/01/2011	Additions	Retirements	Balance 12/31/2011	Due Within One Year
Gravois Bluffs TIF - Series 2006	$28,780,000	$ -	$6,645,000	$22,135,000	$3,250,000
Fenton Crossing TIF - Series 2010	4,395,000	-	940,000	3,455,000	900,000
Total – TIF Debt	33,175,000	-	7,585,000	25,590,000	4,150,000
PFA Bonds	3,055,000	-	3,055,000	-	-
Certificates of Participation	9,325,000	2,225,000	1,735,000	9,815,000	1,800,000
Total – Other Debt	12,380,000	2,225,000	4,790,000	9,815,000	1,800,000
Unamortized Premium (net)	321,497	14,321	33,697	302,121	33,697
Deferred Amount on Refunding	(3,787,511)	-	(389,537)	(3,397,974)	(389,538)
Compensated Absences	183,624	2,147	18,753	167,018	167,018
Total – Other Liabilities	(3,282,390)	16,468	(337,087)	(2,928,835)	(188,823)
TOTAL LONG-TERM LIABILITIES	$42,272,610	$2,241,468	$12,037,913	$32,476,165	$5,761,177

State statutes limit the amount of general obligation bonds a governmental entity may issue to 10% of its total assessed value. Based on a 2011 assessed value of $353,150,000, the City of Fenton's legal debt limit is $35,315,000. None of the above listed debt is included in the calculation of the city's legal debt margin because none of the above debt is considered general obligation debt.

Tax Increment Financing (TIF) Bonds

The City has issued five series of TIF bonds. These bonds provided funds for infrastructure improvements for the Gravois Bluffs and Fenton Crossing shopping centers. The bonds are secured by a pledge of 50% of the sales tax revenues generated by the two shopping centers and incremental property taxes generated. They do not constitute a general obligation of the City of Fenton. In addition, a transportation development district (TDD) has been formed for each shopping center and the sales tax revenues generated by the two districts are also pledged to the repayment of these bonds.

Fenton Crossing TIF Fund

Series 2000 Bonds - On November 1, 2000, the City issued $10,205,000 of serial and term bonds (Dierberg's Fenton Crossing Project) with principal repayment beginning October 1, 2003. Final maturity of the serial bonds was scheduled for October 1, 2011; and the term bonds would be due on October 1, 2015 and October 1, 2021. These bonds carry interest rates ranging from 5.375% to 7.25% with interest payments due on April 1 and October 1. The term bonds due in 2015 and 2021 were subject to early redemption.

Series 2010 Bonds - On October 1, 2010, the City issued $4,395,000 in TIF revenue refunding bonds in order to take advantage of lower interest rates and refund the series 2000 Fenton Crossing Bonds. The refunding bonds carried an interest rate of 4.75%.

Gravois Bluffs TIF Fund

Series 2001 Bonds - On March 1, 2001, the City issued $39,610,000 of serial and term bonds with principal repayment beginning October 1, 2003 to pay for public improvements contained in the first phase of the Gravois Bluffs Shopping Center. These bonds carried interest rates from 4.85% to 6.20% and were scheduled to pay off on October 1, 2021.

Series 2002 Bonds - On October 1, 2002, the City issued $19,035,000 of term bonds with maturities of October 1, 2012 and October 1, 2021 to pay for the completion of the Gravois Bluffs Shopping Center improvements. These bonds carried interest rates ranging from 5.00% to 6.125%.

Series 2006 Bonds - On April 13, 2006, the City issued $48,635,000 in TIF revenue refunding bonds in order to advance refund both the series 2001 and Series 2002 Gravois Bluffs TIF bonds and to remove restrictive covenants contained in the Series 2001 and 2002 bonds. The refunding bonds have interest rates ranging from 4% to 5% with a final payment date of April 1, 2021. More details are described later in this section under the heading of "Defeased Debt".

Annual debt service requirements to maturity on all current outstanding TIF bonds are as follows:

Year Ending December 31	Principal	Interest	Total
2012	$ 4,150,000	$ 1,122,184	$ 5,272,184
2013	4,440,000	910,209	5,350,209
2014	6,885,000	684,011	7,569,011
2015	4,685,000	445,049	5,130,049
2016 - 2019	5,430,000	400,949	5,830,949
Totals	$ 25,590,000	$ 3,562,402	$ 29,152,402

Certificates of Participation

On July 1, 1997, the City issued $19,765,000 of Certificates of Participation to be used for construction of the recreational complex known as RiverChase, making improvements to the City Hall building and storm water improvements within the city. On December 1, 2004, the City issued $13,170,000 in refunding Certificates of Participation to defease those 1997 bonds due on and after September 1, 2008.

The 2004 Refunding Certificates have interest rates ranging from 1.95% to 4.10% with interest due on March 1 and September 1 of each year. Final maturity of the Certificates is on September 1, 2017.

On March 24, 2011 the Board of Aldermen approved the issuance of $2,225,000 in Refunding Certificates of Participation in order to refund the Series 2003 Public Facilities Authority Refunding bonds that were issued to refund the bonds issued to purchase the Fabick Property. The Series 2003 bonds carried interest rates ranging from 1.2% to 4.35% and were scheduled to pay off on January 1, 2016. The Series 2011 Refunding Certificates of Participation will carry interest rates of 2.0% and will be retired on January 1, 2015 or one year earlier than the Series 2003 bonds. The new bonds produced an economic savings of $91,167 or 3.55%. All of the Series 2003 bonds will be retired from the proceeds of the Series 2011 debt.

Annual debt service requirements to maturity on the certificates are as follows:

Year Ending December 31	Principal	Interest	Total
2012	$1,800,000	$ 339,392	$ 2,139,392
2013	1,865,000	284,668	2,149,668
2014	1,860,000	226,746	2,086,746
2015	1,375,000	171,710	1,546,710
2016	1,430,000	118,084	1,548,084
2017	1,485,000	60,884	1,545,884
TOTALS	$9,815,000	$1,201,484	$11,016,484

Defeased Debt

On April 13, 2006, the City issued $25,400,000 in term TIF refunding bonds and $23,235,000 in serial TIF refunding bonds for the purpose of advance refunding the Series 2001 and Series 2002 TIF revenue bonds. The refunding bonds have interest rates ranging from 4% to 5%, with a final payment date of April 1, 2021. The term bonds are subject to mandatory early redemption beginning on April 1, 2007 as revenues permit. The defeased bonds had an outstanding balance of $44,115,000 at the date of defeasance with interest rates ranging from 5% to 7%. The refunding proceeds were used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of paying off the old bonds as they come due. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The defeased bonds will be called for full redemption on October 1, 2011 and October 1, 2012. The reacquisition price exceeded the net carrying amount of the old bonds by $4,895,785. This amount is being netted against the new debt and is being amortized over the remaining 15 years of the new debt, which is the same life as the defeased debt. The advance refunding was undertaken to remove restrictive bond covenants associated with the old debt whereby all TDD sales tax revenues had to be applied to retire TIF debt. Under the new covenants, only the top 50% of TDD sales taxes will go to retire TIF debt while the bottom 50% of TDD sales taxes will now go to pay off TDD debt issued to construct the Summit Road street extension project. The refunding resulted in a net economic loss of $1,332,000.

On October 1, 2010, the City issued $4,395,000 in Series 2010 Fenton Crossing TIF Refunding bonds in order to pay off the Series 2000 bonds that were outstanding on that date. The Series 2010 bonds are term bonds with a maturity date of October 1, 2021 and an interest rate of 4.75%. The bonds are subject to early redemption beginning on April 1, 2011 and each six months thereafter, as revenues permit. If tax receipts continue at the same level they were in 2009 all bonds will be retired on April 1, 2015. The Series 2000 bonds carried an interest rate ranging from 6.50% to 7.25%. The refunding provided economic savings of $266,291 or 5.55%

As of December 31, 2011, the amount of defeased debt outstanding, but removed from the long-term debt of the City, amounted to $14,600,000 for the Series 2002 bonds. The $24,775,000 for the Series 2001 bonds was called and retired during 2011.

I. Pension Plans

A. General City Employee Pension Plan

1. Plan Description

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

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

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This 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 Status

The City's full-time employees do not contribute to LAGERS. The City is required to contribute at an actuarially determined rate; the rate for 2011 was 8.4% for general employees and 9.8% for police employees based on annual covered payroll. Since police services are contracted for with the St. Louis County Police Department, the City has no current LAGERS liability for police employees. The Board of Aldermen of the City determines the contribution requirements of plan members. The contribution provisions of the City are established by state statute.

3. Annual Pension Cost

For 2011, the City's annual pension cost of $157,694 was equal to 83.0% of the required contribution of $190,004. The required contribution was determined as part of the February 28, 2009 and/or February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 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 expense on an open basis. The amortization period as of February 28, 2009 was 30 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2010 was 30 years for the General division and 30 years for the Police division. A schedule of funding progress is included later in this report as required supplementary information.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	$ 131,401	100.0%	$ -
6/30/2010	163,521	86.6	21,912
6/30/2011	190,004	83.0	54,222

B. Police Department Pension Plan

The City has a defined contribution retirement plan funded through the Equitable Life Assurance Society of the United States (Equitable). The plan was established by resolution of the Board of Aldermen on August 18, 1980. Due to discontinuance of local police salaries, no contributions were made for 2011.

Formerly, full-time employees of the Police Department were eligible to participate in the plan. Pursuant to the plan's provisions, the City was obligated to contribute 4% of each eligible employee's covered wages. Employees did not contribute to the plan.

Contributions were fully vested after four years of continuous service. Distribution of vested plan benefits begins after the employee attains the normal retirement age of 55 or separates from service.

IV. OTHER INFORMATION

A. Police Services

The City contracts with the St. Louis County Police Department for police services. For the year ended December 31, 2011, the City paid a total of $2,354,088 for such services. The contract was renewed during 2010 for a five-year period ending on December 31, 2015.

B. Legal Proceedings

As of December 31, 2011, the City is involved with several legal proceedings. The City's management, based upon consultation with outside legal counsel, believes that these matters will be resolved with no material adverse effect to the City.

C. Economic Dependency

The City estimates that one retail business has generated retail sales tax revenues greater than ten percent of the City's total retail sales tax revenue.

E. Subsequent Events

On January 12, 2012 the Board of Aldermen approved a five year non-cancelable copier lease for three copiers. The lease for the three copiers costs $634 per month and the term is for 60 months expiring in 2017.

As of the date of this report, management is not aware of any other subsequent events that would impact the financial statements of the City of Fenton.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FENTON, MISSOURI
Required Supplementary Informaiton
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Sales Taxes	$ 2,586,000	$ 2,586,000	$ 2,576,662	$ (9,338)	$ 2,594,866
Intergovernmental	304,000	304,000	292,551	(11,449)	279,336
Utility Taxes	1,572,000	1,572,000	1,360,747	(211,253)	1,516,952
Other Taxes	420,000	420,000	368,356	(51,644)	432,749
Fines and court costs	535,000	535,000	458,570	(76,430)	532,262
Charges For Services	80,000	80,000	90,388	10,388	75,841
Investment Income	140,000	140,000	216,945	76,945	134,588
Grants	-	-	-	-	1,764,656
Miscellaneous	64,000	64,000	182,710	118,710	57,750
TOTAL REVENUES	5,701,000	5,701,000	5,546,929	(154,071)	7,389,000
EXPENDITURES					
Public Safety	2,346,300	2,346,300	2,346,288	12	2,380,724
General Government	1,563,900	1,603,900	1,505,376	98,524	1,563,702
Public Works	1,216,500	1,216,500	1,133,020	83,480	1,070,004
Community Development	303,700	303,700	286,116	17,584	295,243
Capital Expenditures	-	-	-	-	2,012,383
TOTAL EXPENDITURES	5,430,400	5,470,400	5,270,800	199,600	7,322,056
Excess of Revenues Over (Under) Expenditures	270,600	230,600	276,129	45,529	66,944
Other Financing Sources (Uses)					
Transfers in/(out)	(40,000)	(57,000)	(5,944,710)	(5,887,710)	-
Sale of assets	-	-	2,925	2,925	-
Total Other Financing Sources (Uses)	(40,000)	(57,000)	(5,941,785)	(5,884,785)	-
Net Change in Fund Balance	230,600	173,600	(5,665,656)	(5,839,256)	66,944
Fund Balance - Beginning	9,223,084	9,223,084	9,223,084	-	9,156,140
Fund Balance - Ending	$ 9,453,684	$ 9,396,684	$ 3,557,428	$ (5,839,256)	$ 9,223,084

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI
Required Supplementary Informaiton
Storm Water/Parks Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Sales Taxes	$ 2,890,000	$ 2,890,000	$ 2,882,539	$ (7,461)	$ 2,876,600
Charges For Service:					
RiverChase	1,652,000	1,652,000	1,478,143	(173,857)	1,534,327
Parks and Recreation Fees	364,300	364,300	351,614	(12,686)	346,103
Grants	-	-	-	-	503,267
Investment Income	15,000	15,000	22,917	7,917	103,027
TOTAL REVENUES	4,921,300	4,921,300	4,735,213	(186,087)	5,363,324
EXPENDITURES					
Current:					
RiverChase	1,968,000	1,979,740	1,819,978	159,762	1,911,064
Parks and Recreation	657,700	638,420	602,645	35,775	644,826
Storm Water Maintenance	48,000	55,540	55,522	18	43,852
Building Maintenance	60,000	60,000	32,971	27,029	27,353
Debt Service	-	-	-	-	2,165,047
Capital Expenditures	-	-	-	-	701,521
TOTAL EXPENDITURES	2,733,700	2,733,700	2,511,116	222,584	5,493,663
Excess of Revenues Over (Under) Expenditures	4,263,600	4,282,880	2,224,097	(2,058,783)	(130,339)
Other Financing Sources (Uses)					
Transfers in/(out)	(2,120,000)	(2,120,000)	(4,657,840)	(2,537,840)	-
Net Change in Fund Balance	2,143,600	2,162,880	(2,433,743)	(4,596,623)	(130,339)
Fund Balance - Beginning	4,104,242	4,104,242	4,104,242	-	4,234,581
Fund Balance - Ending	$ 6,247,842	$ 6,267,122	$ 1,670,499	$ (4,596,623)	$ 4,104,242

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Required Supplementary Information

Schedule of Funding Progress

Employee Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2/28/2009	$ 4,262,708	$ 4,439,692	$ 176,984	96%	$ 1,955,881	9%
2/28/2010	4,678,407	4,754,780	76,373	98	1,980,283	4
2/28/2011	5,289,805	5,398,614	108,809	98	1,972,001	6

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City, Missouri or call 1-800-447-4334.

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF FENTON, MISSOURI
Additional Supplemental Information
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Grants	$ 4,472,000	$ 4,414,334	$ 1,903,598	$ (2,510,736)	$ -
Investment Income	-	-	34	34	-
TOTAL REVENUES	4,472,000	4,414,334	1,903,632	(2,510,702)	-
EXPENDITURES					
Capital Expenditures	6,918,455	6,803,927	3,009,849	3,794,078	-
Excess of Revenues Over (Under) Expenditures	(2,446,455)	(2,389,593)	(1,106,217)	1,283,376	-
Other Financing Sources (Uses)					
Transfers in/(out)	50,000	67,000	5,963,761	5,896,761	-
Net Change in Fund Balance	(2,396,455)	(2,322,593)	4,857,544	7,180,137	-
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	$ (2,396,455)	$ (2,322,593)	$ 4,857,544	$ 7,180,137	$ -

CITY OF FENTON, MISSOURI
Additional Supplemental Information
Gravois Bluffs TIF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Sales Taxes	$ 4,308,000	$ 4,308,000	$ 4,063,740	$ (244,260)	$ 4,227,855
Intergovernmental	3,100,000	3,100,000	4,382,970	1,282,970	4,207,401
Utility tax	33,000	33,000	34,800	1,800	33,962
Investment Income	150,000	150,000	128,018	(21,982)	165,817
TOTAL REVENUES	7,591,000	7,591,000	8,609,528	1,018,528	8,635,035
EXPENDITURES					
Current Expenditures:					
Administrative Costs	80,000	82,000	82,000	-	80,000
Debt Service Expenditures:					
Principal	6,065,000	6,645,000	6,645,000	-	6,065,000
Interest	1,436,000	1,436,000	1,218,548	217,452	1,506,715
Trustee Fees and Issuance Costs	10,000	10,000	4,703	5,297	5,016
TOTAL EXPENDITURES	7,591,000	8,173,000	7,950,251	222,749	7,656,731
Excess of Revenues Over (Under) Expenditures	-	(582,000)	659,277	1,241,277	978,304
Fund Balance - Beginning	14,493,919	14,493,919	14,493,919	-	13,515,615
Fund Balance - Ending	$ 14,493,919	$ 13,911,919	$ 15,153,196	$ 1,241,277	$ 14,493,919

CITY OF FENTON, MISSOURI
Additional Supplemental Information
Fenton Crossing TIF Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Sales Taxes	$ 730,000	$ 730,000	$ 763,762	$ 33,762	$ 725,252
Intergovernmental	325,000	325,000	388,279	63,279	371,148
Utility tax	8,000	8,000	8,655	655	8,652
Investment Income	42,000	42,000	1,410	(40,590)	40,740
TOTAL REVENUES	1,105,000	1,105,000	1,162,106	57,106	1,145,792
EXPENDITURES					
Debt Service Expenditures:					
Principal	895,000	940,000	940,000	-	675,000
Interest	203,000	203,000	194,394	8,606	381,825
Trustee Fees and Issuance Costs	7,000	8,250	5,034	3,216	187,303
TOTAL EXPENDITURES	1,105,000	1,151,250	1,139,428	11,822	1,244,128
Excess of Revenues Over (Under) Expenditures	-	(46,250)	22,678	68,928	(98,336)
Other Financing Sources (Uses)					
Bond Proceeds	-	-	-	-	4,395,000
Funds paid to escrow agent	-	-	-	-	(4,795,000)
Total Other Financing Sources (Uses)	-	-	-	-	(400,000)
Net Change in Fund Balance	-	(46,250)	22,678	68,928	(498,336)
Fund Balance - Beginning	1,221,559	1,221,559	1,221,559	-	1,719,895
Fund Balance - Ending	$ 1,221,559	$ 1,175,309	$ 1,244,237	$ 68,928	$ 1,221,559

CITY OF FENTON, MISSOURI
Additional Supplemental Information
RiverChase Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Investment Income	$ 40,000	$ 40,000	$ 36,723	$ (3,277)	$ -
EXPENDITURES					
Debt Service Expenditures:					
Principal	1,195,000	1,195,000	1,195,000	-	-
Interest	351,400	351,400	351,375	25	-
Trustee Fees and Issuance Costs	8,600	8,600	3,500	5,100	-
TOTAL EXPENDITURES	1,555,000	1,555,000	1,549,875	5,125	-
Excess of Revenues Over (Under) Expenditures	(1,515,000)	(1,515,000)	(1,513,152)	1,848	-
Other Financing Sources (Uses)					
Transfers in/(out)	1,515,000	1,497,760	2,866,875	1,369,115	-
Net Change in Fund Balance	-	(17,240)	1,353,723	1,370,963	-
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	$ -	$ (17,240)	$ 1,353,723	$ 1,370,963	$ -

CITY OF FENTON, MISSOURI
Additional Supplemental Information
Fabick Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2011
With Comparative Actual Totals For The Year Ended December 31, 2010

	2011				2010
	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)	Actual Totals
REVENUES					
Investment Income	$ 10,000	$ 10,000	$ 93	$ (9,907)	$ -
EXPENDITURES					
Debt Service Expenditures:					
Principal	485,000	1,025,000	1,025,000	-	-
Interest	113,000	123,920	123,919	1	-
Trustee Fees and Issuance Costs	7,000	78,410	70,091	8,319	-
TOTAL EXPENDITURES	605,000	1,227,330	1,219,010	8,320	-
Excess of Revenues Over (Under) Expenditures	(595,000)	(1,217,330)	(1,218,917)	(1,587)	-
Other Financing Sources (Uses)					
Transfers in/(out)	595,000	612,240	1,771,914	1,159,674	-
Bond Proceeds	-	2,225,000	2,225,000	-	-
Funds paid to escrow agent	-	(2,602,874)	(2,570,000)	32,874	-
Bond premium	-	14,321	14,321	-	-
Total Other Financing Sources (Uses)	595,000	248,687	1,441,235	1,192,548	-
Net Change in Fund Balance	-	(968,643)	222,318	1,190,961	-
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	$ -	$ (968,643)	$ 222,318	$ 1,190,961	$ -

CITY OF FENTON, MISSOURI

Combining Balance Sheet - Nonmajor Governmental Funds

As of December 31, 2011

	RiverChase Debt Service Fund	Fabick Debt Service Fund	Total Nonmajor Funds
ASSETS AND OTHER DEBITS			
Cash and investments - restricted	$ 1,348,843	$ 792,689	$ 2,141,532
Interest receivable	6,630	37	6,667
TOTAL ASSETS	$ 1,355,473	$ 792,726	$ 2,148,199
LIABILITIES AND FUND EQUITY			
Accounts payable	$ 1,750	$ 570,408	$ 572,158
FUND EQUITY			
Restricted For Debt Service	1,353,723	222,318	1,576,041
TOTAL LIABILITIES AND FUND EQUITY	$ 1,355,473	$ 792,726	$ 2,148,199

The notes to the financial statements are an integral part of this statement

CITY OF FENTON, MISSOURI

Combining Schedule of Revenues, Expenditures and Changes In Fund Balance

Nonmajor Governmental Funds

For The Year Ended December 31, 2011

	RiverChase Debt Service Fund	Fabick Debt Service Fund	Total Nonmajor Funds
REVENUES			
Investment Income	$ 36,723	$ 93	$ 36,816
EXPENDITURES			
Debt Service:			
Principal	1,195,000	1,025,000	2,220,000
Interest	351,375	123,919	475,294
Trustee Fees and issuance costs	3,500	70,091	73,591
TOTAL EXPENDITURES	1,549,875	1,219,010	2,768,885
Excess of Revenues Over (Under) Expenditures	(1,513,152)	(1,218,917)	(2,732,069)
Other Financing Sources (Uses)			
Transfers in/(out)	2,866,875	1,771,914	4,638,789
Bond proceeds	-	2,225,000	2,225,000
Funds paid to escrow agent	-	(2,570,000)	(2,570,000)
Bond premium	-	14,321	14,321
Total Other Financing Sources (Uses)	2,866,875	1,441,235	4,308,110
Net Change in Fund Balance	1,353,723	222,318	1,576,041
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ 1,353,723	$ 222,318	$ 1,576,041

The notes to the financial statements are an integral part of this statement