



FENTON
CITY OF PARKS

CITY OF FENTON, MISSOURI

Annual Financial Report

For the fiscal year ended

December 31, 2009

Prepared By The Finance Department
Art DeWitt, CPFO
Finance Director

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INTRODUCTORY SECTION

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FENTON

CITY OF PARKS

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April 29, 2010

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, 2009.

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, 2009. 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 4,300 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 developed 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. No gross receipts taxes on utilities are 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) 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 1,400 plus homes having been built within the last 20 years.

As a result of redevelopment efforts undertaken over the past 10 years, Fenton is home to Fenton Crossing and Gravois Bluffs shopping centers. As of December 31, the two centers together total 1.5 million square feet of retail space.

Long Term Financial Planning

General Fund

As of December 31, 2009, total fund balance in the General Fund was \$9.5 million, which was comprised of the following categories:

1. \$ 3.8 million – committed to future capital projects. \$723,000 of this is committed to specific projects (\$420,000 to sidewalk improvements on Horan Drive and \$293,000 to capital equipment) while \$3.1 million is not held for any specific capital project, but is available to meet emerging capital needs.
2. \$ 2.8 million is unassigned fund balance. This amount is equal to 50% of the 2009 final operating expenditures in General Fund and, per the Financial Policies Manual adopted by the Board in 2006, is held for emergency situations.
3. \$ 2.5 million is committed for uncompleted 2009 projects that will be carried over to the 2010 budget.
4. \$ 53,000 is non-spendable fund balance held for 2010 budget expenditures that were prepaid in December 2009.

Storm Water/Parks Fund

As of December 31, 2009, total fund balance in the Storm Water/Parks Fund was \$4.2 million, which was comprised of the following categories:

1. \$ 2.4 million that is restricted for debt service. This is the amount required by bond covenants to be held in a trust account to insure there are funds available to make the next bond payment should sales tax revenues not be sufficient to provide funding.
2. \$ 1.4 million that is restricted for parks/storm water functions. This amount is equal to 50% of 2009 operating expenditures.
3. \$ 377,000 committed for uncompleted 2009 projects that will be carried over to the 2010 budget.
4. \$ 39,000 is non-spendable fund balance held for 2010 budget expenditures that were prepaid in December 2009.

Acknowledgements

The preparation of this report 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 document. 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 in reviewing all financial reports to ensure that all policies are being carried out.

Respectfully submitted,

Mark Sartors
City Administrator

Arthur H. DeWitt CPFO
Finance Director

City of Fenton, Missouri
Principal Elected and Appointed Officials
As of December 31, 2009

ELECTED OFFICIALS

TITLE	NAME
Mayor	Dennis Hancock
Alderman – Ward 1	Michael Polizzi Paul Seemayer
Alderman – Ward 2	Joe Maurath Steve Jackson
Alderman – Ward 3	Tim Trego 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	Arthur DeWitt
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



INDEPENDENT AUDITORS' REPORT

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 June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

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 June 30, 2009, 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.

The management's discussion and analysis and schedule of funding progress on pages 8 through 20 and 53, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fenton, Missouri's basic financial statements. The introductory section and the budgetary comparison listed as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements, and accordingly, we express no opinion on them.

Boyz Deal + Company

May 5, 2010

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

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, 2009. 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, 2009, the city's assets exceeded liabilities by \$36.6 million. Included in this amount are \$18.8 million of resources that are restricted by law to specific projects or purposes. The city has a deficit in unrestricted net assets of \$26.7 million due to \$40.3 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, 2008 were \$24 million and current liabilities were \$1.3 million. Federal and State laws restrict \$14.2 million of the cash and investments on hand to the repayment of outstanding debt.
- Net assets increased by \$18.8 million during fiscal year 2009. A developer donation of \$13.6 million along with long-term debt being reduced by \$7.8 million accounted for this change. The developer donation represents the fair market value of Gravois Bluffs Blvd West that connects to Summit Road. This road was built by the developer of the Gravois Bluffs Shopping Center and donated to the City as a public street in February 2009.
- Fund balances, which are a measure of current financial resources in the governmental funds, decreased by \$600,000 to an ending balance of \$28.6 million. \$2.8 million is unassigned in governmental funds and is available for future appropriation by the Board of Aldermen. Another \$3.8 million in General Fund is committed for future capital projects, subject to appropriation by the Board of Aldermen.
- Total fund balance in the General Fund was \$9.2 million, or about 164% of 2009 operating expenditures. The Board of Aldermen has committed \$3.8 million of this balance to be held for future capital projects, \$2.5 million has been committed for 2009 projects not completed by the end of 2009 that will be carried over and completed in 2010, and \$53,000 is non-spendable fund balance to be used to pay 2010 expenditures that were prepaid in December 2009. The General Fund unassigned fund balance was therefore \$2.8 million and, per Board policy, represents 50% of 2009 operating expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

- The city's gross outstanding debt was \$54.3 million. Of this amount \$40.3 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 \$3.5 million is due on the PFA Bonds issued to buy Fabick Nature Preserve, while \$10.5 million is due on Certificates of Participation used to build RiverChase, remodel City Hall and make storm water improvements. Net long-term liabilities were \$50.7. Net long-term liabilities take into account \$4.2 in deferred charges on bonds that will be amortized over the remaining life of the bonds as well as \$187,000 in compensated absences outstanding at year-end.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

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 2010 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 2009:

1. General Fund
2. Storm Water/Parks Fund
3. Gravois Bluffs TIF Bonds Debt Service Fund
4. Fenton Crossing TIF Bonds Debt Service Fund

These four funds are considered major funds and are reported separately in the fund financial statements. The Fenton Crossing TIF Fund does not meet the normal criteria for a major fund, but the City considers it important enough to the financial statements to be considered major.

The City of Fenton adopts an annual budget for all governmental funds in accordance with Missouri Revised Statutes Section 67.010. The fund financial statements include budget to actual comparisons for the General Fund and the Parks/Storm Water Fund as part of the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

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 - (1) 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.

Immediately after the required supplementary information are presented budget to actual comparisons for the Gravois Bluffs TIF Fund and the Fenton Crossing TIF Fund. These schedules are considered as additional supplemental information not subject to audit review.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

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 \$36.6 million at the end of fiscal year 2009.

The largest portion of the City of Fenton's net assets (66%) 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:

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Current assets	\$ 29,242,544	\$ 29,936,689
Deferred charges - bond issue and refunding costs	813,111	892,445
Capital assets	58,552,312	46,575,660
Total Assets	<u>\$ 88,607,967</u>	<u>\$ 77,404,794</u>
Long-term debt outstanding (net of deferred charges)	\$ 50,692,781	\$ 58,170,098
Other liabilities	1,316,378	1,462,585
Total Liabilities	<u>52,009,159</u>	<u>59,632,683</u>
Net assets:		
Invested in capital assets, net of related debt	44,537,312	30,965,660
Restricted	18,770,026	19,241,716
Unrestricted	(26,708,530)	(32,435,265)
Total Net Assets	<u>\$ 36,598,808</u>	<u>\$ 17,772,111</u>

Provisions of various laws, regulations and contractual agreements restrict \$18.8 million of net assets for use solely on storm water or parks activities (\$1.8 million) or future debt service payments (\$17 million). \$44.5 million of net assets are invested in capital assets, net of related debt. This means that unrestricted net assets are a negative \$26.7 million because of \$40.3 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.

Net assets increased by \$17.8 million during 2009 as a result of debt service payments made during 2009 and because of a \$13.6 million capital asset donation made by the developer of the Gravois Bluffs Shopping Center.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

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

	Governmental Activities - 2009	Governmental Activities - 2008	\$ Change	% Change
REVENUES				
Program Revenues:				
Charges For Services	\$ 2,520,527	\$ 2,439,057	\$ 81,470	3.34%
Capital Grants & Contributions	397,791	95,092	302,699	318.32%
General Revenues:				
Sales Taxes	10,245,486	10,884,112	(638,626)	-5.87%
Intergovernmental	4,147,481	3,986,372	161,109	4.04%
Utility Taxes	1,664,415	2,447,355	(782,940)	-31.99%
Investment Earnings	199,953	823,062	(623,109)	-75.71%
Other General Revenues	59,230	93,568	(34,338)	-36.70%
Total Revenues	<u>19,234,883</u>	<u>20,768,618</u>	<u>(1,533,735)</u>	<u>-7.38%</u>
PROGRAM EXPENSES				
Storm Water/ Parks	3,321,549	3,515,743	(194,194)	-5.52%
Debt Service Expenditures	3,107,224	3,446,357	(339,133)	-9.84%
Public Works	2,766,129	2,598,546	167,583	6.45%
Public Safety	2,457,014	2,230,176	226,838	10.17%
General Government	1,971,977	1,876,044	95,933	5.11%
Community Development	366,749	340,395	26,354	7.74%
Total Expenses	<u>13,990,642</u>	<u>14,007,261</u>	<u>(16,619)</u>	<u>-0.12%</u>
Excess (Deficiency) Before Transfers and Special Items				
	5,244,241	6,761,357	(1,517,116)	
Special Item - Donated Assets	13,582,456	-	13,582,456	
Increase In Net Assets	<u>18,826,697</u>	<u>6,761,357</u>	<u>12,065,340</u>	
Net Assets - Beginning of Year	<u>17,772,111</u>	<u>11,010,754</u>	<u>6,761,357</u>	
Net Assets - End of Year	<u>\$ 36,598,808</u>	<u>\$ 17,772,111</u>	<u>\$ 18,826,697</u>	

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

Some observations about 2009 revenues and program expenses compared to 2008:

- Total revenues were down by \$1.5 million or 7%. Revenues changed as follows:
 - Utility taxes were down by \$783,000 (32%) because of the closure of the two Chrysler plants and several companies that were suppliers to Chrysler.
 - Sales taxes decreased by \$639,000 (6%) because of the 2009 recession and the loss of 3,000 Chrysler employees who no longer spent money in Fenton.
 - Investment earnings decreased by \$623,000 (76%) because of the decline in interest rates that saw rates decline from 3% down to less than 0.50%.
 - Grants and contributions increased by \$303,000 (318%) due to money received from the grant for the construction of the new Gravois Road Bridge.
 - Intergovernmental revenues increased due to an increase in property values in the Gravois Bluffs Shopping center. This increase in value led to more property taxes being captured by the Gravois Bluffs TIF area.

- Program expenses were down by \$17,000 or 0.1%. This was due to the following items:
 - Debt service expenditures decreased by \$339,000 (10%) due to early retirement of TIF debt during 2008 and 2009. This caused lower interest costs since fewer bonds were outstanding.
 - Storm Water/Parks expenditures decreased by \$194,000 (6%) because of the transfer of police service costs from this fund back to the General Fund. Prior to 2009 there were two police officers and vehicles assigned to patrol the parks system and RiverChase. As of January 1, 2009 these officers were transferred back to regular patrol. The parks system and RiverChase are now patrolled as part of the normal police service shift.
 - Police service costs increased by \$227,000 (10%) due to transfer of two officers previously assigned to the parks system back to normal patrol operations.
 - Public Works costs increased by \$168,000 (6%) due to resumption of normal duties. During 2008 \$202,000 of Public Works time was spent on cleaning up after the impact of the March 2008 flood.

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 2009, the City of Fenton's governmental funds reported combined ending fund balances of \$28.6 million. This was a decrease of \$638,000, with \$76,000 of that decrease being in the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

While ending fund balance in the General Fund decreased by \$76,000, compared to the budgeted fund balance final fund balance was \$2.5 million above budget expectations. \$2.3 million of this was due to capital projects that finished under budget or were carried over to the 2010 fiscal year. In terms of operating performance, operating revenues in General Fund were under budget expectations by \$22,000; operating expenditures were \$301,000 under budgeted amounts.

As a result of the 2009 budget performance, the balance of \$3.8 million in the General Fund Capital Reserve Account at the end of 2009 is approximately \$300,000 above the amount that was projected during development of the 2009 budget. These funds will be available at the 2010 mid-year budget review for appropriation by the Board of Aldermen.

REVENUE ANALYSIS

Fund	2008 Revenues	2009 Revenues	\$ Change	% Change
General Fund	\$ 6,889,315	\$ 6,072,503	\$ (816,812)	-11.86%
Storm Water/Parks Fund	5,241,428	4,638,079	(603,349)	-11.51%
Gravois Bluffs TIF Fund	7,254,591	7,452,434	197,843	2.73%
Fenton Crossing TIF Fund	1,362,323	1,071,844	(290,479)	-21.32%
Olde Towne Improvement Fund	803	23	(780)	-97.14%
Total Revenues	\$ 20,748,460	\$ 19,234,883	\$ (1,513,577)	-7.29%

Citywide revenues were \$19.2 million in 2009, a decrease of \$1.5 million or 7%.

General Fund revenues decreased by \$800,000 or 12% as follows:

- Gross receipts taxes decreased by \$500,000 (27%) because of the loss of the two Chrysler plants and several Chrysler suppliers.
- Municipal Court receipts increased by \$78,000 (15%), because of new procedures installed by the Municipal Court Judge, the City Prosecutor and the Court Clerk. These procedures streamlined the processing of tickets and have led to fewer cases being continued.
- Sales taxes decreased by \$307,000 (12%) due to impact the recession had on consumer spending as well as the loss of the two Chrysler plants, which lowered not only general sales tax receipts, but sales tax receipts from utility consumption.
- Investment earnings decreased by \$94,000 (32%) due to the decrease in interest rates that saw the Fed Funds rate drop down to almost zero.
- Grant revenues increased by \$385,000 due to the grant obtained to build the new Gravois Road Bridge.

Storm Water/Parks Fund revenues decreased by \$603,000 or 12%:

- Sales taxes decreased by \$350,000 (11%) for the same reasons noted under General Fund revenues above.
- Memberships at RiverChase decreased by \$71,000 (10%) due to the impacts of the recession.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

- Recreation fees increased by \$38,000 (12%) due to have all softball and soccer fields available for the entire year as well as an increase in the softball program. Because of the flood that occurred in March 2008, two months worth of parks programs were wiped out due to the fields not being in shape to play on.

The Gravois Bluffs TIF Fund saw increase in revenues of \$198,000 (3%) because of increased property values from new stores that were built during 2008 and 2009.

EXPENDITURE ANALYSIS

Fund	2008 Expenditures	2009 Expenditures	\$ Change	% Change
General Fund	\$ 5,996,755	\$ 6,148,751	\$ 151,996	2.53%
Storm Water/Parks Fund	5,335,698	5,049,785	(285,913)	-5.36%
Gravois Bluffs TIF Fund	6,284,715	7,383,686	1,098,971	17.49%
Fenton Crossing TIF Fund	1,351,342	1,259,405	(91,937)	-6.80%
Olde Towne Improvement Fund	145,565	30,906	(114,659)	-78.77%
Total Expenditures	\$ 19,114,075	\$ 19,872,533	\$ 758,458	3.97%

Citywide expenditures were \$19.9 million, an increase of \$758,000 or 4% compared to 2008.

General Fund expenditures increased by \$150,000 or 3% due to \$400,000 spent on the engineering phase of the Gravois Road Bridge project and \$221,000 in Police services cost that had previously been charged to the Storm Water/Parks Fund. Offsetting these increases was a decrease of \$400,000 that was spent on flood cleanup in 2008.

Storm Water/Parks Fund expenditures decreased by \$286,000 (5%) due to:

- \$69,000 spent in 2008 on the new indoor play structure at RiverChase.
- \$36,000 spent in 2008 on cleanup after the 2008 flood.
- \$221,000 spent on the two police officers that were previously assigned to the parks system and RiverChase.

Expenditures for the Gravois Bluffs TIF Fund increased by \$1.1 million (17%) due to \$3.5 million in bonds that were redeemed early during 2009 compared to \$2.2 million redeemed early in 2008.

Expenditures for the Olde Towne Improvement Fund decreased because the Summit Road extension project was completed in February 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

Fund Balance Analysis

Total fund balance in the General Fund decreased by \$76,000 during 2009:

Description	Amount
Operating Revenues	\$ 5,478,000
One-Time Revenues	209,000
Grant Revenue	386,000
Total Revenues Per Statement of Revenues and Expenditures	\$ 6,073,000
Operating Expenditures	\$ 5,607,000
Capital Expenditures	542,000
Total Expenditures Per Statement of Revenues and Expenditures	\$ 6,149,000
Operating Surplus (Deficit)	\$ (129,000)
One-Time Revenues	209,000
Capital Expenditures (Over) Under Capital Revenues	(156,000)
Total Revenues (Under) Over Total Expenditures	\$ (76,000)

Total fund balance in the Storm Water/Parks Fund decreased by \$412,000 during 2009:

Description	Amount
Operating Revenues	\$ 4,626,000
Grant Revenue	12,000
Total Revenues Per Statement of Revenues and Expenditures	\$ 4,638,000
Operating Expenditures	\$ 2,855,000
Debt Service Expenditures	2,165,000
Capital Expenditures	30,000
Total Expenditures Per Statement of Revenues and Expenditures	\$ 5,050,000
Operating Surplus (Deficit)	\$ (394,000)
Capital Expenditures (Over) Under Capital Revenues	(18,000)
Total Revenues (Under) Over Total Expenditures	\$ (412,000)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

BUDGETARY HIGHLIGHTS

The fund financial statements for 2009 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 2009 budget on four occasions for the following purposes:

1. Resolution 09-02 (approved March 23, 2009) amended the 2009 budget to carryover 2008 projects that were not completed by December 2008. This resolution added \$5.2 million to the revenue budget and \$5.8 million to the expenditure budget.
2. Resolution 09-03 (approved March 23, 2009) amended the 2009 budget to account for Board actions taken after the 2009 budget was approved. Subsequent to the approval of the 2009 budget, the Board approved changing the police services contract to replace a lieutenant's position with a sergeant's position and approved converting the part-time clerk in Municipal Court to a full-time clerk. The net impact of this resolution lowered the expenditure budget by \$31,000.
3. Resolution 09-09 (approved August 27, 2009) amended the 2009 budget to reflect the impact of the mid-year budget review. This resolution decreased revenues by \$234,000 and increased expenditures by \$703,000. The major increase in expenditures was due to the Gravois Road Bridge replacement project, which increased capital expenditures by \$739,000.
4. Resolution 10-01 (approved March 25, 2010) increased both the revenue and expenditure budget by \$864,000. This action was taken to account for the additional revenues received in the Gravois TIF Fund that were spent on redeeming bonds early.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of December 31, 2009, the City of Fenton's investment in capital assets was \$58.5 million (net of accumulated depreciation), an increase of \$12 million or 26%. This increase was due to the \$13.6 million developer donation for the construction of Gravois Bluffs Blvd West.

Asset Category	2009	2008	\$ Change	% Change
Land	\$ 14,916,938	\$ 13,100,099	\$ 1,816,839	13.87%
Land improvements	1,041,914	1,109,288	(67,374)	-6.07%
Buildings	14,799,237	15,343,860	(544,623)	-3.55%
Building improvements	201,193	209,659	(8,466)	-4.04%
Machinery and equipment	435,918	517,600	(81,682)	-15.78%
Infrastructure	26,343,856	14,779,024	11,564,832	78.25%
Construction in progress	813,256	1,516,130	(702,874)	-46.36%
Total Net Assets	<u>\$ 58,552,312</u>	<u>\$ 46,575,660</u>	<u>\$ 11,976,652</u>	<u>25.71%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

At December 31, 2009, the total long-term debt of the City was \$54.3 million:

Debt Series	Governmental Activities	
	2009	2008
Gravois Bluffs TIF Refunding Bonds - Series 2006	\$ 34,845,000	\$ 40,300,000
Certificates of Participation - Refunding Series 2003	10,485,000	11,610,000
Fenton Crossing TIF Bonds - Series 2000	5,470,000	6,265,000
PFA Bonds - Series 2003	3,530,000	4,000,000
Total Outstanding Debt	<u>\$ 54,330,000</u>	<u>\$ 62,175,000</u>
Deferred Charges	\$ 3,824,186	\$ 4,182,357
Compensated Absences	186,966	177,455
Net Long Term Liabilities	<u>\$ 50,692,780</u>	<u>\$ 58,170,098</u>

State statutes limit the amount of general obligation bonds a governmental entity may issue to 10% of its total assessed value. Based on a 2009 assessed value of approximately \$393.8 million, the City of Fenton's legal debt limit is approximately \$39.3 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 \$7.8 million during 2009.

Name	Balance 01/01/09	Additions	Retirements	Balance 12/31/2009
Gravois Bluffs TIF - Series 2006	\$ 40,300,000	\$ -	\$ 5,455,000	\$ 34,845,000
Fenton Crossing TIF - Series 2000	6,265,000	-	795,000	5,470,000
TOTAL - TIF DEBT	<u>46,565,000</u>	<u>-</u>	<u>6,250,000</u>	<u>40,315,000</u>
PFA Bonds - Series 2003	4,000,000	-	470,000	3,530,000
Certificates of Participation - Series 2004	11,610,000	-	1,125,000	10,485,000
TOTAL - OTHER DEBT	<u>15,610,000</u>	<u>-</u>	<u>1,595,000</u>	<u>14,015,000</u>
TOTAL - ALL DEBT	<u>\$ 62,175,000</u>	<u>\$ -</u>	<u>\$ 7,845,000</u>	<u>\$ 54,330,000</u>

During 2009, \$2.9 million worth of Series 2006 TIF Bonds and \$515,000 worth of Series 2000 TIF bonds were called early. To date, total bonds redeemed early amount to \$6.8 million for the Series 2006 TIF bonds and \$3.6 million for the Series 2000 TIF bonds. The super sinker schedule for the Series 2006 bonds projected that, by the end of 2009, \$5.1 million worth of bonds would be redeemed early, which means that an additional \$1.7 million worth of bonds has been redeemed compared to original projections. If revenues continue at the current pace, then all of the Series 2006 bonds should be redeemed by April 2015 as projected in the original super sinker schedule. Projections for the Series 2000 bonds reflect that current revenues will retire the bonds by the end of 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009 – UNAUDITED

2010 BUDGET

General Fund

The 2010 budget as adopted by the Board of Aldermen in December 2009, proposed revenues of \$5.5 million and expenditures of \$5.6 million, which produces an operating deficit of \$88,000. This deficit will be covered from a \$151,000 decrease in unassigned fund balance. The remaining \$63,000 will be transferred into the General Fund Capital Reserve Account as per Board policy.

The 2010 budget calls for operating expenditures to decrease by \$300,000 or 5.1%. Expenditures are proposed to decrease as follows:

1. \$169,000 in savings from the elimination of the MSD sewer bill payment.
2. \$86,000 in savings from the suspension or elimination of the Senior Lawn Program, the Senior Snow Program, moving all City right-of-way, and the twice yearly bulk pickup program
3. \$70,000 in savings from the reduction of the police force from 22 officers to 21 as well as the elimination of paying for supplies for the DARE program.
4. \$35,000 in savings from the suspension of the Fenton Scholarship Program.
5. \$21,000 from program changes in the Community Development Department.

A total of \$385,000 in expenditure cuts were made to the 2010 budget in order to bring expenditures more in alignment with revenues.

The 2010 budget projects ending unassigned fund balance in General Fund will be approximately \$2.8 million.

Storm Water/Parks Fund

The 2010 budget proposes revenues in this fund to be \$4.95 million while expenditures will be \$4.97 million, which produces an operating deficit of \$20,000. A \$101,000 reduction in the operating reserve account will be used to cover this deficit, with the remaining \$81,000 to be transferred into the Parks Capital Reserve Account. The operating reserve account is projected to decrease based on expenditure cuts made in the 2010 budget.

The 2010 budget projects the ending balance in the operating reserve account will be \$1.37 million.

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:

Art DeWitt CPFO
Finance Director
City of Fenton, Missouri
625 New Smizer Mill Road
Fenton, Missouri 63026
Phone 636-343-2080 Ext. 1106

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BASIC FINANCIAL STATEMENTS

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CITY OF FENTON, MISSOURI

Statement of Net Assets

December 31, 2009

ASSETS	Governmental Activities
Cash and investments	\$ 9,817,040
Receivables	1,623,827
Prepaid items	91,976
Restricted assets	
Cash and investments	14,252,425
Receivables	3,457,276
Deferred charges - bond issue costs	813,111
Capital assets not subject to depreciation	
Land	14,916,938
Construction in progress	813,257
Capital assets - net of accumulated depreciation	
Land improvements	1,041,913
Buildings	14,799,237
Building improvements	201,193
Machinery and equipment	435,918
Infrastructure	26,343,856
TOTAL ASSETS	<u>\$ 88,607,967</u>
LIABILITIES	
Accounts payable and other current liabilities	\$ 279,723
Deposits	143,492
Accrued interest payable	700,065
Unearned revenue	193,098
Non-current liabilities:	
Due within one year	7,313,795
Due in more than one year	43,378,986
TOTAL LIABILITIES	<u>\$ 52,009,159</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 44,537,312
Net assets restricted for:	
Storm water/parks and recreation	1,789,604
Debt service	16,980,422
Unrestricted	(26,708,530)
TOTAL NET ASSETS	<u>\$ 36,598,808</u>

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, 2009

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 1,971,977	\$ 67,394		\$ 385,410	\$ (1,519,173)
Community Development	366,749	69,207			(297,542)
Public Safety	2,457,014	535,118			(1,921,896)
Public Works	2,766,129				(2,766,129)
Storm Water/Parks and Recreation	3,321,549	1,848,808	10,000	2,381	(1,460,360)
Debt Service Expenditures	3,107,224				(3,107,224)
Total Governmental Activities	<u>\$ 13,990,642</u>	<u>\$ 2,520,527</u>	<u>\$ 10,000</u>	<u>\$ 387,791</u>	<u>(11,072,324)</u>
General Revenues:					
					10,245,486
					4,147,481
					1,664,415
					199,953
					59,230
					<u>16,316,565</u>
					13,582,456
					<u>18,826,697</u>
					17,772,111
					<u>\$ 36,598,808</u>

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, 2009

	General Fund	Storm Water/Parks Fund	Gravois Bluffs TIF Fund	Fenton Crossing TIF Fund	Total Governmental Funds
ASSETS AND OTHER DEBITS					
Cash and investments	\$ 8,389,628	\$ 1,427,412	\$ -	\$ -	\$ 9,817,040
Cash and investments - restricted	29,215	2,444,977	10,507,730	1,270,504	14,252,426
Accrued interest	63,222	61,707	50,395	1,829	177,153
Accounts receivable					
Sales taxes	643,533	533,282	760,723	122,029	2,059,567
Road & bridge taxes/property taxes	128,344	-	2,196,767	325,533	2,650,644
Gross receipts taxes	136,340	-	-	-	136,340
Miscellaneous	29,834	27,564	-	-	57,398
Prepaid items	52,979	38,997	-	-	91,976
TOTAL ASSETS	\$ 9,473,095	\$ 4,533,939	\$ 13,515,615	\$ 1,719,895	\$ 29,242,544
LIABILITIES AND FUND EQUITY					
Liabilities					
Vendor accounts payable	\$ 98,540	\$ 76,614	\$ -	\$ -	\$ 175,154
Protested tax payments	29,371	-	-	-	29,371
Payroll related payables	16,527	-	-	-	16,527
Miscellaneous payables	5,447	10,886	-	-	16,333
Accrued payroll	33,373	8,965	-	-	42,338
Deposits payable	133,697	9,795	-	-	143,492
Deferred revenue	-	193,098	-	-	193,098
TOTAL LIABILITIES	316,955	299,358	-	-	616,313
Fund Equity					
Non-Spendable Fund Balance	52,979	38,997	-	-	91,976
Restricted Fund Balance					-
Restricted For Parks/Storm Water	-	1,373,707	-	-	1,373,707
Restricted For Debt Service	-	2,444,977	13,515,615	1,719,895	17,680,487
Committed Fund Balance					
Committed For Capital Projects	3,822,961	-	-	-	3,822,961
Committed for 2009 Projects to be Carried Over to 2010	2,477,200	376,900	-	-	2,854,100
Unassigned Fund Balance	2,803,000	-	-	-	2,803,000
TOTAL FUND BALANCE	9,156,140	4,234,581	13,515,615	1,719,895	28,626,231
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,473,095	\$ 4,533,939	\$ 13,515,615	\$ 1,719,895	\$ 29,242,544

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 12/31/2009

Total Fund Balance of All Governmental Funds	\$	28,626,231
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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. The cost of capital assets was \$89,800,121 and the accumulated depreciation was \$31,247,809.		58,552,312
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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.		813,111
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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.		3,824,185
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Compensated Absences are not due and payable in the current period; therefore, compensated absences are not reported as liabilities in the funds balance sheet.		(186,966)
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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 2009 consisted of:

Accrued interest payable		(700,065)
TIF bonds payable		(40,315,000)
Certificates of participation payable		(10,485,000)
PFA bonds payable		(3,530,000)
		7,972,577

Net Adjustments		7,972,577
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Net Assets of Governmental Activities Per Statement of Net Assets	\$	36,598,808
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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, 2009

	General Fund	Storm Water/Parks Fund	Gravois Bluffs TIF Fund	Fenton Crossing TIF Fund	Non Major - Old Towne Improvements Fund	Total Governmental Funds
REVENUES						
Sales Taxes	\$ 2,471,411	\$ 2,755,152	\$ 4,308,982	\$ 709,941	\$ -	\$ 10,245,486
Intergovernmental	663,759	-	3,121,435	362,287	-	4,147,481
Charges For Services	671,719	1,848,808	-	-	-	2,520,527
Utility Taxes	1,624,022	-	32,335	8,058	-	1,664,415
Grants	385,410	12,381	-	-	-	397,791
Investment Income	196,952	21,738	(10,318)	(8,442)	23	199,953
Miscellaneous	59,230	-	-	-	-	59,230
TOTAL REVENUES	6,072,503	4,638,079	7,452,434	1,071,844	23	19,234,883
EXPENDITURES						
Current Expenditures						
Parks & Recreation	-	2,802,611	-	-	-	2,802,611
Public Safety	2,457,014	-	-	-	-	2,457,014
General Governmental	1,685,807	2,675	175,813	30,000	-	1,894,295
Public Works	1,126,365	-	-	-	-	1,126,365
Community Development	328,431	-	-	-	-	328,431
Storm Water Maintenance	8,894	48,982	-	-	-	57,876
Debt Service						
Principal	-	1,595,000	5,455,000	795,000	-	7,845,000
Interest	-	563,988	1,747,857	430,956	-	2,742,801
Trustee Fees	-	6,165	5,016	3,449	-	14,630
Capital Expenditures	542,240	30,364	-	-	30,906	603,510
TOTAL EXPENDITURES	6,148,751	5,049,785	7,383,686	1,259,405	30,906	19,872,533
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(76,248)	(411,706)	68,748	(187,561)	(30,883)	(637,650)
Fund Balance - Beginning	9,232,388	4,646,287	13,446,867	1,907,456	30,883	29,263,881
Fund Balance - Ending	\$ 9,156,140	\$ 4,234,581	\$ 13,515,615	\$ 1,719,895	\$ -	\$ 28,626,231

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 12/31/2009

Net Changes In Fund Balance Per Statement of Revenues and Expenditures \$ (637,650)

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 (\$2,209,314) exceeded capital outlay costs (\$603,510) in the current period. (1,605,804)

Bond issue costs 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 2009 that relates to bond issue costs from prior years. (437,506)

Donated assets are not recorded in governmental funds, but are reported in the statement of activities as revenue based on the value of the asset. During 2009 Gravois Bluffs West Blvd was completed by the developer and donated to the City as a public street. 13,582,456

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 (9,511)

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	89,712
Bond principal payments	7,845,000
Net Adjustments	19,464,347

Changes In Net Assets Per The Statement of Activities \$ 18,826,697

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

CITY OF FENTON, MISSOURI

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Sales Taxes	\$ 2,670,000	\$ 2,545,000	\$ 2,471,411	\$ (73,589)
Utility Taxes	1,564,000	1,728,000	1,624,022	(103,978)
Charges For Services	555,000	582,000	671,719	89,719
Intergovernmental	700,000	654,000	663,759	9,759
Grants	849,000	6,477,000	385,410	(6,091,590)
Investment Income	150,000	150,000	196,952	46,952
All Other Revenues	55,000	50,000	59,230	9,230
TOTAL REVENUES	<u>6,543,000</u>	<u>12,186,000</u>	<u>6,072,503</u>	<u>(6,113,497)</u>
EXPENDITURES				
Public Safety	\$ 2,492,000	\$ 2,457,100	\$ 2,457,014	\$ 86
General Government	1,771,000	1,765,900	1,685,807	80,093
Public Works	1,381,000	1,331,700	1,135,259	196,441
Community Development	346,000	352,800	328,431	24,369
Total Operating Expenditures	<u>5,990,000</u>	<u>5,907,500</u>	<u>5,606,511</u>	<u>300,989</u>
Capital Expenditures	2,512,000	8,897,000	542,240	8,354,760
TOTAL EXPENDITURES	<u>8,502,000</u>	<u>14,804,500</u>	<u>6,148,751</u>	<u>8,655,749</u>
Excess of Revenues Over (Under) Expenditures	(1,959,000)	(2,618,500)	(76,248)	2,542,252
Fund Balance - Beginning	9,232,388	9,232,388	9,232,388	-
Fund Balance - Ending	<u>\$ 7,273,388</u>	<u>\$ 6,613,888</u>	<u>\$ 9,156,140</u>	<u>\$ 2,542,252</u>

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

CITY OF FENTON, MISSOURI

Storm Water/Parks Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For The Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
REVENUES				
Sales Taxes	\$ 3,152,000	\$ 2,955,000	\$ 2,755,152	\$ (199,848)
RiverChase Revenues	1,615,000	1,577,000	1,519,246	(57,754)
Parks and Recreation Fees	308,000	304,000	322,813	18,813
All Other Revenues	84,000	64,000	28,487	(35,513)
Grants	614,400	664,600	12,381	(652,219)
TOTAL REVENUES	<u>5,773,400</u>	<u>5,564,600</u>	<u>4,638,079</u>	<u>(926,521)</u>
EXPENDITURES				
RiverChase	2,022,000	2,012,300	2,012,283	17
Parks and Recreation	704,000	714,900	722,280	(7,380)
Special Events	79,000	55,200	52,719	2,481
Storm Water Maintenance	47,000	50,200	48,982	1,218
Building Maintenance	60,000	181,100	16,005	165,095
Total Operating Expenditures	<u>2,912,000</u>	<u>3,013,700</u>	<u>2,852,269</u>	<u>161,431</u>
Debt Service Payments	<u>2,173,000</u>	<u>2,167,400</u>	<u>2,167,152</u>	<u>248</u>
Capital Expenditures	<u>792,000</u>	<u>879,000</u>	<u>30,364</u>	<u>848,636</u>
TOTAL EXPENDITURES	<u>5,877,000</u>	<u>6,060,100</u>	<u>5,049,785</u>	<u>1,010,315</u>
Excess of Revenues Over (Under) Expenditures	(103,600)	(495,500)	(411,706)	83,794
Fund Balance - Beginning	4,646,287	4,646,287	4,646,287	-
Fund Balance - Ending	<u>\$ 4,542,687</u>	<u>\$ 4,150,787</u>	<u>\$ 4,234,581</u>	<u>\$ 83,794</u>

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 31,2009

	<u>Police Pension Fund</u>
ASSETS	
Deposits Held With Trustees	\$ 21,071
NET ASSETS	
Held in trust for police pension benefits	\$ 21,071

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, 2009

ADDITIONS	
Investment Earnings	\$ 817
 DEDUCTIONS	
Administrative Fees	308
Plan Distributions	-
Total Deductions	308
Changes in Net Assets	509
Net assets - beginning	20,562
Net assets - ending	\$ 21,071

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 – Board of Aldermen form of government, which consists of the Mayor and eight members serving on the Board of 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 1/2% sales tax that is restricted by law to only be used for parks operations or storm water improvements.

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 Fenton Crossing shopping center project. This fund does not technically qualify as a major fund under GASB 34; however, the City has chosen to report it as such because the City feels the fund is important enough to the overall financial statements to be considered major.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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". As of December 31, 2009, the City had no due to/from amounts.

3. Inventories and Prepaid Items

Certain payments made to vendors during 2009 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, 2009.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

4. 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. The Storm Water/Parks Fund reports restricted resources that are set aside for debt service payments on the series 2004 certificates of participation refunding bonds and the series 2003 PFA refunding bonds. The Gravois Bluffs TIF Fund is used to account for resources set aside for debt service payments on the series 2007 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 2000 Fenton Crossing TIF bonds. The Olde Towne Capital Project Fund is used to account for the proceeds of TIF bonds issued that are restricted for use solely on capital improvements related to Olde Towne road system and extension of Summit Road.

5. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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

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

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits.

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

<u>Years of Service</u>	<u>Weeks of Vacation</u>
1 to 4	2
5 to 14	3
15 to 19	4
20 or more	5

Vacation time must be taken in the 12 months following the year in which it was earned. Therefore, unused earned vacation time is reflected as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured (for example, as a result of employee resignations and/or retirements).

Sick leave accrues at the rate of 80 hours per year of continuous service. Employees with less than one year of continuous service are entitled to sick leave prorated at the rate of 6.66 hours per month. Sick leave may be accrued to a maximum of 960 hours. On December 1 of each year, employees with two or more years of continuous service may sell back to the City up to one-third of their unused sick leave for the period of December 1 of the prior year through November 30 of the current year. These hours are then subtracted from the accrued sick leave balance for that employee. An employee who retires, resigns or is terminated after five years of continuous service is paid for one-half of their accrued sick leave (computed at the employee's current rate of pay), up to a maximum of 480 hours. Accordingly, one-half of the accrued leave for employees with five or more years of continuous service has been recorded as a liability in the government-wide financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

7. 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.

8. Fund Balance

In February 2009, the Governmental Accounting Standards Board (GASB) issued statement number 54 – Fund Balance Reporting. This statement required 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 2010 expenditure items that were prepaid in December 2009.

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 and Fenton Crossing TIF Funds report restricted fund balance as all fund balance for these two funds can only be used for the retirement of debt in accordance with TIF bond covenants.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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. 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 unassigned fund balance. All amounts above this 50% amount is to be kept in reserve and used for capital projects as approved by the Board of Aldermen through an appropriation ordinance. Both the General Fund and the Storm Water/Parks Fund report committed fund balance for amounts held in reserve for future capital projects as well as amounts held for 2009 projects that were not completed by the end of 2009 and were carried over to the 2010 budget through the adoption of a budget amendment resolution.

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 2009, the City had no assigned fund balance amounts.

Unassigned fund balance is the residual classification of fund balance for the General Fund only. The amount reported on the balance sheet represents 50% of 2009 operating expenditures in accordance with section 100 of the Financial Policies Manual.

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.

9. 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.”

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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.

For fiscal year 2009, the Board of Aldermen made the following budget amendments:

Resolution # 09-02 - Increased the revenue budget by \$5,200,000 and increased the expenditure budget by \$5,843,800 for projects originally included in the 2008 budget that were not completed by the end of 2008.

Resolution # 09-03 – Decreased budgeted expenditures by \$31,300 in order to reflect a lower contract cost for police services (deduct \$49,000) and to convert the part-time clerk position in Municipal Court to a full-time position (add \$17,700).

Resolution # 09-09 - Increase budgeted citywide revenues by \$234,200 and increase budgeted citywide expenditures by \$703,000 as part of the annual mid-year budget review conducted each August. This process tries to match projected revenues and expenditures based on actual performance through June.

Resolution # 10-01 – Increase budgeted revenues by \$864,007 and increase budgeted expenditures by the same amount. The City budgets at the department level and this action is necessary each year to insure that each department budget covers actual expenditures. For 2009, this money went to cover the additional costs of Gravois Bluffs TIF bonds that were redeemed ahead of schedule.

Encumbrance accounting is employed in all funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end lapse and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

B. Excess of Expenditures Over Appropriations

Because of Resolution 10-01, expenditures did not exceed appropriations in any fund during 2009.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

The deposits and investments held at December 31, 2009, and reported at fair value, are as follows:

DEPOSITS:

Demand Deposits	\$ 1,136,649
Cash on Hand	3,750
Money Market Accounts	4
Nonnegotiable Certificates of Deposit	5,700,733
	<u>6,841,136</u>

INVESTMENTS:

Federal Home Loan Bank (FHLB)	6,383,198
Fidelity Treasury Fund	3,547,431
Guaranteed Investment Contract (GIC)	1,708,400
MFS Government Securities Fund	1,342,051
Federal National Mortgage Association (FNMA)	1,270,340
Federal Farm Credit Bureau (FFCB)	1,141,676
Franklin Government Securities Fund	935,362
Federal Home Loan Mortgage Corporation (FHLMC)	883,341
Financial Square Treasury Trust Fund	16,530
	<u>17,228,329</u>

TOTAL DEPOSITS AND INVESTMENTS	<u>\$ 24,069,465</u>
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RECONCILIATION TO THE FINANCIAL STATEMENTS:

Statement of Net Assets	
Cash and Investments	\$ 9,817,040
Restricted Cash and Investments	14,252,425
	<u>24,069,465</u>

TOTAL DEPOSITS AND INVESTMENTS PER THE STATEMENT OF NET ASSETS	<u>\$ 24,069,465</u>
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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, 2009, all City deposits were either insured or collateralized.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009 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	\$ 9,678,555	\$ 3,116,688	\$ 2,087,510	\$ 4,474,357
Mutual Funds	5,841,374	5,841,374	-	-
Guaranteed Investment Contract	1,708,400	1,708,400	-	-
Totals	\$ 17,228,329	\$ 10,666,462	\$ 2,087,510	\$ 4,474,357
Percentage	100.00%	61.91%	12.12%	25.97%

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%

At December 31, 2009, City investments maturing in more than eight years exceeds policy limits by \$167,000 or 1%.

Investment Credit Risk – As documented on previous pages, City investment policy and state law limit its investment choices. At December 31, 2009, the City’s investments in U.S. Agency obligations not directly guaranteed by the U.S. Government and investments in money market accounts were rated as follows:

Investment Type	Credit Rating	Amount
Government Agency Securities	AAA	\$ 9,678,555
Fidelity Treasury Mutual Fund	AAA	3,547,431
Guaranteed Investment Contract	Unrated	1,708,400
MFS Government Securities Fund	AAA	1,342,051
Franklin Government Securities Fund	AAA	935,362
Financial Square Treasury Mutual Fund	Aaa	16,530
Total		\$ 17,228,329

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009, 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	\$ 6,383,198	37.05%
Guaranteed Investment Contract	1,708,400	9.92%
Federal National Mortgage Assoc	1,270,340	7.37%
Federal Farm Credit Bureau	1,141,676	6.63%
Federal Home Loan Mortgage Corp	883,341	5.13%

B. Receivables and Deferred Revenue

As of December 31, 2009 citywide receivables are as follows:

Receivable	General Fund	Parks/Storm Water Fund	Gravois Bluffs TIF Fund	Fenton Crossing TIF Fund	Total
Property Taxes	\$ 128,344	\$ -	\$ 2,196,767	\$ 325,533	\$ 2,650,644
Sales Taxes	643,533	533,282	760,723	122,029	2,059,567
Accrued Interest	63,222	61,707	50,395	1,829	177,153
Utility Taxes	136,340	-	-	-	136,340
Miscellaneous	29,833	201	-	-	30,034
Customer Accounts	-	27,364	-	-	27,364
Total	<u>\$ 1,001,272</u>	<u>\$ 622,554</u>	<u>\$ 3,007,885</u>	<u>\$ 449,391</u>	<u>\$ 5,081,102</u>

Governmental funds report deferred revenue in connection with resources that have been received, but not yet earned. As of December 31, 2009, the Storm Water/Parks Fund reported approximately \$193,000 in money that had been received from customers for classes to be held in 2010 and for memberships that will be consumed during 2010.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 as of December 31, 2009.

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, 2009 was as follows:

Account	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 13,100,099	\$ 1,816,839	\$ -	\$ 14,916,938
Construction In Progress	1,516,130	568,032	(1,270,906)	813,256
Land Improvements	2,585,695	28,089	(127,500)	2,486,284
Buildings	21,509,418	-	-	21,509,418
Building Improvements	259,440	-	-	259,440
Machinery & Equipment	1,821,007	7,389	(7,529)	1,820,867
Infrastructure	34,957,395	13,036,523	-	47,993,918
Total Assets	<u>\$ 75,749,184</u>	<u>\$ 15,456,872</u>	<u>\$ (1,405,935)</u>	<u>\$ 89,800,121</u>
Acc Deprec - Land Improvements	\$ (1,476,407)	\$ (95,463)	\$ 127,500	\$ (1,444,370)
Acc Deprec - Buildings	(6,165,560)	(544,623)	-	(6,710,183)
Acc Deprec - Bldg Improvements	(49,780)	(8,465)	-	(58,245)
Acc Deprec - M & E	(1,303,406)	(89,071)	7,529	(1,384,948)
Acc Deprec - Infrastructure	(20,178,371)	(1,471,692)	-	(21,650,063)
Total Accumulated Depreciation	<u>\$ (29,173,524)</u>	<u>\$ (2,209,314)</u>	<u>\$ 135,029</u>	<u>\$ (31,247,809)</u>
Capital Assets, Net	<u>\$ 46,575,660</u>	<u>\$ 13,247,558</u>	<u>\$ (1,270,906)</u>	<u>\$ 58,552,312</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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

Function	2009 Depreciation
General Government	\$ 70,846
Community Development	38,318
Public Works	1,581,888
Parks and Recreation	518,262
	<u>\$ 2,209,314</u>

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

The City had no active construction projects as of December 31, 2009.

G. Lease Commitments

The City leases two office copiers under non-cancelable operating leases. The lease for the copier located at City Hall costs \$416 per month and runs from May 19, 2008 to May 19, 2013. The lease for the copier at the Public Works facility costs \$127 per month and runs from January 15, 2008 through January 15, 2013.

The City had a lease for the copier located at RiverChase that expired in September 2009. At that time, a new copier was purchased instead of being leased.

The City also leases a postage meter and scale for \$179 per month with the agreement running from April 1, 2007 to March 31, 2011.

Total costs for such leases were \$10,854 for the year ended December 31, 2009. The future minimum lease payments on these leases is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2010	\$ 8,664
2011	7,053
2012	6,516
2013	2,207

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

H. Long-Term Debt

As of December 31, 2009 the City has the following outstanding long-term liabilities:

Name	Balance 01/01/2009	Additions	Retirements	Balance 12/31/2009	Due Within One Year
Gravois Bluffs TIF - Series 2006	\$ 40,300,000	\$ -	\$ 5,455,000	\$ 34,845,000	\$ 5,340,000
Fenton Crossing TIF - Series 2000	6,265,000	-	795,000	5,470,000	510,000
Total - TIF Debt	<u>46,565,000</u>	<u>-</u>	<u>6,250,000</u>	<u>40,315,000</u>	<u>5,850,000</u>
PFA Bonds	4,000,000	-	470,000	3,530,000	475,000
Certificates of Participation	11,610,000	-	1,125,000	10,485,000	1,160,000
Total - Other Debt	<u>15,610,000</u>	<u>-</u>	<u>1,595,000</u>	<u>14,015,000</u>	<u>1,635,000</u>
Unamortized Premium (net)	384,228	-	31,366	352,862	31,366
Deferred Amount on Refunding	(4,566,585)	-	389,537	(4,177,048)	(389,538)
Compensated Absences	177,455	171,015	161,504	186,966	186,966
Total - Other Liabilities	<u>(4,004,902)</u>	<u>171,015</u>	<u>582,407</u>	<u>(3,637,220)</u>	<u>(171,206)</u>
TOTAL - LONG-TERM LIABILITIES	<u>\$ 58,170,098</u>	<u>\$ 171,015</u>	<u>\$ 8,427,407</u>	<u>\$ 50,692,780</u>	<u>\$ 7,313,794</u>

State statutes limit the amount of general obligation bonds a governmental entity may issue to 10% of its total assessed value. Based on a 2009 assessed value of \$393,849,000, the City of Fenton's legal debt limit is \$39,385,000. 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 four 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.

Series 2000 Bonds – On November 1, 2000, the City issued \$10,205,000 of serial and term bonds with principal repayment beginning October 1, 2003. Final maturity of the serial bonds is October 1, 2011; while the term bonds are due on October 1, 2015 and October 1, 2021, respectively. Interest rates on the bonds range from 5.375% to 7.25% with interest payments due on April 1 and October 1. Term bonds due in 2015 and 2021 are subject to early redemption, as revenues will permit.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Series 2002 Bonds – On October 1, 2002 the City issued \$19,035,000 of term bonds with a final maturity of October 1, 2012 and October 1, 2021.

On April 13, 2006, the City issued \$48,635,000 in TIF revenue refunding bonds to advance refund both the series 2001 and Series 2002 Gravois Bluffs TIF bonds. 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
2010	\$ 5,850,000	\$ 1,888,540	\$ 7,738,540
2011	3,320,000	1,672,548	4,992,548
2012	3,440,000	1,492,697	4,932,697
2013	3,990,000	1,310,647	5,300,647
2014 - 2018	19,350,000	3,602,530	22,952,530
2019 - 2021	4,365,000	257,962	4,622,962
Totals	<u>\$ 40,315,000</u>	<u>\$ 10,224,924</u>	<u>\$ 50,539,924</u>

Public Facility Authority (PFA) Bonds

In 1997, the City entered into a lease agreement with the City of Fenton, Missouri Public Facilities Authority for the purpose of acquiring parkland for the Fabick Nature Preserve. The annual lease payments on the property were set an amount equal to the annual principal and interest payments due on the bonds issued in 1997. In 2003, the lease was amended when the Authority issued Leasehold Revenue Refunding Bonds in the face amount of \$5,985,000 with interest rates that range from 1.2% to 4.35%. The proceeds of the refunding bonds defeased the outstanding 1997 bonds issued by the Authority. Interest on the 2003 bonds is due on January 1 and July 1, with final maturity of the bonds occurring on January 1, 2016.

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

Year Ending December 31	Principal	Interest	Total
2010	\$ 475,000	\$ 129,347	\$ 604,347
2011	485,000	112,543	597,543
2012	495,000	94,531	589,531
2013	520,000	75,110	595,110
2014 -2016	1,555,000	97,405	1,652,405
Totals	<u>\$ 3,530,000</u>	<u>\$ 508,936</u>	<u>\$ 4,038,936</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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. Such bonds were subject to early redemption on September 1, 2007. More details are described later in this section under the heading of “Defeased Debt”.

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.

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

Year Ending December 31	Principal	Interest	Total
2010	\$ 1,160,000	\$ 387,335	\$ 1,547,335
2011	1,195,000	351,375	1,546,375
2012	1,235,000	311,343	1,546,343
2013	1,280,000	268,117	1,548,117
2014 -2017	5,615,000	572,077	6,187,077
Totals	<u>\$ 10,485,000</u>	<u>\$ 1,890,247</u>	<u>\$ 12,375,247</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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.

As of December 31, 2009, the amount of defeased debt outstanding, but removed from the long-term debt of the City, amounted to \$26,105,000 for the Series 2001 bonds and \$14,600,000 for the Series 2002 bonds.

In December 2004, the City issued \$13,170,000 in Refunding Certificates of Participation with interest rates ranging from 1.95% to 4.10%. The proceeds were used to advance refund the Series 1997 certificates maturing in the years 2008 through 2017. The defeased certificates had an outstanding balance of \$12,325,000 at the time of defeasance with interest rates ranging from 5.00% to 5.12%. Certificates maturing in 2005, 2006, and 2007, in the amount of \$2,675,000, were not eligible for early redemption and remained outstanding as of the date of defeasance. As of December 31, 2007, all defeased debt had been retired.

During the year ended December 31, 2003, the City of Fenton Missouri Public Facilities Authority issued \$5,985,000 of Leasehold Revenue Refunding Bonds with interest rates ranging from 1.2% to 4.35% to advance refund and defease the Authority's outstanding Series 1997 Leasehold Revenue Bonds maturing in the years 2004 through 2018. The Series 1997 bonds had an outstanding balance of \$6,160,000 at the time of defeasance with interest rates ranging from 4.6% to 5.25%. The defeased bonds were called for redemption on January 1, 2008. As of December 31, 2008 all defeased debt had been retired.

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 70.655 – 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 2009 was 6.4% 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 2009, the City's annual pension cost of \$131,401 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% 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 the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 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 at February 29, 2009 was 15 years. 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
6/30/2007	\$ 150,956	100%	-
6/30/2008	141,330	100	-
6/30/2009	131,401	100	-

CITY OF FENTON, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 2009.

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, 2009, the City paid a total of \$2,467,974 for such services. The contract was renewed during 2005 for a five-year period ending on December 31, 2010.

B. Legal Proceedings

As of December 31, 2009, 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.

D. Conduit Debt

On November 16, 2005, \$1,000,000,000 in City of Fenton, Missouri Series 2005 Taxable Industrial Revenue Bonds was issued for the Daimler Chrysler Corporation. These bonds were used to remodel the two plants located in Fenton and upgrade the equipment contained in these plants.

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

On December 22, 2004, \$112,000,000 in City of Fenton, Missouri Series 2004 Taxable Industrial Revenue Bonds was issued for the Daimler Chrysler Corporation. These bonds were used to purchase equipment to upgrade the auto assembly plant located in Fenton.

These bonds are limited obligations of the City payable solely out of certain lease revenues derived by the City from the lease agreement with Daimler Chrysler. The bonds and interest thereon do not constitute general obligations of the City or the State of Missouri. Neither the City nor the State is liable for the payment of these bonds. The bonds do not constitute indebtedness within the meaning of any statutory debt limitations or restriction, and are not payable in any manner by taxation. As such, the bonds are considered conduit debt of the City and neither the assets that will be acquired from the proceeds of the bonds nor the long-term liabilities for the bonds are reflected in the financial statements of the City. On April 20, 2009 Chrysler LLC filed for bankruptcy protection and all of the debt issued for the plant improvement projects was discharged through bankruptcy proceedings.

E. Related Party Transaction

American Burglary and Fire, Inc (ABF) provides fire and burglary alarm system monitoring to the City for all city buildings. ABF is owned and operated by a member of the Board of Aldermen. These services have been provided to the City by ABF since 1991. The Alderman who owns ABF was elected to the Board of Aldermen in 2002. The cost of the monitoring service is \$384 per quarter or \$1,536 per year. In 2009, the total cost of services provided by ABF was \$2,974, which included both monitoring and repair services.

F. Subsequent Events

As of May 5, 2010, the date the financial statements were available to be issued, no subsequent events or transactions had occurred that would have materially impacted the financial statements as presented.

REQUIRED SUPPLEMENTARY INFORMATION

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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
2/28/2007	4,441,890	3,735,812	(706,078)	119%	1,831,422	(39)
2/29/2008	4,935,955	4,071,215	(864,740)	121	2,080,662	(42)
2/28/2009	4,262,708	4,439,692	176,984	96	1,955,881	9

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, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City, Missouri or call 1-800-447-4334

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ADDITIONAL SUPPLEMENTARY INFORMATION

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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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Sales Taxes	\$ 3,783,000	\$ 4,026,000	\$ 4,308,982	\$ 282,982
Property Taxes	2,500,000	3,121,000	3,121,435	435
Gross Receipts Taxes	37,000	37,000	32,335	(4,665)
Investment Income	200,000	200,000	(10,318)	(210,318)
TOTAL REVENUES	<u>6,520,000</u>	<u>7,384,000</u>	<u>7,452,434</u>	<u>68,434</u>
EXPENDITURES				
Current Expenditures:				
Administrative Costs	80,000	176,000	175,813	187
Debt Service Expenditures:				
Principal	4,620,000	5,455,000	5,455,000	-
Interest	1,804,000	1,747,900	1,747,857	43
Trustee Fees	16,000	5,100	5,016	84
TOTAL EXPENDITURES	<u>6,520,000</u>	<u>7,384,000</u>	<u>7,383,686</u>	<u>314</u>
Excess of Revenues Over (Under) Expenditures	-	-	68,748	68,748
Fund Balance - Beginning	13,446,867	13,446,867	13,446,867	-
Fund Balance - Ending	<u>\$ 13,446,867</u>	<u>\$ 13,446,867</u>	<u>\$ 13,515,615</u>	<u>\$ 68,748</u>

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Sales Taxes	\$ 880,000	\$ 880,000	\$ 709,941	\$ (170,059)
Property Taxes	350,400	350,400	362,287	11,887
Gross Receipts Taxes	6,600	6,600	8,058	1,458
Investment Income	35,000	35,000	(8,442)	(43,442)
TOTAL REVENUES	<u>1,272,000</u>	<u>1,272,000</u>	<u>1,071,844</u>	<u>(200,156)</u>
EXPENDITURES				
Current Expenditures:				
Administrative Costs	30,000	30,000	30,000	-
Debt Service Expenditures:				
Principal	795,000	795,000	795,000	-
Interest	443,000	443,000	430,956	12,044
Trustee Fees	4,000	4,000	3,449	551
TOTAL EXPENDITURES	<u>1,272,000</u>	<u>1,272,000</u>	<u>1,259,405</u>	<u>12,595</u>
Excess of Revenues Over (Under) Expenditures	-	-	(187,561)	(187,561)
Fund Balance - Beginning	<u>1,907,456</u>	<u>1,907,456</u>	<u>1,907,456</u>	-
Fund Balance - Ending	<u>\$ 1,907,456</u>	<u>\$ 1,907,456</u>	<u>\$ 1,719,895</u>	<u>\$ (187,561)</u>