



CITY OF FENTON, MISSOURI

FINANCIAL REPORT (AUDITED)

Year Ended December 31, 2014



CITY OF FENTON, MISSOURI

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CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102-2439
ph. 314.231.6232
fax 314.880.9307

www.kebcpa.com

Independent Auditors' Report

The Honorable Mayor and Members
of the Board of Aldermen
City of Fenton, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fenton, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Fenton, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fenton, Missouri, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, budgetary comparison information on pages 37 through 39 and schedule of funding progress on page 40 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 additional supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The additional supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2015 on our consideration of the City of Fenton, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Fenton, Missouri's internal control over financial reporting and compliance.

Kerber, Eck + Braeckel LLP

St. Louis, Missouri
May 1, 2015

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

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, 2014. 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, 2014, the City's assets and deferred outflows of resources exceeded liabilities by \$67,316,410. The City has unrestricted net position of \$12,687,867.
- Cash and investment balances as of December 31, 2014 were \$11,861,222 and current liabilities were \$1,157,917. Federal and State laws restrict \$678,125 of the cash and investments on hand to the repayment of outstanding debt.
- Net position increased by \$1,948,695 during fiscal year 2014.
- Fund balances, which are a measure of current financial resources in the governmental funds, decreased by \$320,995 to an ending balance of \$12,812,488. \$471,574 is unassigned in governmental funds and is available for future appropriation by the Board of Aldermen. Per the financial policies of the City, \$2,548,687 in fund balance is held in the General Fund as committed for emergencies, and \$1,185,608 in fund balance is held in the Storm Water/Parks Fund as committed for emergencies. These funds can only be used by official action of the Board of Alderman and only in the event of a natural disaster that would require readily available funds to recover from the natural disaster.
- Total fund balance in the General Fund was \$3,029,874, or about 59% of 2014 operating expenditures. \$9,613 is non-spendable fund balance to be used to pay 2015 expenditures that were prepaid in December 2014, \$2,548,687 is held for emergencies as noted above, and \$471,574 is unassigned.
- The City's long-term outstanding debt was \$2,926,773. Of this amount \$2,892,411 is due on bonds that were used to build RiverChase, remodel City Hall and make storm water improvements. Another \$34,362 is due to employees for compensated absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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 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's finances, in a manner similar to a private-sector business.

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

The Statement of Net Position - 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, deferred outflows of resources, and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities - This statement presents information showing how the government's net position changed during the year. All changes in net position 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 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, city clerk, police, and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been designated for specific programs or activities. The City, 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 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 2015 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 City's major funds.

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

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

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 2014:

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

All six funds are considered major funds and are reported separately in the fund financial statements.

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

Fiduciary Funds - These funds are used to account for assets held by the City in a trustee capacity or as a collection agent for others. The City has one fiduciary fund - The Police Pension Trust Fund. The Police Pension Trust 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 position and a statement of changes in fiduciary net position. 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

The Notes to the Financial Statements 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'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.

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$67,316,410 at the end of fiscal year 2014.

The largest portion of the City's net position (\$54,628,542) 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 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.

A condensed version of the statement of net position is as follows:

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 13,945,930	16,596,558	(2,650,628)	(15.97) %
Capital assets	<u>57,381,992</u>	<u>58,640,231</u>	<u>(1,258,239)</u>	(2.15)
Total assets	<u>71,327,922</u>	<u>75,236,789</u>	<u>(3,908,867)</u>	(5.20)
Deferred charges on refunding	<u>138,961</u>	<u>250,129</u>	<u>(111,168)</u>	(44.44)
Current and other liabilities	1,157,917	3,520,178	(2,362,261)	(67.11)
Long-term liabilities	<u>2,992,556</u>	<u>6,599,025</u>	<u>(3,606,469)</u>	(54.65)
Total liabilities	<u>4,150,473</u>	<u>10,119,203</u>	<u>(5,968,730)</u>	(58.98)
Net position				
Net investment in capital assets	54,628,542	53,720,230	908,312	1.69
Restricted	1	1,478,993	(1,478,992)	(100.00)
Unrestricted	<u>12,687,867</u>	<u>10,168,492</u>	<u>2,519,375</u>	24.78
Total net position	<u>\$ 67,316,410</u>	<u>65,367,715</u>	<u>1,948,695</u>	2.98 %

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

A condensed version of the statement of activities is as follows:

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program revenues:				
Charges for services	\$ 2,246,866	2,325,907	(79,041)	(3.40) %
Capital grants & contributions	68,282	412,573	(344,291)	(83.45)
General revenues:				
Sales taxes	6,741,545	9,489,841	(2,748,296)	(28.96)
Intergovernmental	512,880	692,480	(179,600)	(25.94)
Utility taxes	1,463,607	1,467,329	(3,722)	(0.25)
Other taxes	368,892	283,255	85,637	30.23
Investment income	35,185	38,936	(3,751)	(9.63)
Insurance recoveries	320,881	-	320,881	100.00
Other	71,236	87,145	(15,909)	(18.26)
Total revenues	<u>11,829,374</u>	<u>14,797,466</u>	<u>(2,968,092)</u>	<u>(20.06)</u>
Expenses				
General government	1,390,555	1,505,016	(114,461)	(7.61)
Community development	254,731	243,490	11,241	4.62
Economic development	115,456	1,912,891	(1,797,435)	(93.96)
Parks and recreation	2,917,450	2,919,266	(1,816)	(0.06)
Public safety	2,392,642	2,363,834	28,808	1.22
Public works	2,595,636	2,304,170	291,466	12.65
Debt service expenses	214,209	3,300,011	(3,085,802)	(93.51)
Total expenses	<u>9,880,679</u>	<u>14,548,678</u>	<u>(4,667,999)</u>	<u>(32.09)</u>
Change in net position	1,948,695	248,788	1,699,907	683.28
Net position at beginning of year	<u>65,367,715</u>	<u>65,118,927</u>	<u>248,788</u>	0.38
Net position at end of year	<u>\$ 67,316,410</u>	<u>65,367,715</u>	<u>1,948,695</u>	2.98 %

Some observations about 2014 revenues and expenses compared to 2013:

- Total revenues were down by \$2,968,092 or 20.06%. Revenues changed as follows:
 - Capital grants and contributions decreased by \$344,291 or 83.45% mainly due to a decrease in grant revenues for a trail project and streets that were accepted in 2013.
 - Sales taxes decreased by \$2,748,296 or 28.96%. The General Fund sales tax decreased by \$208,359 during 2014 due to a one time receipt of \$249,735 during 2013 for the payoff of the Gravois Bluffs TIF bonds. The Storm Water/Parks sales tax increased \$642,205 during 2014 due to the payoff of the

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

Gravois Bluffs TIF bonds in 2013. Since the TIF bonds have been paid off, the City now keeps the additional storm water/parks sales tax. However, due to the payoff of the Gravois Bluffs TIF bonds in October 2013 and the Fenton Crossing TIF bonds in October 2014, the TIF sales tax significantly decreased.

- Intergovernmental revenues decreased by \$179,600 or 25.94% primarily due to the early payoff the Fenton Crossing TIF Bonds. No property tax was recorded in 2014 as a result of the payoff.
 - Other taxes increased by \$85,637 or 30.23% due to the increased road and bridge tax as a result of the payoff of the TIF bonds.
 - Insurance recoveries increased by \$320,881 due to an insurance claim received in 2015 for storm damage that occurred in 2014. The roof at the RiverChase facility will be replaced during 2015 using these revenues.
- Program expenses were down by \$4,667,999 or 32.09%. This was due to the following items:
 - General government expenses decreased by \$114,461 or 7.61% due to intentional budget cuts and elimination of employment positions.
 - Economic development expense decreased \$1,797,435 or 93.96% due to the payoff of the Gravois Bluffs TIF bonds in 2013 and the Fenton Crossing TIF bonds in 2014. The remaining funds after the bonds were paid off were distributed to various taxing authorities.
 - Public works expenses increased \$291,466 or 12.65% mainly due to the elimination of the multiplier in October 2013. In the past, the public works department reduced their expenses by charging various other departments labor and equipment charges for projects done in their departments. This practice was eliminated for all departments except the storm water/parks fund. The City now only charges the storm water/parks fund for labor and benefits for work provided.
 - Debt service expenses decreased \$3,085,802 or 93.51% due to the payoff of the Gravois Bluffs TIF bonds in 2013. Certain debt service charges are setup as liabilities or an offset to liabilities when bonds are issued and are subsequently amortized over the life of the bonds. Since these bonds were paid off early, the remaining charges were written off during 2013.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

The focus of the City'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'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.

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

At the end of 2014, the City's governmental funds reported combined ending fund balances of \$12,812,488. This was a decrease of \$320,995 in comparison with the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$471,574, while total fund balance reached \$3,029,874. An amount equal to 50% of the annual expenditures, or \$2,548,687 of fund balance has been committed for emergencies per the City's financial policies. The fund balance of the General Fund decreased by \$91,583 during the current fiscal year. The decrease is due to a transfer of \$450,000 to the Capital Projects Fund for future projects. Without this transfer, the City would have had a \$358,417 surplus.

The Storm Water/Parks Fund balance increased \$270,857 during the fiscal year to \$1,725,853. There was a transfer of \$1,350,000 to the Capital Projects Fund. The main reason for the increase was insurance proceeds of \$320,881 for storm damage to the RiverChase facility's roof.

The Capital Projects Fund balance increased \$1,035,826 during the current year to \$8,056,760. The Capital Projects Fund received transfers from the General Fund and the Storm Water/Parks fund in the amount of \$1,800,000 to fund future projects. The City has implemented a five year capital improvement plan and intends to spend these funds accordingly.

The Fabick Debt Service Fund balance decreased \$223,876 to \$0. This fund receives transfers from the Storm Water/Parks Fund to pay the bonds that were issued to purchase the Fabick property. The bonds were paid off in 2014.

The RiverChase Debt Service Fund balance decreased \$4,297 to \$1. This fund receives transfers from the Storm Water/Parks Fund to pay the bonds that were issued to build the RiverChase facility. The bonds do not require a reserve to be held.

The Fenton Crossing TIF Fund balance decreased \$1,307,922 to \$0. The bonds were paid off during the current fiscal year and the fund was closed out.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were various budget amendments for the General Fund. Revenues were increased \$108,500 mainly due to increased utility taxes and road & bridge taxes.

Expenditures were increased \$214,997 mainly due to increases in the public works department for salt and the elimination of the public works multiplier and increases in the information services department for the outsourcing of the City's IT staff. Various other departments had small adjustments.

Transfers out were increased \$450,000 when the Board approved to transfer reserves to the Capital Projects Fund in order to fund future capital projects.

CAPITAL ASSETS

As of December 31, 2014, the City's investment in capital assets was \$57,381,992 (net of accumulated depreciation), a decrease of \$1,258,239. Below is a summary of the capital assets.

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

More detailed information on the City's capital assets is presented in Note 5 in the financial statements.

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 15,488,370	15,488,370	-	- %
Construction in progress	69,382	1,100	68,282	6,207.45
Land improvements	916,964	992,464	(75,500)	(7.61)
Buildings	12,301,105	12,818,453	(517,348)	(4.04)
Building improvements	191,038	200,426	(9,388)	(4.68)
Machinery and equipment	498,432	238,230	260,202	109.22
Infrastructure	27,916,701	28,901,188	(984,487)	(3.41)
 Total capital assets, net	 <u>\$ 57,381,992</u>	 <u>58,640,231</u>	 <u>(1,258,239)</u>	 <u>(2.15) %</u>

LONG-TERM DEBT

At December 31, 2014, the total long-term debt of the City was as follows:

	<u>2014</u>	<u>2013</u>
Fenton Crossing TIF - series 2010	\$ -	1,540,000
Certificates of participation	2,815,000	4,775,000
Plus - premium	77,411	145,001
Compensated absences	34,362	72,716
 Total long-term debt	 <u>\$ 2,926,773</u>	 <u>6,532,717</u>

Total debt outstanding decreased by \$3,605,944 during 2014. More detailed information on the City's long-term debt is presented in Note 6 in the financial statements.

2015 BUDGET

General Fund

The 2015 budget, as adopted by the Board of Aldermen in December 2014, proposed revenues of \$5,343,400 and expenditures of \$5,199,511, with a projected operating income of \$143,889.

The 2015 budget calls for operating expenditures to increase by \$19,057 from the prior year's final budget. Public safety expenditures are budgeted for an increase of \$67,802 due to an increase in the contract with St. Louis County. All departments budgeted for a 3% salary increase for full time employees. Other expenditure accounts were reduced in an attempt to keep costs at a minimum.

CITY OF FENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended December 31, 2014

Storm Water/Parks Fund

The 2015 budget proposes revenues in this fund to be \$5,475,492 while expenditures will be \$4,012,871, with a projected operating income of \$1,462,621. The main reason for the increase is due to the additional sales taxes due to the payoff of the Gravois Bluffs TIF bonds in 2013 and the Fenton Crossing TIF bonds in 2014. The City plans on using the additional sales tax to fund future capital projects in the parks.

Capital Projects Fund

The 2015 budget proposes several purchases and large projects including Old Gravois Road – Phase One for \$1,500,000 and the completion of the Greenway Trail Extension. Both of these projects are expected to receive grant funds for partial reimbursement. There are various other projects, equipment replacement, and routine maintenance budgeted for 2015 from the Capital Projects Fund. The City has approved a five year capital improvements plan which includes many projects throughout the City as well as an equipment replacement schedule.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City'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:

Financial Consultant
City of Fenton, Missouri
625 New Smizer Mill Road
Fenton, Missouri 63026
Phone 636-343-2080 Ext. 1106

CITY OF FENTON, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities
Assets	
Cash and investments	\$ 11,183,097
Taxes receivable:	
Sales	1,294,771
Other	208,238
Utility	142,310
Other receivables	394,152
Interest receivable	6,746
Prepaid items	38,491
Restricted cash and investments	678,125
Capital assets:	
Land and construction in progress	15,557,752
Other capital assets, net of accumulated depreciation	41,824,240
Total assets	71,327,922
 Deferred outflows of resources	
Deferred charges on refunding	138,961
 Liabilities	
Accounts payable	787,980
Accrued interest payable	24,475
Accrued payroll	19,417
Deposits payable	124,510
Unearned revenue	201,535
Noncurrent liabilities:	
Due within one year	1,484,373
Due in more than one year	1,442,400
Due in more than one year - net LAGERS pension obligation	65,783
Total liabilities	4,150,473
 Net position	
Net investment in capital assets	54,628,542
Restricted for debt service	1
Unrestricted	12,687,867
Total net position	\$ 67,316,410

See notes to financial statements.

CITY OF FENTON, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program revenues</u>		<u>Net revenues (expenses) and change in net position</u>
		<u>Charges for services</u>	<u>Capital grants and contributions</u>	
Governmental activities				
General government	\$ 1,390,555	12,000	-	(1,378,555)
Community development	254,731	83,202	-	(171,529)
Economic development	115,456	-	-	(115,456)
Parks and recreation	2,917,450	1,704,323	68,282	(1,144,845)
Public safety	2,392,642	447,341	-	(1,945,301)
Public works	2,595,636	-	-	(2,595,636)
Interest on long-term debt	214,209	-	-	(214,209)
Total governmental activities	<u>\$ 9,880,679</u>	<u>2,246,866</u>	<u>68,282</u>	<u>(7,565,531)</u>
General revenues				
Sales taxes				6,741,545
Intergovernmental				512,880
Utility taxes				1,463,607
Other taxes				368,892
Investment income				35,185
Insurance recoveries				320,881
Other				71,236
Total general revenues				<u>9,514,226</u>
Change in net position				1,948,695
Net position at beginning of year				<u>65,367,715</u>
Net position at end of year				<u>\$ 67,316,410</u>

See notes to financial statements.

CITY OF FENTON, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General Fund	Storm Water/Parks Fund	Capital Projects Fund	Fabick Debt Service Fund	RiverChase Debt Service Fund	Fenton Crossing TIF Fund	Total Governmental Funds
Assets							
Cash and investments	\$ 2,198,456	986,310	7,998,331	-	-	-	11,183,097
Taxes receivable:							
Sales	641,625	653,146	-	-	-	-	1,294,771
Other	208,238	-	-	-	-	-	208,238
Utility	142,310	-	-	-	-	-	142,310
Other receivables	17,933	320,579	55,640	-	-	-	394,152
Interest receivable	2,540	367	3,837	2	-	-	6,746
Prepaid items	9,613	28,878	-	-	-	-	38,491
Restricted cash and investments	19,320	-	-	541,848	1	116,956	678,125
	<u>\$ 3,240,035</u>	<u>1,989,280</u>	<u>8,057,808</u>	<u>541,850</u>	<u>1</u>	<u>116,956</u>	<u>13,945,930</u>
Liabilities and fund balances							
Liabilities							
Accounts payable	\$ 77,424	50,702	1,048	541,850	-	116,956	787,980
Accrued payroll	12,916	6,501	-	-	-	-	19,417
Deposits payable	119,821	4,689	-	-	-	-	124,510
Unearned revenue	-	201,535	-	-	-	-	201,535
Total liabilities	<u>210,161</u>	<u>263,427</u>	<u>1,048</u>	<u>541,850</u>	<u>-</u>	<u>116,956</u>	<u>1,133,442</u>
Fund balances							
Nonspendable	9,613	28,878	-	-	-	-	38,491
Restricted for debt service	-	-	-	-	1	-	1
Committed for:							
Capital projects	-	-	8,056,760	-	-	-	8,056,760
Emergencies	2,548,687	1,185,608	-	-	-	-	3,734,295
Assigned for:							
RiverChase roof replacement	-	316,674	-	-	-	-	316,674
Storm water and parks	-	194,693	-	-	-	-	194,693
Unassigned	471,574	-	-	-	-	-	471,574
Total fund balances	<u>3,029,874</u>	<u>1,725,853</u>	<u>8,056,760</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>12,812,488</u>
	<u>\$ 3,240,035</u>	<u>1,989,280</u>	<u>8,057,808</u>	<u>541,850</u>	<u>1</u>	<u>116,956</u>	<u>13,945,930</u>
Total liabilities and fund balances	<u>\$ 3,240,035</u>	<u>1,989,280</u>	<u>8,057,808</u>	<u>541,850</u>	<u>1</u>	<u>116,956</u>	<u>13,945,930</u>

See notes to financial statements.

CITY OF FENTON, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total fund balances - governmental funds	\$ 12,812,488
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	57,381,992
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(24,475)
Certificates of participation payable	(2,815,000)
Unamortized premium	(77,411)
Unamortized deferred charges	138,961
Compensated absences	(34,362)
Net pension obligation	(65,783)
Net position of governmental activities	\$ 67,316,410

See notes to financial statements.

CITY OF FENTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Storm Water/Parks Fund	Capital Projects Fund	Fabick Debt Service Fund	RiverChase Debt Service Fund	Fenton Crossing TIF Fund	Total Governmental Funds
Revenues							
Sales taxes	\$ 2,730,675	3,833,039	-	-	-	177,831	6,741,545
Intergovernmental	273,275	-	68,282	-	-	239,605	581,162
Utility taxes	1,463,607	-	-	-	-	-	1,463,607
Other taxes	368,892	-	-	-	-	-	368,892
Fines and court costs	447,341	-	-	-	-	-	447,341
Charges for services	95,202	1,704,323	-	-	-	-	1,799,525
Investment income	5,563	653	27,609	270	-	1,090	35,185
Miscellaneous	71,236	-	-	-	-	-	71,236
Total revenues	<u>5,455,791</u>	<u>5,538,015</u>	<u>95,891</u>	<u>270</u>	<u>-</u>	<u>418,526</u>	<u>11,508,493</u>
Expenditures							
Current:							
General government	1,314,284	-	-	1,500	-	1,500	1,317,284
Community development	217,481	-	-	-	-	-	217,481
Economic development	-	-	-	-	-	115,456	115,456
Parks and recreation	-	2,371,215	-	-	-	-	2,371,215
Public safety	2,392,642	-	-	-	-	-	2,392,642
Public works	1,172,967	-	-	-	-	-	1,172,967
Debt service:							
Principal	-	-	-	535,000	1,425,000	1,540,000	3,500,000
Interest	-	-	-	10,700	119,523	64,480	194,703
Trustee fees	-	-	-	2,661	3,000	2,895	8,556
Capital outlay	-	-	860,065	-	-	-	860,065
Total expenditures	<u>5,097,374</u>	<u>2,371,215</u>	<u>860,065</u>	<u>549,861</u>	<u>1,547,523</u>	<u>1,724,331</u>	<u>12,150,369</u>
Revenues over (under) expenditures	<u>358,417</u>	<u>3,166,800</u>	<u>(764,174)</u>	<u>(549,591)</u>	<u>(1,547,523)</u>	<u>(1,305,805)</u>	<u>(641,876)</u>
Other financing sources (uses)							
Transfers in	-	2,117	1,800,000	325,715	1,543,226	-	3,671,058
Transfers out	(450,000)	(3,218,941)	-	-	-	(2,117)	(3,671,058)
Insurance recoveries	-	320,881	-	-	-	-	320,881
Total other financing sources (uses)	<u>(450,000)</u>	<u>(2,895,943)</u>	<u>1,800,000</u>	<u>325,715</u>	<u>1,543,226</u>	<u>(2,117)</u>	<u>320,881</u>
Net change in fund balance	(91,583)	270,857	1,035,826	(223,876)	(4,297)	(1,307,922)	(320,995)
Fund balance at beginning of year	<u>3,121,457</u>	<u>1,454,996</u>	<u>7,020,934</u>	<u>223,876</u>	<u>4,298</u>	<u>1,307,922</u>	<u>13,133,483</u>
Fund balance at end of year	<u>\$ 3,029,874</u>	<u>1,725,853</u>	<u>8,056,760</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>12,812,488</u>

See notes to financial statements.

CITY OF FENTON, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - governmental funds \$ (320,995)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$2,033,093) exceeded capital outlays over the capitalization threshold (\$785,211) in the current period. (1,247,882)

The net effect of various miscellaneous transactions involving capital assets:
 Cost of disposals, net of accumulated depreciation (10,357)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas most of these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:
 Bond and certificates of participation principal payments 3,500,000
 Amortization of bond premium and deferred charges (43,578)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:
 Accrued compensated absences 38,354
 Accrued interest on long-term debt 32,628
 Net pension obligation 525

\$ 1,948,695

See notes to financial statements.

CITY OF FENTON, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND
DECEMBER 31, 2014

Assets

Deposits held with trustees	<u>\$ 19,732</u>
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Net position

Held in trust for police pension benefits	<u>\$ 19,732</u>
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See notes to financial statements.

CITY OF FENTON, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

Additions	
Investment earnings	\$ 764
Deductions	
Administrative fees	<u>270</u>
Change in net position	494
Net position at beginning of year	<u>19,238</u>
Net position at end of year	<u><u>\$ 19,732</u></u>

See notes to financial statements.

CITY OF FENTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, the City has one component unit as noted below.

The City of Fenton, Missouri Public Facilities Authority (“Authority”) is included in the financial statements of the City as a blended component unit. Under the blending method, transactions of a component unit are presented as if they were executed directly by the primary government. Criteria for including an entity as a blended component unit include 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 Authority has been determined to be a component unit of the City. Its purpose is to act on behalf of the City in its acquisition, construction, improvement, extension, repair, remodeling and financing of capital improvement projects.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the City and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF FENTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

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.

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

Fund Financial Statements

The fund financial statements of the City are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column. 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 issued by the City. The major funding source for this fund is a one-half percent sales tax that is restricted by law to only be used for parks operations or storm water improvements.

The Capital Projects Fund is used to account for resources accumulated for the purchase of capital items.

The Fabick Debt Service Fund accounts for the resources accumulated for the payment of principal and interest on the certificates of participation that were issued for the purchase of the Fabick property.

The RiverChase Debt Service Fund accounts for resources accumulated for the payment of principal and interest on the certificates of participation that were issued for the construction of RiverChase.

The Fenton Crossing TIF Fund accounts for the resources accumulated for the payment of principal and interest on the TIF bonds that were issued for the Fenton Crossing shopping center project.

CITY OF FENTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

Additionally, the City reports the following fiduciary fund:

Police 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 have been reported at an amount that represents contributions to the plan plus investment income credited less benefit and termination payments and administration charges.

Measurement Focus and Basis of Accounting

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 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, property 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.

Cash and Investments

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 stated at their fair value based on quoted market prices, except for certain short-term U.S. government securities which are stated at amortized cost.

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

The City maintains a cash and investment pool that is available for use by all funds. Investment income earned is allocated to contributing funds based on each fund's proportionate share of invested funds.

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are reported as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Restricted assets consist of cash and investments that are legally restricted as to their use and include resources set aside for the repayment of debt, and bonds received from defendants in Municipal Court pending a hearing before the Municipal Court judge.

Capital Assets

Capital assets include land and improvements, buildings and building improvements, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items). 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. Such assets are reported at cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not increase the capacity or efficiency of the asset or materially extend its useful life are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and improvements	5 – 50
Land improvements	10 – 35
Machinery and equipment	4 – 20
Infrastructure	7 – 50

Compensated Absences

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

Unused vacation time was frozen at the balance in an employee's account on April 30, 2010. The employee may use this time or be paid for the balance in the account upon termination from employment. The amount to be paid at termination was frozen at the rate of pay in effect on April 30, 2010. Thus, there will be no increase in the dollar value of the unused

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

vacation time. The liability for unused vacation time as of December 31, 2014 has been recorded as a liability in the government-wide financial statements.

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

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 position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, and any related premium, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows.

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 prepaid items as non-spendable fund balance.

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 debt service funds report restricted fund balance as all fund balance for these funds can only be used for the retirement of debt in accordance with bond covenants.

CITY OF FENTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board. As of December 31, 2014, the City reported the following items as committed fund balance:

Per Section 100 of the Financial Policies Manual, which was adopted by ordinance, 50% of annual expenditures will be kept in committed fund balance to be used only in case of a natural disaster that would require cash flow to be used during recovery from the natural disaster. All amounts above this 50% amount are to be kept in unassigned fund balance and used as directed by the Board through a budget amendment resolution. As of December 31 2014, General Fund and Storm Water/Parks Fund committed fund balances for emergency use were \$2,548,687 and \$1,185,608, respectively.

Committed Fund balance in the Capital Projects Fund has a balance of \$8,056,760. This represents the amount designated by the Board to be used for capital projects.

Assigned fund balance represents amounts that the City intends to use for specific purposes, but are neither restricted nor committed. As of December 31, 2014, the Storm Water Parks Fund reported an assigned fund balance of \$194,693 for future operations and \$316,674 for a roof replacement at the RiverChase facility.

Unassigned fund balance is the residual classification of fund balance for the General Fund only. As of December 31, 2014 this account had a balance of \$471,574.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

Net investment in capital assets – 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 position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF FENTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Unearned Revenues

Unearned revenues consists of receipts from RiverChase customers for 2015 classes and memberships.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City does not currently have any deferred inflows.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Deposits

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

As of December 31, 2014, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

Cash and Investments

As of December 31, 2014, the City had the following cash and investments:

Cash and investments	Fair value	Maturities			Credit risk
		No maturity	Less than one year	1 - 5 years	
Certificates of deposit	\$ 6,116,060	-	4,109,693	2,006,367	N/A
Money market funds	540,354	540,354	-	-	Not rated
Government securities					
Federal agency notes	1,606,068	-	-	1,606,068	AAA
Total investments	8,262,482	540,354	4,109,693	3,612,435	
Deposits	3,594,835				
Cash on hand	3,905				
Total cash and investments	\$ 11,861,222				

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy states that they minimize credit risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy states that they minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing primarily in shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's policy states that they minimize concentration of credit risk by diversifying the investment portfolio.

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). At December 31, 2014, the City had the following investments that were more than 5% of the City's total investments:

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

Investment	Amount	Percent
Federal National Mortgage Association	\$ 1,207,199	14.6%

Custodial Credit Risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial credit risk by prequalifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

NOTE 3 – PROPERTY TAXES

The City’s property tax is levied each October based on the assessed value listed by St. Louis County as of the prior January 1 for all real and personal property located in the City. As of January 1 of each year, property taxes attach as an enforceable lien. The City has historically voluntarily reduced the property tax rate to zero. Therefore, there are no outstanding taxes receivable levied by the City as of December 31, 2014.

NOTE 4 – INSURANCE PROGRAMS

The City managed risks of loss related to employee life, health and disability, workers’ compensation, property, and liability by purchasing commercial insurance for the year ended December 31, 2014.

There was no significant reduction in insurance coverage during the year ended December 31, 2014 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

	Balance December 31 2013	Increases	Decreases	Balance December 31 2014
Capital assets not being depreciated:				
Land	\$ 15,488,370	-	-	15,488,370
Construction in progress	1,100	68,282	-	69,382
Total capital assets not being depreciated	<u>15,489,470</u>	<u>68,282</u>	<u>-</u>	<u>15,557,752</u>
Capital assets being depreciated:				
Land improvements	2,766,615	-	68,342	2,698,273
Buildings	21,631,399	-	-	21,631,399
Building improvements	288,893	-	-	288,893
Machinery and equipment	1,818,472	331,916	165,321	1,985,067
Infrastructure	54,972,779	385,013	-	55,357,792
Total capital assets being depreciated	<u>81,478,158</u>	<u>716,929</u>	<u>233,663</u>	<u>81,961,424</u>
Less - Accumulated depreciation for:				
Land improvements	1,774,151	75,500	68,342	1,781,309
Buildings	8,812,946	517,348	-	9,330,294
Building improvements	88,467	9,388	-	97,855
Machinery and equipment	1,580,242	61,357	154,964	1,486,635
Infrastructure	26,071,591	1,369,500	-	27,441,091
Total accumulated depreciation	<u>38,327,397</u>	<u>2,033,093</u>	<u>223,306</u>	<u>40,137,184</u>
Total capital assets being depreciated, net	<u>43,150,761</u>	<u>(1,316,164)</u>	<u>10,357</u>	<u>41,824,240</u>
Capital assets, net	<u>\$ 58,640,231</u>	<u>(1,247,882)</u>	<u>10,357</u>	<u>57,381,992</u>

Depreciation expense was charged to functions/programs of the City as follows for the year ended December 31, 2014:

Function	
General government	\$ 60,716
Community development	37,250
Public works	1,461,022
Parks and recreation	474,105
	<u>\$ 2,033,093</u>

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM DEBT

As of December 31, 2014, the City has the following outstanding long-term liabilities:

	Balance December 31 2013	Additions	Deletions	Balance December 31 2014	Due within one year
Fenton Crossing TIF - series 2010	\$ 1,540,000	-	1,540,000	-	-
Certificates of participation	4,775,000	-	1,960,000	2,815,000	1,470,000
Plus - premium	145,001	-	67,590	77,411	-
Compensated absences	72,716	119,939	158,293	34,362	14,373
Total	<u>\$ 6,532,717</u>	<u>119,939</u>	<u>3,725,883</u>	<u>2,926,773</u>	<u>1,484,373</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 2014 assessed value of \$349,617,426, the City's legal debt limit is \$34,961,742. 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 had tax increment revenue bonds which are limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The bonds did not constitute a general obligation of the City. In addition, a Transportation Development District (TDD) has been formed and the sales tax revenues generated by the TDD were also pledged for the repayment of the bonds.

Fenton Crossing TIF Fund

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

Series 2010 Bonds - On October 1, 2010, the City issued \$4,395,000 in TIF revenue refunding bonds in order to take advantage of lower interest rates and refund the series 2000 Fenton Crossing Bonds. The refunding bonds carried an interest rate of 4.75%. These bonds were paid in full during the year ended December 31, 2014.

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

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.

On September 10, 2013 the City issued \$4,240,000 in Refunding Certificates of Participation. The proceeds from the issuance of the Certificates were used to refund the City's 2004 Refunding Certificates totaling \$5,615,000. The 2013 Refunding Certificates have interest rates ranging from 2.00% to 4.00% with interest due on April 1 and October 1 of each year. Final maturity of the Certificates is on April 1, 2016. The outstanding balance at December 31, 2014 was \$2,815,000.

On March 24, 2011 the Board approved the issuance of \$2,225,000 in Refunding Certificates of Participation in order to refund the Series 2003 Public Facilities Authority Refunding bonds that were issued to refund the bonds issued to purchase the Fabick Property. The Series 2003 bonds carried interest rates ranging from 1.2% to 4.35% with a final payment scheduled for January 1, 2016. The Series 2011 Refunding Certificates of Participation carry interest at a rate of 2.0% and will be retired on January 1, 2015 or one year earlier than the Series 2003 bonds. These bonds were paid in full during the year ended December 31, 2014.

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

For The Years Ended December 31	Principal	Interest	Total
2015	\$ 1,470,000	75,850	1,545,850
2016	1,345,000	26,900	1,371,900
Total	\$ 2,815,000	102,750	2,917,750

NOTE 7 – PENSION PLAN

General City Employee Pension Plan

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.

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

LAGERS is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, Section RSMo 70.600 – 70.755. As such, it is the system’s responsibility to administer the law in accordance with the expressed intent of the General Assembly. This plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to: LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

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 2014 was 7.3% for general employees and 9.6% 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 the City determines the contribution requirements of plan members. The contribution provisions of the City are established by state statute.

Annual Pension Cost

The subdivision’s annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 108,050
Interest on net pension obligation	4,807
Adjustment to annual required contribution	<u>(5,332)</u>
Annual pension cost	107,525
Actual contributions	<u>108,050</u>
Decrease in net pension obligation	(525)
Net pension obligation at beginning of year	<u>66,308</u>
Net pension obligation at end of year	<u><u>\$ 65,783</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

RP-2000 Combined Healthy table set back zero years for men and zero years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 11 years for the General division and 30 years for the Police division. The amortization period as of February 28, 2013 was 15 years for the General division and 30 years for the Police division. A schedule of funding progress is included later in this report as required supplementary information.

Three-Year Trend Information

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 175,646	93.7 %	\$ 65,295
2013	145,407	99.3	66,308
2014	107,525	100.5	65,783

As of February 28, 2014, the most recent actuarial valuation date, the plan was 119% funded. The actuarial accrued liability for benefits was \$4,964,936 and the actuarial value of assets was \$5,913,418, resulting in an overfunded accrued liability of \$948,482. The covered payroll (annual payroll of active employees covered by the plan) was \$1,368,224.

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 on August 18, 1980. Due to discontinuance of local police salaries, no contributions were made for 2014.

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.

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8 – INTERFUND TRANSACTIONS

The following transfers were made during the year ended December 31, 2014:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	\$ 450,000
Capital Projects Fund	Storm Water/Parks Fund	1,350,000
Fabick Debt Service Fund	Storm Water/Parks Fund	325,715
RiverChase Debt Service Fund	Storm Water/Parks Fund	1,543,226
Storm Water/Parks Fund	Fenton Crossing TIF Fund	2,117
	Total	\$ 3,671,058

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

NOTE 9 – POLICE SERVICES

The City contracts with the St. Louis County Police Department for police services. For the year ended December 31, 2014, the City paid a total of \$2,400,978 for such services which included \$8,336 for court bailiff services. The contract was renewed during 2010 for a five-year period ending on December 31, 2015.

NOTE 10 – CONTINGENCIES

As of December 31, 2014, 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.

NOTE 11 – FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS

RSMo 302.341.2 requires an accounting of the percentage of annual fines and court costs for traffic violations, including amended charges from any charged traffic violations, occurring within the City to total general operating revenue, to be included in the annual financial report. At this point in time the court software the City utilizes is not able to provide the specific information necessary to separate the annual fines and court costs for traffic violations from total

CITY OF FENTON, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS

finest and court costs for all violations. During the year, the amount of fines and court costs, the general operating revenue, and related percent amounted to \$443,916, \$4,965,817 and 8.94% respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

NOTE 12 – FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No 27* will be effective for the City for the year ended December 31, 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Management is evaluating the impact of this Statement on the City's financial statements.

CITY OF FENTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original budget	Final budget	Actual	Over (under) budget
Revenues				
Sales taxes	\$ 2,771,000	2,733,500	2,730,675	(2,825)
Intergovernmental	273,500	273,500	273,275	(225)
Utility taxes	1,356,000	1,453,500	1,463,607	10,107
Other taxes	315,000	368,500	368,892	392
Fines and court costs	446,600	446,600	447,341	741
Charges for services	81,500	94,000	95,202	1,202
Investment income	9,300	9,300	5,563	(3,737)
Miscellaneous	87,000	69,500	71,236	1,736
Total revenues	<u>5,339,900</u>	<u>5,448,400</u>	<u>5,455,791</u>	<u>7,391</u>
Expenditures				
Current:				
General government:				
City administration	759,555	775,555	765,646	(9,909)
Board of Aldermen	37,690	37,690	37,239	(451)
City clerk	78,865	95,615	90,381	(5,234)
Municipal court	172,215	166,315	149,725	(16,590)
Finance	141,535	154,575	149,984	(4,591)
Information services	84,565	124,520	121,309	(3,211)
Community development	212,375	223,060	217,481	(5,579)
Public safety	2,392,642	2,392,642	2,392,642	-
Public works	1,086,015	1,210,482	1,172,967	(37,515)
Total expenditures	<u>4,965,457</u>	<u>5,180,454</u>	<u>5,097,374</u>	<u>(83,080)</u>
Revenues over expenditures	374,443	267,946	358,417	90,471
Other financing sources (uses)				
Transfers out	-	(450,000)	(450,000)	-
Net change in fund balance	<u>\$ 374,443</u>	<u>(182,054)</u>	(91,583)	<u>90,471</u>
Fund balance at beginning of year			<u>3,121,457</u>	
Fund balance at end of year			<u>\$ 3,029,874</u>	

CITY OF FENTON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STORM WATER/PARKS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Over (under) budget</u>
Revenues				
Sales taxes	\$ 3,543,000	3,833,500	3,833,039	(461)
Charges for services:				
RiverChase	1,487,535	1,383,735	1,378,040	(5,695)
Parks and recreation	379,718	350,268	326,283	(23,985)
Investment income	6,000	650	653	3
Total revenues	<u>5,416,253</u>	<u>5,568,153</u>	<u>5,538,015</u>	<u>(30,138)</u>
Expenditures				
Current:				
RiverChase	1,845,676	1,815,776	1,786,384	(29,392)
Parks and recreation	657,775	577,125	546,117	(31,008)
Storm water maintenance	1,000	3,900	2,927	(973)
Building maintenance	-	35,800	35,787	(13)
Total expenditures	<u>2,504,451</u>	<u>2,432,601</u>	<u>2,371,215</u>	<u>(61,386)</u>
Revenues over expenditures	<u>2,911,802</u>	<u>3,135,552</u>	<u>3,166,800</u>	<u>31,248</u>
Other financing sources (uses)				
Transfers in	-	2,117	2,117	-
Transfers out	(2,040,789)	(3,223,789)	(3,218,941)	(4,848)
Insurance recoveries	-	-	320,881	320,881
Total other financing sources (uses)	<u>(2,040,789)</u>	<u>(3,221,672)</u>	<u>(2,895,943)</u>	<u>325,729</u>
Net change in fund balance	<u>\$ 871,013</u>	<u>(86,120)</u>	270,857	<u>356,977</u>
Fund balance at beginning of year			<u>1,454,996</u>	
Fund balance at end of year			<u>\$ 1,725,853</u>	

CITY OF FENTON, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information

Annual budgets are adopted on a basis consistent with 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 at the department level.

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	Overfunded Accrued Liability	Funded Ratio	Annual Covered Payroll	Overfunded Accrued Liability as a Percentage of Covered Payroll
2/29/2012	\$ 5,445,345	5,321,632	(123,713)	102 %	\$ 1,843,295	(6.71) %
2/28/2013	5,427,135	5,011,607	(415,528)	108	1,591,485	(26.11)
2/28/2014	5,913,418	4,964,936	(948,482)	119	1,368,224	(69.32)

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

CITY OF FENTON, MISSOURI
ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Over (under) budget</u>
Revenues				
Intergovernmental	\$ 1,141,600	68,000	68,282	282
Investment income	5,000	27,550	27,609	59
Total revenues	<u>1,146,600</u>	<u>95,550</u>	<u>95,891</u>	<u>341</u>
 Expenditures				
Capital outlay	<u>2,131,000</u>	<u>867,700</u>	<u>860,065</u>	<u>(7,635)</u>
 Revenues under expenditures	(984,400)	(772,150)	(764,174)	7,976
 Other financing sources				
Transfers in	<u>167,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>
 Net change in fund balance	<u>\$ (817,400)</u>	<u>1,027,850</u>	1,035,826	<u>7,976</u>
 Fund balance at beginning of year			<u>7,020,934</u>	
 Fund balance at end of year			<u>\$ 8,056,760</u>	

CITY OF FENTON, MISSOURI
ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FABICK DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Over (under) budget</u>
Revenues				
Investment income	\$ 150	150	270	120
Expenditures				
Current:				
General government	-	1,500	1,500	-
Debt service:				
Principal	535,000	535,000	535,000	-
Interest	10,700	10,700	10,700	-
Trustee fees	2,700	2,700	2,661	(39)
Total expenditures	<u>548,400</u>	<u>549,900</u>	<u>549,861</u>	<u>(39)</u>
Revenues under expenditures	(548,250)	(549,750)	(549,591)	159
Other financing sources				
Transfers in	<u>325,766</u>	<u>325,766</u>	<u>325,715</u>	<u>(51)</u>
Net change in fund balance	<u>\$ (222,484)</u>	<u>(223,984)</u>	(223,876)	<u>108</u>
Fund balance at beginning of year			<u>223,876</u>	
Fund balance at end of year			<u>\$ -</u>	

CITY OF FENTON, MISSOURI
ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - RIVERCHASE DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Over (under) budget</u>
Revenues	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	1,425,000	1,425,000	1,425,000	-
Interest	119,523	119,523	119,523	-
Trustee fees	3,500	3,500	3,000	(500)
Total expenditures	<u>1,548,023</u>	<u>1,548,023</u>	<u>1,547,523</u>	<u>(500)</u>
Revenues under expenditures	(1,548,023)	(1,548,023)	(1,547,523)	500
Other financing sources				
Transfers in	<u>1,548,023</u>	<u>1,548,023</u>	<u>1,543,226</u>	<u>(4,797)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	(4,297)	<u>(4,297)</u>
Fund balance at beginning of year			<u>4,298</u>	
Fund balance at end of year			<u>\$ 1</u>	

CITY OF FENTON, MISSOURI
ADDITIONAL SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FENTON CROSSING TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Over (under) budget</u>
Revenues				
Sales taxes	\$ 200,000	177,800	177,831	31
Intergovernmental	182,500	239,600	239,605	5
Investment income	500	500	1,090	590
Total revenues	<u>383,000</u>	<u>417,900</u>	<u>418,526</u>	<u>626</u>
Expenditures				
Current:				
General government	-	1,500	1,500	-
Economic development	41,127	115,627	115,456	(171)
Debt service:				
Principal	1,540,000	1,540,000	1,540,000	-
Interest	65,000	65,000	64,480	(520)
Trustee fees	3,500	3,500	2,895	(605)
Total expenditures	<u>1,649,627</u>	<u>1,725,627</u>	<u>1,724,331</u>	<u>(1,296)</u>
Revenues under expenditures	(1,266,627)	(1,307,727)	(1,305,805)	1,922
Other financing sources (uses)				
Transfers out	-	(2,117)	(2,117)	-
Net change in fund balance	<u>\$ (1,266,627)</u>	<u>(1,309,844)</u>	(1,307,922)	<u>1,922</u>
Fund balance at beginning of year			<u>1,307,922</u>	
Fund balance at end of year			<u>\$ -</u>	