



# ***CITY OF FERGUSON, MISSOURI***

## ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

***FOR THE YEAR ENDED  
JUNE 30, 2009***

*Prepared by: Finance Department*



# ***CITY OF FERGUSON, MISSOURI***

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

### **CONTENTS**

	<u>PAGE</u>
<b>INTRODUCTORY SECTION:</b>	
Principal City Officials .....	i
Organization Chart .....	ii
Certificate of Achievement .....	iii
Letter of Transmittal .....	iv
<b>FINANCIAL SECTION:</b>	
INDEPENDENT AUDITORS' REPORT .....	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	3-10
<b>BASIC FINANCIAL STATEMENTS:</b>	
Statement of Net Assets .....	11
Statement of Activities .....	12
Balance Sheet - Governmental Funds .....	13
Reconciliation of the Statement of Net Assets of Governmental Funds to the Balance Sheet .....	14
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types .....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	16
Statement of Fiduciary Net Assets .....	17
Statement of Changes in Fiduciary Net Assets .....	18
Notes to Financial Statements .....	19-37
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Budgetary Comparison Schedule - General Fund .....	38
Budgetary Comparison Schedule - Parks Fund .....	39
Schedule of Funding Status and Progress	
Pension Trust Fund .....	40
Other Post Employee Benefit .....	41
Notes To Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget To Actual .....	42

# ***CITY OF FERGUSON, MISSOURI***

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

### **CONTENTS**

-continued-

	<u>PAGE</u>
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Combining Balance Sheet - Non Major Governmental Funds .....	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non Major Governmental Funds .....	44
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Capital Improvement Sales Tax Capital Projects Fund .....	45
Halls Ferry TIF Bonds Debt Service Fund .....	46
Special Business District Special Revenue Fund .....	47
Sewer Lateral Special Revenue Fund .....	48
Downtown TIF Redevelopment Capital Projects Fund .....	49
Local Improvement Capital Projects Fund .....	50
Splash At Wabash Pool Project Debt Service Fund .....	51
Statement of Changes in Assets and Liability - Fiduciary Fund .....	52
<b>STATISTICAL SECTION:</b>	
Net Assets .....	53
Change in Net Assets .....	54
Fund Balances, Governmental Funds .....	55
Changes in Fund Balances, Governmental Funds .....	56
Assessed and Estimated Actual Value of Taxable Property .....	57
Property Tax Rates, Direct and Overlapping Government .....	58
Principal Property Taxpayers .....	59
Property Tax Levies and Collections .....	60
Special Assessment Collections .....	61
Ratio of Outstanding Debt By Type .....	62
Computation of Direct and Overlapping Debt At June 30, 2009	
General Obligation Bonded Debt .....	63
Legal Debt Margin Information .....	64
Pledged Revenue Coverage .....	65
Demographic and Economic Statistics .....	66
Principal Employers .....	67
Full-Time Equivalent City Government Employees by Function/Program .....	68
Capital Asset Statistics by Function/Program .....	69



## **PRINCIPAL OFFICIALS**

### **MAYOR**

Brian P. Fletcher

### **COUNCIL MEMBERS**

Peggy Faul

Fran Grecco

Dwayne T. James

James W. Knowles III

Michael Salant

Kynan Crecelius

### **CITY MANAGER**

John Shaw

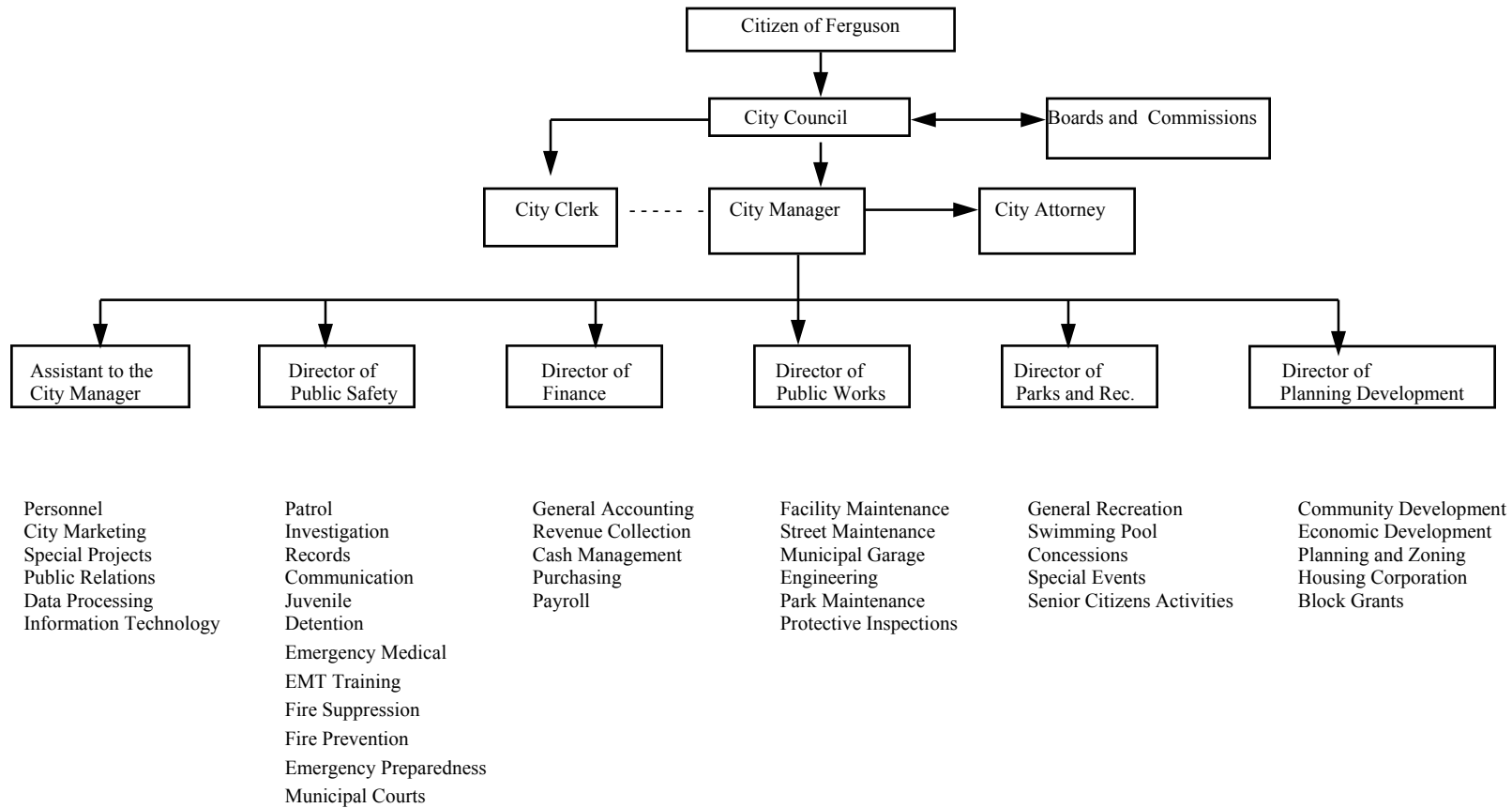
### **DIRECTOR OF FINANCE**

Jeffrey Blume

### **CITY CLERK**

Debbie Matthies

## Administrative Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ferguson  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**This page intentionally left blank**





November 25, 2009

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Ferguson, Missouri:

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Ferguson, Missouri for the fiscal year ended June 30, 2009. This year's comprehensive annual financial report (CAFR) is the seventh year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The format and the purpose of these changes are addressed in Management's Discussion and Analysis (MD&A).

This report consists of management's representations concerning the finances of the City of Ferguson, Missouri. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of Ferguson, Missouri's financial statements have been audited by Botz, Deal and Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Ferguson, Missouri for the year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Ferguson, Missouri's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Ferguson, Missouri's MD&A can be found immediately following the Independent Auditors' Report.

CITY HALL  
110 Church St.  
(314) 521-7721  
FAX # (314) 524-5173

CLERK of COURT  
222 S. Florissant Rd.  
(314) 524-5264  
FAX # (314) 524-4127

POLICE  
DEPARTMENT  
222 S. Florissant Rd.  
(314) 522-3100  
FAX # (314) 524-5290

FIRE  
DEPARTMENT  
110 Church St.  
(314) 522-1122  
FAX # (314) 521-9213

RECREATION  
DEPARTMENT  
501 N. Florissant Rd.  
(314) 521-4661  
FAX # (314) 524-5077

MUNICIPAL  
GARAGE  
901 Ferguson Ave.  
(314) 521-8373  
FAX # (314) 521-5165

## THE FINANCIAL REPORTING ENTITY

The City of Ferguson, Missouri, initially incorporated in 1894, is a suburban community located in North St. Louis County between two major interstate highways. Since 1954, however, the City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six City Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager, City Clerk, Deputy City Clerk, City Attorney and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and appointing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve three-year staggered terms, with two Council members elected each year. The Mayor is elected at large to serve a three-year term.

The City of Ferguson, Missouri provides a full range of municipal services. These services include legislative, administrative, judicial, police and fire protection, street maintenance and improvements, planning and zoning, public improvements, cultural and recreational services.

The Ferguson Special Business District (FSBD) is a legally separate entity created by ordinance to maintain and improve the City's downtown business district and is included as a special revenue fund. The Ferguson Neighborhood Improvement Program (FNIP), a not-for-profit corporation established to assist in the rehabilitation and restoration of housing and residential properties in the City, is included as a discretely presented component unit. The FNIP Board of Directors is appointed by the City Council and, although the City cannot "impose its will" on FNIP, the City of Ferguson provides a material subsidy to FNIP, primarily finance and administrative staffing and office space for day-to-day operations. Complete financial statements of FNIP can be obtained from their administrative offices at 110 Church Street, Ferguson, Missouri 63135.

## ECONOMIC CONDITION AND OUTLOOK

The City of Ferguson, Missouri, occupies a land area of 6.93 square miles and serves a population of 22,406 residents, who are ideally located to commute to employment in downtown St. Louis or to any of the several major industrial facilities located in the County. The world headquarters of Emerson Electric is located within the City.

The City of Ferguson is a mature city that has experienced considerable commercial and residential growth in past years. However, City development has slowed in recent years as the City has limited space for commercial growth. However, the Downtown Business District still has great potential in offering additional business growth, goods and services and sales tax revenues. Commercial redevelopment can produce some of the additional revenues necessary to address resident concerns, such as infrastructure needs and quality services.

The City has two main retail bases, *North County Festival* and *Crossings at Halls Ferry*. *North County Festival* includes Wal-Mart, Sam's, Toys 'R Us and a variety of smaller stores, while *Crossings at Halls Ferry* is anchored by Home Depot and Shop 'n Save, with many other smaller stores. Cracker Barrel restaurant is also located in the area.

Efforts are well underway to redevelop the City's historic downtown business district. A Tax Increment Financing (TIF) district was established in September, 2002 to assist with redevelopment of the downtown business district. TIF assistance may be useful in attracting major development as well as assisting local business owners with improvements to new or existing businesses.

A joint redevelopment effort by St. Louis County and the Cities of Ferguson, Berkeley, and Kinloch has transformed over 600 acres of vacant property adjacent to Lambert International Airport into a major industrial park. The project is planned to include medium and low rise industrial, commercial and office uses. It is projected to transfer or create up to 12,000 jobs over a period of 20 years and have a cumulative, regional economic impact of at least \$7 billion. Although only a small portion of the redevelopment area lies within Ferguson, the economic benefits created by the new jobs and the increased business traffic are expected to be significant. The development is already home to Express Scripts, Staples, Vatterott College and a Hilton Garden Inn.

### FINANCIAL CONTROLS

Management of the City is responsible for establishing and maintaining an internal control framework that is designed to protect the City's assets from loss, theft, or misuse. City Management must also ensure that adequate accounting data is compiled to allow for the preparation of accurate financial statements in conformance with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City of Ferguson, Missouri's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statement will be free from material misstatement.

Accounting records for the City's general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when measurable and available and expenditures being recorded when the liability is incurred.

The annual operating budget serves as the foundation for the City of Ferguson, Missouri's financial planning and control. All departments of the City of Ferguson are required to submit requests for appropriation to the Director of Finance each year. The Director of Finance uses these requests as the starting point for development of a proposed budget. After review, the City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the City of Ferguson's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and park fund, this comparison is presented as required supplementary information. For governmental funds other than the general fund and park fund with appropriated annual budgets, comparisons for special revenue funds and capital projects funds are found in other supplementary information. The City maintains an encumbrance accounting system as a budgetary control technique. Encumbrances reserve appropriations, which have been obligated through purchase orders or contractual documents.

Budgets are prepared on a basis consistent with GAAP, except that encumbered amounts are treated as expenditures for budgetary purposes.

Single Audit - As a recipient of federal, state and county financial assistance, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control is subject to periodic evaluation by the City's management and staff. The City is required to undergo an audit in conformity with the provisions of the Single Audit Act as amended in 1996 and the United States Office of Management and Budget Circular A-133. The City did not meet the minimum threshold of the Single Audit Act for the fiscal year ended June 30, 2009. Accordingly; an audit in accordance with these provisions, was not required.

Capital Projects - It is a priority of the City to maintain and improve existing infrastructure. A vital element for managing both of these priorities is the development and maintenance of the City's infrastructure through capital improvements. The management of the City's Capital Improvements Program is controlled through the use of a long-range plan approved in concept by the Mayor and City Council. The Capital Improvement Program projects the City's capital improvement needs for a five-year period and is reviewed and updated annually. The management and accounting of this plan is controlled through the use of capital projects funds. The primary sources of financing these improvements include capital improvement and park sales taxes, City budgeted funds, tax increment financing and revenue from federal, state and county grants.

#### OTHER INFORMATION

Cash Management Policies and Practices - Temporarily idle cash in the governmental funds during the year was invested in certificates of deposit and obligations of the U.S. Treasury and other US Agencies. The maturities of the investments range from overnight to one year. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all of City deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City's agent, the Federal Reserve Bank or a financial institution's trust department in the City's name.

Risk Management - The City is a member of St. Louis Area Insurance Trust (SLAIT), a public entity risk pool comprised of various municipalities in St. Louis County, Missouri. This pool covers workers' compensation and liability exposures. The purpose of this pool is to share the cost of self-insurance with other similar cities. The Daniel & Henry Company provides claims administration for the trust. Additional information on the City of Ferguson, Missouri's risk management activity can be found in the notes to the financial statements.

Debt Administration - At year end, the City had three debt issues outstanding. These issues and original issue amounts include \$2,960,000 in certificates of participation related to the City's capital lease obligation for the construction of the Splash at Wabash aquatic facility, \$6,185,000 in TIF revenue bonds related to the Crossings at Halls Ferry redevelopment project, and \$5,000,000 in variable rate bonds for infrastructure improvements. In addition, during the fiscal year ended June 30, 2009, the City entered into two capital lease obligations. The first of these was for the lease of two fire trucks with an original issue cost of \$1,172,000. The second was for the lease of certain lighting equipment, with an original issue cost of \$507,000.

Pension - The City of Ferguson sponsors a single-employer defined benefit pension plan (the Plan) for all full-time employees. Plan governance is the responsibility of the independent Pension Board. Each year an independent actuary, engaged by the Pension Board, calculates the

amount of the annual contribution the City must make to the pension plan to ensure the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy the City fully funds each year's annual required contribution to the pension plan as determined by the actuary. For a number of years, the City had no actuarially required contribution and, accordingly, made no contribution. In both of the last two fiscal years, the City has made its actuarially required payments.

Additional information on the City of Ferguson, Missouri's pension arrangements can be found in the notes to the financial statements.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City of Ferguson, Missouri for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the twenty-third consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

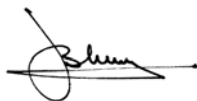
A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA for certification.

The preparation of this report would not have been possible without the dedicated service of the entire staff of the finance department and various other departments of the City. An expression of gratitude is also extended to the Mayor and the City Council for their leadership and on-going concern for the financial well-being of the City. Finally, I would like to acknowledge the assistance of our independent auditors, Botz, Deal & Company. Their assistance and recommendations, both in the preparation of this report, as well as their consultations and interim reviews, are sincerely appreciated.

Respectfully submitted,



John Shaw  
City Manager



Jeffery B. Blume  
Director of Finance

**This page intentionally left blank**

## INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ferguson, 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 an opinion 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 financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of June 30, 2009, and the respective changes in the financial position and thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis, budgetary comparison information and schedule of funding status and progress on pages 3 through 10 and 38 through 42, 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 inquiries 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 an opinion on the financial statements that collectively comprise the City of Ferguson, Missouri's basic financial statements. The introductory section, other supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and budgetary schedules listed as other supplementary information have been subjected to the auditing procedures applied 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 as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Botz, Deal + Company

November 25, 2009



**CITY OF FERGUSON, MISSOURI**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009

As management of the City of Ferguson, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found within this report.

**Financial Highlights**

- On a government-wide basis, at the end of the current fiscal year, the City's assets exceeded its liabilities by \$21,165,765. This represents an increase of \$869,856. This increase is due to revenues exceeding expenditures.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,968,784. This represents a decrease of \$738,902 in comparison to the prior year.
- The City's debt increased by \$130,012 during the current fiscal year. This increase is due to the City entering into two new leases during the year. This was offset by principal payments.

**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 basic financial statements. This report also contains required supplemental information, other supplemental information and statistical information in addition to the basic financial statements.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Note the government-wide financial statements exclude fiduciary fund activities.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

**CITY OF FERGUSON, MISSOURI**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, community development, and culture and recreation. The City does not have any business-type activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity, Ferguson Neighborhood Improvement Program (FNIP), for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ferguson, Missouri, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Ferguson, Missouri can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and the government-wide *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Parks Fund and Capital Improvements Sales Tax Fund all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other non-major funds." Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplementary information section of this report.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

The City adopts an annual appropriated budget for its General Fund, Parks Fund, Capital Improvements Sales Tax Capital Projects Fund, Halls Ferry TIF Bonds Debt Service Fund, Special Business District Special Revenue Fund, Sewer Lateral Special Revenue Fund, Downtown TIF Redevelopment Capital Projects Fund, Splash at Wabash Pool Project Debt Service Fund and Local Improvement Capital Projects Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Ferguson, Missouri's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Required supplemental information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*.

**Other supplemental information.** The combining and individual fund statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information.

**Government-wide Financial Analysis - Financial Analysis of the City as a Whole**

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, assets exceeded liabilities by \$21,165,765 for the fiscal year ended June 30, 2009.

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) 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. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

***CITY OF FERGUSON, MISSOURI***  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

		Statement of Net Assets Governmental Activities	
		2009	2008
<b>Assets</b>			
Current and other assets	\$	16,659,971	\$ 18,253,887
Capital assets, net		18,744,121	16,431,654
Total assets		<u>35,404,092</u>	<u>34,685,541</u>
<b>Liabilities</b>			
Other liabilities		1,106,110	1,796,881
Long-term liabilities		13,132,217	12,592,751
Total liabilities		<u>14,238,327</u>	<u>14,389,632</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt		9,961,395	10,507,866
Restricted		4,429,985	5,138,047
Unrestricted		6,774,385	4,649,996
Total net assets	\$	<u>21,165,765</u>	\$ <u>20,295,909</u>

The restricted portion of the City's net assets represents resources that are subject to external restrictions on how they may be used.

**Governmental activities.** Governmental activities increased the City's net assets by \$1,175,803. Key elements of this increase are as follows:

- Expenses continue to rise. Overall, expenses increased about \$500,000 net of the differential impact of depreciation and amortization of about \$374,000.
- Revenues fell substantially across the board with those related to retail consumer behavior (e.g., sales related taxes) experiencing the largest decreases.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

	Statement of Changes in Net Assets Governmental Activities	
	2009	2008
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,633,131	\$ 2,740,677
Capital grants and contributions	273,961	2,199,903
General revenues:		
Taxes	13,064,127	13,731,370
Investment income	248,331	551,101
Loss on the disposal of capital assets	( 169,947)	( 20,893)
Other revenue	131,401	299,373
Total revenue	<u>16,181,004</u>	<u>19,501,531</u>
<b>Expenses</b>		
General government	1,644,938	1,567,009
Public safety	7,786,030	7,531,021
Highways and streets	2,901,550	2,302,635
Community development	408,792	609,187
Culture and recreation	1,546,383	1,442,340
Interest on long-term debt	717,508	680,399
Total expenses	<u>15,005,201</u>	<u>14,132,591</u>
Change in net assets	<u>1,175,803</u>	<u>5,368,940</u>
Net Assets, beginning of year, as previously stated	20,295,909	14,820,437
Correction to receivables	<u>(305,947)</u>	<u>106,532</u>
Net Assets, beginning of year, as restated	<u>19,989,962</u>	<u>14,926,969</u>
Net Assets, end of year	<u>\$ 21,165,765</u>	<u>\$ 20,295,909</u>

**Significant Changes in Net Assets**

The majority of the \$869,856 increase in net assets is reflected in the purchase of capital assets and the payment of principal on outstanding debt, which are not reflected as expenses in the statement of activities.

**Financial Analysis of the City of Ferguson, Missouri's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

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

The General Fund is the main operating fund of the City. At the end of fiscal year 2009, the unreserved fund balance of the General Fund was \$7,760,429, and the total fund balance was \$7,767,229. The difference of \$6,800 represents reserved fund balance, which is not available for spending because it has already been committed to liquidate contracts and purchase orders of the prior period or expended for services yet to be received. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 68% of total General Fund expenditures of \$11,331,189.

As a result of the City's operations the fund balance of the City's General Fund increased by \$348,418 or 4.7%, from 2008 to 2009. This change in the current year's fund balance is mainly attributable to:

- A transfer into the General Fund from the Parks Fund of about \$708,000

Changes in fund balances for other major governmental funds can be described as follows:

- The fund balance of the Parks Fund decreased by about \$182,913, mostly as a result of a decrease in tax revenues.
- The unreserved fund balance of the Capital Improvements Sales Tax Fund decreased by \$1,523,854. The decrease in this fund balance is attributable to the expenditure of proceeds received in prior years from the issuance of bonds.

**Fiduciary funds** - The City maintains trust and agency funds to account for monies received and held for the benefit of others for the following purposes:

- Assets of the Pension Plan accumulated to provide benefits for all vested participants.
- Bond deposits held to ensure a defendant's appearance in court.

***CITY OF FERGUSON, MISSOURI***  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

**Capital Assets**

The City has invested, net of depreciation \$18,744,121 in a broad range of capital assets as of June 30, 2009. This investment in capital assets includes land, buildings, machinery and equipment, park facilities, highways and streets, and bridges.

	Capital Assets, Net of Depreciation	
	2009	2008
Land	\$ 1,814,434	\$ 1,534,726
Buildings & other improvements	7,496,248	7,003,334
Machinery and equipment	544,747	352,911
Motor vehicles	2,432,707	1,163,482
Infrastructure	6,058,421	4,904,714
Construction in progress	397,564	1,472,487
Total	<u>\$ 18,744,121</u>	<u>\$ 16,431,654</u>

Additional information on the City's capital assets can be found in Note 5 in the notes to the basic financial statements.

**Long-Term Debt**

At June 30, 2009, the City had outstanding long-term debt obligations for governmental activities in the amount of \$13,382,726 compared to \$13,252,714 in 2008. The net increase in the City's long-term debt obligations is the result of the City making its scheduled debt service payments of \$1,539,193 and incurring additional debt totaling \$1,669,205 for the purchase of two fire trucks and streetlights. In accordance with trust provisions, the City's trustee made additional principal payments on its TIF Bonds totaling \$190,000.

The City's governmental activities debt is detailed below:

	Outstanding Long-Term Debt Obligations	
	2009	2008
Tax Increment Revenue Bonds, series 2005	\$ 4,600,000	\$ 5,510,000
Variable Rate Capital Improvement Bonds 2005	4,545,000	4,850,000
Certificates of Participation, series 2002	2,680,000	2,820,000
Capital lease	1,557,726	72,714
Total	<u>\$ 13,382,726</u>	<u>\$ 13,252,714</u>

Additional information on the City's long-term debt can be found in Note 6 in the notes to the basic financial statements.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

**Significant Variances between Budgets and Actual Revenues**

In the General Fund, the following significant variances occurred between budget and actual revenues:

- General taxes were about \$1,091,000 over budget, mostly as a result of the increase in franchise tax receipts
- Licenses and permits were about \$182,000 over budget mostly due to increased gross receipts collected by municipal businesses
- Other income exceeded budget by about \$455,000 mostly because the City received grant revenue during the year that was not anticipated when the budget was prepared.

**Economic Factors and Next Year's Budget**

Reviewing fiscal year 2008-09 while looking ahead to the current 2009-10 fiscal year the City of Ferguson has continued to strengthen its position with conservative budgeting, a heightened focus on capital improvements to the City's infrastructure and efforts to modernize critical City equipment all while maintaining a constant focus on economic development and the benefits it brings to the City of Ferguson. The financial condition of the City of Ferguson continues to be strong and stable. This will prove helpful as the country and local economy suffer economic slowdown.

The theme of the proposed FY 2009-10 budget can best be described as *strategic action*. This strategic action is built upon extensive efforts by the City Council and City administration to fully review the City's operations and to develop departmental action plans that will be implemented throughout this and future fiscal years. Expenditures, efforts and investments are being focused on areas deemed most important to the current and long term operational and fiscal health of the City and its residents. These strategic investments will call upon focused, open and communicative financial management efforts by all City departments and officials.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Ferguson, Missouri's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, City of Ferguson, Missouri, 110 Church Street, Ferguson, MO 63135.



***CITY OF FERGUSON, MISSOURI***  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	Governmental Activities	Component Unit Ferguson Neighborhood Improvement Program
<b>ASSETS</b>		
Cash and investments	\$ 10,120,658	\$ 379,383
Taxes receivable:		
Property	224,548	-
Accounts receivable	360,329	-
Due from other governments	1,765,361	-
Prepaid	6,800	-
Inventory	60,904	-
Loans receivable	-	42,416
Bond issue costs	126,230	-
Cash and investments - restricted	3,995,141	-
Capital assets - net		
Nondepreciable	2,211,998	-
Depreciable	16,532,123	-
<b>TOTAL ASSETS</b>	<b>35,404,092</b>	<b>421,799</b>
<b>LIABILITIES</b>		
Accounts payable	670,516	-
Wages and benefits payable	212,642	-
Other liabilities	34,460	17,935
Accrued interest payable	155,109	-
Unearned revenue	23,555	-
Net other post employment benefit obligation	9,828	-
Noncurrent liabilities:		
Due in one year	1,211,534	-
Due in more than one year	11,920,683	-
<b>TOTAL LIABILITIES</b>	<b>14,238,327</b>	<b>17,935</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	9,961,395	-
Restricted for:		
Home improvements	-	279,757
Debt service	292,673	-
Capital projects	1,562,229	-
Community development	1,055,022	-
Culture and recreation	1,520,061	-
Unrestricted	6,774,385	124,107
<b>TOTAL NET ASSETS</b>	<b>\$ 21,165,765</b>	<b>\$ 403,864</b>

The accompanying notes are an integral part of these financial statements.

**This page intentionally left blank**

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Assets	
		Charges for Service	Capital Grants and Contributions	Primary	Component Unit
				Governmental Activities	Ferguson Neighborhood Improvement Program
<b>Governmental Activities</b>					
General government	\$ 1,644,938	\$ 488,950	\$ 60,765	\$ (1,095,223)	\$ -
Public safety	7,786,030	1,535,853	-	(6,250,177)	-
Highway and streets	2,901,550	274,229	199,000	(2,428,321)	-
Community development	408,792	-	14,196	(394,596)	-
Culture and recreation	1,546,383	334,099	-	(1,212,284)	-
Interest and fiscal charges	717,508	-	-	(717,508)	-
Loss on disposal of capital assets	169,947	-	-	(169,947)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 15,175,148</u>	<u>\$ 2,633,131</u>	<u>\$ 273,961</u>	<u>(12,268,056)</u>	<u>-</u>
<b>Component Unit:</b>					
Ferguson Neighborhood Improvement Program	<u>\$ 32,710</u>	<u>\$ 1,209</u>	<u>\$ -</u>	<u>-</u>	<u>(31,501)</u>
Taxes:					
Sales				8,292,648	-
Utility				2,416,369	-
Property				2,277,332	-
Other				77,778	-
Donations				-	15,025
Interest income				248,331	(22,738)
Other revenue				131,401	-
<b>TOTAL GENERAL REVENUES</b>				<u>13,443,859</u>	<u>(7,713)</u>
<b>CHANGE IN NET ASSETS</b>				<u>1,175,803</u>	<u>(39,214)</u>
<b>NET ASSETS - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>				20,295,909	-
Correction of fines revenue				(305,947)	-
<b>NET ASSETS - BEGINNING OF YEAR, AS RESTATED</b>				<u>19,989,962</u>	<u>443,078</u>
<b>NET ASSETS - END OF YEAR</b>				<u>\$ 21,165,765</u>	<u>\$ 403,864</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF FERGUSON, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	General Fund	Parks Fund	Capital Improvements Sales Tax	Other Non-major Funds	Total
<b>ASSETS AND OTHER DEBITS</b>					
Cash and investments	\$ 6,319,413	\$ 1,768,663	\$ 1,360,455	\$ 672,127	\$ 10,120,658
Accounts receivable	310,704	13,502	-	36,123	360,329
Property tax receivable	134,751	89,797	-	-	224,548
Due from other governments	1,059,963	201,112	401,800	102,486	1,765,361
Due from other funds	875,545	(331,538)	(1,906,424)	1,362,417	-
Prepaid items	6,800	-	-	-	6,800
Inventory	60,904	-	-	-	60,904
Restricted:					
Cash and investments	-	-	2,756,449	1,238,692	3,995,141
<b>TOTAL ASSETS</b>	<u>\$ 8,768,080</u>	<u>\$ 1,741,536</u>	<u>\$ 2,612,280</u>	<u>\$ 3,411,845</u>	<u>\$ 16,533,741</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 230,834	\$ 202,885	\$ 192,374	\$ 44,423	\$ 670,516
Wages and benefits payable	194,052	18,590	-	-	212,642
Other liabilities	34,460	-	-	-	34,460
Deferred revenue	541,505	105,834	-	-	647,339
<b>TOTAL LIABILITIES</b>	<u>1,000,851</u>	<u>327,309</u>	<u>192,374</u>	<u>44,423</u>	<u>1,564,957</u>
<b>FUND BALANCES:</b>					
Fund balances:					
Reserved:					
Encumbrances	-	5,714	-	-	5,714
Prepaid items	6,800	-	-	-	6,800
Debt service	-	-	-	292,673	292,673
Unreserved:					
General Fund	7,760,429	-	-	-	7,760,429
Special Revenue Funds	-	1,408,513	-	1,615,006	3,023,519
Capital Projects Funds	-	-	2,419,906	1,459,743	3,879,649
<b>TOTAL FUND BALANCES</b>	<u>7,767,229</u>	<u>1,414,227</u>	<u>2,419,906</u>	<u>3,367,422</u>	<u>14,968,784</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 8,768,080</u>	<u>\$ 1,741,536</u>	<u>\$ 2,612,280</u>	<u>\$ 3,411,845</u>	<u>\$ 16,533,741</u>

The accompanying notes are an integral part of these financial statements.

***CITY OF FERGUSON, MISSOURI***  
RECONCILIATION OF THE STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
AS OF JUNE 30, 2009

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

Total fund balance per balance sheet	\$ 14,968,784
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	18,744,121
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds	623,784
Costs associated with the issuance of debt are expenditures in the governmental funds, however these costs are recorded as an asset in the statement of net assets and amortized over the life of the debt	126,230
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	(155,109)
Net other post employment benefit obligation	(9,828)
Accrued compensated absences	(335,388)
Outstanding debt	<u>(12,796,829)</u>
Net assets of governmental activities	<u><u>\$ 21,165,765</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF FERGUSON, MISSOURI**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	Parks Fund	Capital Improvements Sales Tax	Other Non-major Funds	Total
<b>REVENUES</b>					
Taxes	\$ 8,398,490	\$ 1,597,586	\$ 1,202,166	\$1,683,809	\$ 12,882,051
Licenses and permits	649,745	-	-	24,147	673,892
Charges for service	233,594	334,099	-	-	567,693
Fines and forfeits	1,391,546	-	-	-	1,391,546
Investment income	136,836	30,821	(43,633)	124,307	248,331
Other income	204,963	499	199,500	900	405,862
<b>TOTAL REVENUES</b>	<b>11,015,174</b>	<b>1,963,005</b>	<b>1,358,033</b>	<b>1,833,163</b>	<b>16,169,375</b>
<b>EXPENDITURES</b>					
Current:					
General government	1,571,405	-	-	-	1,571,405
Public safety	7,511,656	-	-	-	7,511,656
Highways and streets	1,496,604	-	-	-	1,496,604
Community development	264,715	-	-	495,150	759,865
Culture and recreation	379,514	792,391	-	-	1,171,905
Capital outlays	107,295	391,263	3,726,949	-	4,225,507
Debt service:					
Principal, interest and fiscal charges	-	-	724,143	1,427,947	2,152,090
<b>TOTAL EXPENDITURES</b>	<b>11,331,189</b>	<b>1,183,654</b>	<b>4,451,092</b>	<b>1,923,097</b>	<b>18,889,032</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(316,015)</b>	<b>779,351</b>	<b>(3,093,059)</b>	<b>(89,934)</b>	<b>(2,719,657)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	-	-	1,669,205	-	1,669,205
Transfer in (out)	664,433	(962,264)	(100,000)	397,831	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>664,433</b>	<b>(962,264)</b>	<b>1,569,205</b>	<b>397,831</b>	<b>1,669,205</b>
<b>CHANGE IN FUND BALANCE</b>	<b>348,418</b>	<b>(182,913)</b>	<b>(1,523,854)</b>	<b>307,897</b>	<b>(1,050,452)</b>
<b>FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	<b>7,125,121</b>	<b>1,597,140</b>	<b>3,943,760</b>	<b>3,059,525</b>	<b>15,725,546</b>
Reclassification of accrued vacation	293,690	17,860	-	-	311,550
<b>FUND BALANCES - BEGINNING OF YEAR, AS RESTATED</b>	<b>7,418,811</b>	<b>1,615,000</b>	<b>3,943,760</b>	<b>3,059,525</b>	<b>16,037,096</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 7,767,229</b>	<b>\$ 1,414,227</b>	<b>\$ 2,419,906</b>	<b>\$3,367,422</b>	<b>\$ 14,968,784</b>

The accompanying notes are an integral part of these financial statements.

***CITY OF FERGUSON, MISSOURI***  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

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

Change in fund balance-total governmental funds	\$ (1,050,452)
Revenues that do not provide current financial resources are not included in the fund financial statements	182,076
Acquisition of capital assets requires the use of current financial resources, but has no effect on net assets	3,706,006
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities	(1,223,092)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds financial resources received are reflected as revenue. As a result, the change in net assets differs from the change in fund balance by the net book value of the disposed capital assets	(170,447)
Governmental funds report cost of debt issuance, premiums and discounts. These amounts are deferred and amortized in the statement of activities	(93,325)
Some expenses reported in the statement of activities do not require use of current financial resources and, are not reported in governmental funds	(21,114)
Accrued compensated absences will not be satisfied using current financial resources and, therefore, are not recorded as expenditures in the fund statements	(23,837)
Long-term debt proceeds are reported as an increase to fund balance in the governmental funds. In the statement of net assets the issuance of debt increases liabilities and has no effect on net assets	(1,669,205)
Repayment of bond principal is an expenditure in the governmental funds, and reduces long-term liabilities in the statement of net assets	<u>1,539,193</u>
Change in net assets of governmental activities	<u><u>\$ 1,175,803</u></u>

The accompanying notes are an integral part of these financial statements.

***CITY OF FERGUSON, MISSOURI***  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2009**

	Pension Trust Fund	Agency Fund
<b>ASSETS AND OTHER DEBITS</b>		
Cash and cash equivalents	\$ -	\$ 104,793
Investments:		
Common stock	5,461,065	-
Equity mutual funds	3,276,862	-
Government securities - U.S. agencies	4,504,222	-
Other government securities	892	-
Corporate obligations	1,743,240	-
Bond mutual funds	1,729,502	-
Money market funds	295,253	-
Interest receivable	63,435	-
<b>TOTAL ASSETS</b>	<b>17,074,471</b>	<b>104,793</b>
 <b>LIABILITIES</b>		
Accounts payable	-	104,793
 <b>NET ASSETS</b>		
Held in trust for pension benefits	<u>\$ 17,074,471</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.



***CITY OF FERGUSON, MISSOURI***  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Pension Trust Fund</u>
<b>ADDITIONS</b>	
Investment income:	
Contribution	\$ 35,496
Interest and dividends	<u>538,217</u>
TOTAL ADDITIONS	<u>573,713</u>
<b>DEDUCTIONS</b>	
Net depreciation in fair value of investments	3,527,955
Benefits paid	911,429
Administrative fees	<u>65,953</u>
TOTAL DEDUCTIONS	<u>4,505,337</u>
<b>CHANGE IN NET ASSETS</b>	(3,931,624)
<b>NET ASSETS HELD IN TRUST -     BEGINNING OF YEAR</b>	<u>21,006,095</u>
<b>NET ASSETS HELD IN TRUST -     END OF YEAR</b>	<u><u>\$ 17,074,471</u></u>

The accompanying notes are an integral part of these financial statements.

**This page intentionally left blank**

***CITY OF FERGUSON, MISSOURI***  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Ferguson, Missouri (the City) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

**A. REPORTING ENTITY**

The City was incorporated November 12, 1894. The City operates under a City Manager/Council, home rule charter form of government. The present Charter of the City was adopted February 3, 1998. Services provided by the City to its residents include public safety (police and fire protection), street maintenance and improvements, sanitation, culture and recreation, public improvements, planning and zoning, and general governmental services.

The City defines its financial reporting entity in accordance with provisions established by GASB. GASB requirement for inclusion of component units are primarily based upon whether the City's governing body has any significant amount of financial accountability for potential component units (PCU). The City is financially accountable, if it appoints a voting majority of a PCU's governing body and is able to impose its will on that PCU, or there is a potential for the PCU to provide specific financial benefits to, or impose specific financial burdens on, the City.

Based on these criteria, the City has determined that its financial reporting entity consists of the City (the primary government) and one discretely presented component unit, the Ferguson Neighborhood Improvement Program (FNIP).

**Discretely Presented Component Unit (FNIP)**

The discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the City. FNIP is a not-for-profit corporation established to assist in the rehabilitation and restoration of housing and properties in the City. FNIP Board of Directors is appointed by the City Council, however, the Board functions autonomously. FNIP receives administrative support from the City. Significant footnote disclosures relating to FNIP are included within the respective notes to the financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

A. **REPORTING ENTITY - continued**

**Related Organization**

The City provides limited finance related services to the Ferguson Municipal Public Library District (the District). In addition, its City Council appoints a majority of the members of the District's Board of Directors. The City's accountability for this entity does not extend beyond these responsibilities. Accordingly, the District is not included as a component unit within the City's financial reporting entity.

**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 nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and charges for services, are reported separately from the component unit for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which 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 goods, services, or privileges provided by a given function or segment and 2) grants and contributions which 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.

B. **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. Fiduciary fund financial statements use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues 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 modified accrual basis of accounting.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued
- B. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

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 fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and compensated absences, are recorded only when payment is due (i.e. matured).

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

The City reports the following major governmental funds:

**General Fund** - The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Parks Fund** - The Parks Fund is used to account for taxes levied on all property within the City for the purpose of providing public park facilities and to account for expenditures for recreational and park purposes and for revenues derived from recreational program fees. The Parks Fund also is used to account for the ½ cent *Park and Stormwater Sales Tax* that was approved by voters in November 2004. In adopting the legislation locally and placing the measure before the voters of the City, the Ferguson City Council chose to use the ½ cent sales tax strictly for parks operations and improvement purposes.

**Capital Improvements Sales Tax Fund** - The Capital Improvements Sales Tax Fund is used to account for the ½ cent capital improvements sales tax approved by voters in 1994. In addition, the City issued Variable Rate Capital Improvement Bonds to fund various capital improvements throughout the City. The funds received from these bonds have and will be expended out of this fund. Expenditures of this fund are restricted by state statute to capital improvements.

Additionally, the City reports the following fund types:

**Pension Trust Fund** - The Pension Trust Fund accounts for the activities of the City's single employer pension plan, which accumulates resources for pension benefit payments to qualified plan participants.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

B. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION - continued**

**Agency Funds** - This fund is used to account for monies received from private individuals for the cash bonds required by City ordinances.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

C. **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash and cash equivalents include amounts in demand and time deposits, as well as short-term investments with a maturity date within three months of the date acquired.

Statutes authorize the City to invest in insured bank certificates of deposit and in obligations of the U.S. Treasury and agencies and instrumentalities and repurchase agreements. In addition, the Pension Trust Fund is authorized to invest in commercial paper, corporate bonds and corporate stocks.

Investments are recorded at fair value.

D. **LOANS RECEIVABLE**

Loans receivable consist of amounts loaned by FNIP, a discretely presented component unit, to qualified City residents for home improvement projects. Loans are evidenced by a signed promissory note and are subject to interest rates ranging from 0% to 6% annually.

E. **CAPITAL ASSETS**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements where applicable. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 has not been reported in the financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

E. **CAPITAL ASSETS - continued**

Depreciation is computed on the straight-line method, using the following asset lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Improvements other than buildings	10 - 15
Machinery and equipment	5 - 10
Motor vehicles	3 - 20
Infrastructure	15 - 30

F. **INVENTORIES AND PREPAIDS**

Inventories are adjusted to periodic physical counts and are valued at cost utilizing the first-in, first-out method of valuation. Inventories consist of fuel, vehicle parts and expendable supplies. They are charged to expense at the time of consumption.

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

G. **VACATION AND SICK LEAVE**

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue on January 1 of each year and must be taken within the same year as accrued. Upon termination, employees are paid for unused vacation of the current year. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of accrued sick leave is payable to the employee upon termination and, therefore, not reflected as a liability. Under this policy employees had accumulated earned vacation aggregating \$335,388 at June 30, 2009, recorded in the statement of net assets in the fund financial statements.

H. **DEFERRED REVENUE**

Deferred revenue is composed of delinquent property taxes and pool fee receivables which are measurable but not available and, therefore, not recognized as revenue in the accompanying fund financial statements.

I. **LONG-TERM LIABILITIES**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

applicable debt premium or discount. Debt issuance costs are reported as deferred charges.

I. **LONG-TERM LIABILITIES - continued**

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. **FUND EQUITY/NET ASSETS**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by third parties for use for a specific purpose.

In government-wide financial statements net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal on related debt. This amount does not include unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All other net assets are considered unrestricted. It is the City's policy to use restricted funds before unrestricted funds. At June 30, 2009, the City had restricted net assets totaling \$4,429,985. All of these assets are restricted by enabling legislation.

K. **ENCUMBRANCES**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. All unexpended and unencumbered annual appropriations lapse at year-end.

L. **INTERFUND TRANSACTIONS**

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) move revenues in excess of current year expenditures to other funds, or 3) reimburse other funds for debt service payments or services.



1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

M. **DUE TO/FROM OTHER FUNDS**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from” and are considered “available/spendable resources” and are subject to elimination upon consolidation.

N. **USE OF ESTIMATES**

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

O. **RESTRICTED ASSETS**

Assets restricted for the repayment of tax increment revenue bonds and certificates of participation are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. In addition, unspent proceeds from the issuance of bonds are reported as restricted assets on the balance sheet.

P. **ALLOWANCE FOR UNCOLLECTIBLES**

Accounts receivable are shown net of an allowance for uncollectible amounts. Based on managements analysis all outstanding accounts receivable at year-end are collectible.

2. **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

A. **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.

As of June 30, 2009, the City’s and the discretely presented component unit’s bank balances were entirely insured or collateralized with securities held by the City or by its agent in the City’s name.

As of June 30, 2009, bank balances were insured or collateralized.

**Remainder of page intentionally left blank.**

## 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS - continued

### B. Investments

As of June 30, 2009, the City had the following investments:

Investments	Fair Value	Less Than One Year	1-5 Years	6-10 Years	Credit Risk
<b>Primary government</b>					
Certificates of deposits*	\$ 5,396,313	\$ 1,113,950	\$ 4,282,363	\$ -	N/A
<b>Fiduciary Funds</b>					
Common stock	\$ 5,461,065	\$ 5,461,065	\$ -	\$ -	N/A
Equity mutual funds	3,276,862	3,276,862	-	-	N/A
Federal farm credit bank	825,783	-	825,783	-	AAA
Federal home loan bank notes	1,444,267	304,406	972,095	167,766	AAA
Federal national mortgage association notes	316,968	316,968	-	-	AAA
Government national mortgage association pool	662,079	-	-	662,079	N/A
Local government obligations	559,408	928	558,480	-	AAA
United states treasury notes	696,609	-	696,609	-	N/A
Corporate obligations funds	1,729,502	1,729,502	-	-	N/A
Corporate obligations	66,265	-	66,265	-	BB+
Corporate obligations	1,676,975	202,708	894,713	579,554	AA-/A
Money market funds	295,253	295,253	-	-	N/A
Total Fiduciary Funds	\$ 17,011,036	\$ 11,587,692	\$ 4,013,945	\$ 1,409,399	
<b>Discretely Presented Component Unit</b>					
Mutual fund - bonds	\$ 70,130	\$ 70,130	\$ -	\$ -	N/A
Mutual fund - equities	118,505	118,505	-	-	N/A
Money market funds	9,950	9,950	-	-	N/A
Total Discretely Presented Component Unit	\$ 198,585	\$ 198,585	\$ -	\$ -	

\*Note: Certificates of deposits held by the City are traded like debt securities. As a result they are exposed to interest rate risk.

### 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 to minimize credit risk is to:

1. prequalify the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business.

2. **CASH, CASH EQUIVALENTS, AND INVESTMENTS - continued**

B. **Investments - continued**

2. diversify 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 to minimize interest rate risk is to:

1. structure its 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.
2. invest 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 to minimize concentration of credit risk is to hold a diversified portfolio.

The component unit does not have investment policies.

3. **PROPERTY TAX**

Property taxes are levied in August of each year on the assessed value as of the prior January 1 for all real and personal property located in the City. Property taxes attach as an enforceable lien on property as of January 1, are due upon receipt of billing, and become delinquent after December 31. Assessed values are established by the St. Louis County Assessor, subject to review by the County's Board of Equalization. The assessed value at January 1, 2008 upon which the 2008 levy was based for real, personal, and public utility property was \$242,226,159. The 2008 levy is collected in the City's 2009 fiscal year.

The City is permitted by Missouri state statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. The tax rates per \$100 of assessed value are as follows:

	<u>General Fund</u>	<u>Parks Fund</u>
Residential	\$ .3420	\$ .1410
Agricultural	.2610	.1020
Commercial	.4010	.1730
Personal Property	.4500	.1980

**Remainder of page intentionally left blank.**

#### 4. INTERFUND BALANCES

Due to/from other funds as of June 30, 2009 are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 875,545	\$ -
Parks Fund	-	331,538
Capital Improvements Fund	-	1,906,424
Special Business District Fund	25,623	-
Sewer Lateral Fund	82,103	-
Downtown TIF Redevelopment Fund	1,044,874	-
Local Improvement Fund	197,136	-
Splash At Wabash Pool Project	12,288	-
North Park Redevelopment TIF Fund	393	-
	<u>\$ 2,237,962</u>	<u>\$ 2,237,962</u>

Interfund balances are the result of short-term advances between funds due to the timing of receipts and disbursements.

The following transfers were made during the fiscal year ended June 30, 2009:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 664,433	\$ -
Parks Fund	-	962,264
Capital Improvements Sales Tax	-	100,000
Special Business District Fund	53,567	-
Downtown TIF Redevelopment	100,000	-
Sewer Lateral Fund	-	10,000
Splash At Wabash Pool Project - Debt Service Fund	254,264	-
	<u>\$ 1,072,264</u>	<u>\$ 1,072,264</u>

Transfers were made for the following purposes:

<u>Expending Fund</u>	<u>Recipient Fund</u>	<u>Purpose</u>
Parks and Sewer Lateral	General	Cost of services provided by the recipient fund
Parks	Splash at Wabash	Debt service
General	FSBD	Underwrite activities, net of outside revenues

**Remainder of page intentionally left blank.**

## 5. CAPITAL ASSETS

For the year ended June 30, 2008, capital asset activity was as follows:

Depreciation expense was charged to functions/programs of the Primary Government as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,534,726	\$ 279,708	\$ -	\$ 1,814,434
Construction in process	1,472,487	397,564	(1,472,487)	397,564
Total capital assets not being depreciated	3,007,213	677,272	(1,472,487)	2,211,997
Capital assets being depreciated:				
Buildings and improvements	11,581,808	958,429	-	12,540,237
Machinery and equipment	916,253	291,835	-	1,208,088
Motor vehicles	3,755,226	1,685,571	(580,703)	4,860,094
Infrastructure	7,913,319	1,585,571	-	9,478,706
Total capital assets not depreciated	24,166,606	4,501,222	(580,703)	28,087,125
Less accumulated depreciation for:				
Buildings and improvements	(4,578,474)	(465,515)	-	(5,043,989)
Machinery and equipment	(563,342)	(99,999)	-	(663,341)
Motor vehicles	(2,591,744)	(245,900)	410,256	(2,427,387)
Infrastructure	(3,008,605)	(411,678)	-	(3,420,285)
Total accumulated depreciation	(10,742,165)	(1,223,092)	410,256	(11,555,002)
Total capital assets being depreciated, net	13,424,441	3,278,130	(170,447)	16,532,123
Total governmental activities	\$ 16,431,654	\$ 3,955,402	\$ (1,642,934)	\$ 18,744,121
Governmental activities:				
General governments			\$	65,067
Public safety				248,874
Highways and streets				607,810
Community development				2,860
Parks and recreation				298,481
Total depreciation expense - governmental activities			\$	1,223,092

## 6. LONG-TERM DEBT

The City has three outstanding debt issues. They are:

### **Variable Rate Capital Improvement Bonds - Series 2005 and 2006**

On September 1, 2005, the City issued \$2,250,000 in Variable Rate Capital Improvement Bonds, Series 2005 and on September 1, 2006, \$2,750,000 in Variable Rate Capital Improvement Bonds, Series 2006. The purpose of the bonds was to finance the costs of acquiring, constructing, rehabilitating, equipping, and improving certain capital improvement projects. At the same time the bonds were issued, the City executed an interest rate swap agreement, which fixed the City's interest rate at 3.995%. At June 30, 2009 the City had the following variable rate bonds outstanding:

Variable Rate Capital Improvement Bonds - Series 2005 and 2006	\$4,545,000
----------------------------------------------------------------	-------------

Maturities required on these bonds are as follows:

	Principal	Interest	Total
2010	\$ 320,000	\$ 180,880	\$ 500,880
2011	330,000	167,818	497,818
2012	345,000	154,764	499,764
2013	360,000	140,277	500,277
2014	370,000	125,494	495,494
2015	390,000	110,306	500,306
2016	405,000	94,656	499,656
2017	420,000	77,904	497,904
2018	435,000	60,691	495,691
2019	455,000	42,871	497,871
2020	470,000	24,293	494,293
2021	245,000	5,003	250,003
	\$ 4,545,000	\$ 1,184,957	\$ 5,729,957

### **Tax Increment Revenue Bonds - Series 2005**

On September 12, 1997 the City issued \$8,385,000 in Tax Increment Revenue Bonds to finance necessary public improvements for the Crossings at Halls Ferry Redevelopment Project. The bonds were issued pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800 of the Revised Statutes of Missouri. Interest and principal on the bonds were originally scheduled to be paid annually on April 1 beginning in the year 2000, with a final maturity date of April 1, 2018. However, on March 1, 2005, the City issued \$7,370,000 in Tax Increment Revenue Bonds to refund the prior bonds issued on September 12, 1997. The proceeds (after underwriting fees and issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1997 Tax Increment Revenue Bonds. As a result, the 1997 Tax Increment Revenue Bonds are considered to be defeased and the liability for this debt has been removed from the City's financial statements. Interest on the bonds is paid semiannually on April 1 and October 1. Principal on the bonds is paid annually on April 1. The bonds and the interest thereon are special, limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property and from incremental increases in economic activity taxes in the project area. The bonds do not constitute a general obligation of the City. Interest rates range from 2.8% percent to 5.0%. The trust indenture requires a reserve balance of \$737,000. The actual balance of the reserve fund was \$733,248 at June 30, 2009.

6. **LONG-TERM DEBT** - continued

Tax Increment Revenue Bonds - Series 2005

\$4,600,000

Maturities required on these bonds are as follows:

	Principal	Interest	Total
2010	\$ 520,000	\$ 259,490	\$ 779,490
2011	540,000	240,250	780,250
2012	560,000	218,650	778,650
2013	585,000	194,570	779,570
2014	610,000	166,800	776,800
2015	645,000	133,250	778,250
2016	680,000	101,000	781,000
2017	460,000	43,500	503,500
	<u>\$ 4,600,000</u>	<u>\$ 1,357,510</u>	<u>\$ 5,957,510</u>

**Certificates of Participation - Series 2002**

Certificates of Participation were issued totaling \$3,480,000 dated October 3, 2002 maturing October 1, 2022 with interest rates at 2% to 5% to finance the construction of the new aquatic facility "Splash at Wabash." The indentures require a reserve balance of \$275,570. The actual balance of the reserve fund was \$265,980 at June 30, 2009. At June 30, 2008, the City had the following certificates of participation outstanding:

Certificates of Participation - Series 2002

\$2,680,000

Maturities required on these certificates are as follows:

	Principal	Interest	Total
2010	\$ 145,000	\$ 116,403	\$ 261,403
2011	150,000	111,294	261,294
2012	155,000	105,803	260,803
2013	160,000	99,974	259,974
2014	170,000	93,574	263,574
2015	175,000	86,674	261,674
2016	180,000	79,462	259,462
2017	200,000	71,500	271,500
2018	200,000	62,250	262,250
2019	205,000	52,125	257,125
2020	220,000	41,500	261,500
2021	230,000	30,250	260,250
2022	240,000	18,500	258,500
2023	250,000	6,250	256,250
	<u>\$ 2,680,000</u>	<u>\$ 975,559</u>	<u>\$ 3,655,559</u>

**Remainder of page intentionally left blank.**

6. **LONG-TERM DEBT** - continued

**Capital Leases**

The City entered into a lease/purchase agreement with Key Government Finance, Inc. (key) to finance the purchase of equipment. The equipment was recorded as a capital asset in the Governmental Activities at a cost of \$82,127 and has accumulated depreciation of \$52,013 as of June 30, 2009. The lease is recorded in the government-wide statement of net assets and is serviced by the Capital Improvement Sales Tax Fund. Payment includes principal and interest.

The City entered into a lease/purchase agreement with First Municipal Leasing Corporation (FMLC) to finance the purchase of two fire trucks. The equipment was recorded as a capital asset in the Governmental Activities at a cost of \$1,171,967 and has accumulated depreciation of \$29,299 as of June 30, 2009. The lease is recorded in the government-wide statement of net assets and is serviced by the Capital Improvement Sales Tax Fund. Payments are made quarterly and include principal and interest.

The City entered into a lease/purchase agreement with Cafco Leasing (Cafco) to finance the purchase of streetlights. The equipment was recorded as a capital asset in the Governmental Activities at a cost of \$506,500 and has accumulated depreciation of \$16,883 as of June 30, 2009. The lease is recorded in the government-wide statement of net assets and is serviced by the Capital Improvement Sales Tax Fund. Payment includes principal and interest.

On June 30, 2009, the outstanding principal and other information on the City's leases consists of the following:

Lessor	Interest Rate	Maturity	Semi-Annual Payment	Balance
Key	6.3%	August 2010	\$ 23,352	\$ 25,315
FMLC	3.55%	December 2017	146,624	1,071,767
Cafco	6.3%	August 2010	113,898	460,644

Future minimum lease payments are as follows:

2010	\$ 283,875
2011	264,414
2012	260,522
2013	260,522
2014	203,572
Thereafter	513,184
Total payments	1,786,089
Portion representing interest	(228,363)
Net present value	\$ 1,557,726

**Remainder of page intentionally left blank.**



6. **LONG-TERM DEBT** - continued

Changes in the City's long-term debt, for the year ended June 30, 2009, are as follows:

	Balance, Beginning Of Year	Additions	Reductions	Balance, End Of Year	Due in One Year
Governmental activities:					
Tax Increment Revenue Bonds	\$ 5,510,000	\$ -	\$ (910,000)	\$ 4,600,000	\$ 520,000
Variable Rate Capital					
Improvement Bonds	4,850,000	-	(305,000)	4,545,000	320,000
Certificates of Participation	2,820,000	-	(140,000)	2,680,000	145,000
Less deferred amount:					
Issuance discounts	(44,127)	-	3,684	(40,443)	-
Refunding	(615,836)	-	70,381	(545,455)	-
Total bonds and certificates	12,520,037	-	(1,280,935)	11,239,102	985,000
Capital lease	72,714	1,669,205	(184,193)	1,557,726	226,534
Compensated absences payable	311,550	228,014	(204,175)	335,389	-
Total governmental activities	<u>\$ 12,904,301</u>	<u>\$ 1,897,219</u>	<u>\$ (1,669,303)</u>	<u>\$ 13,132,217</u>	<u>\$ 1,211,534</u>

7. **DEFERRED COMPENSATION PLAN AND COMPENSATED ABSENCES**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This Plan, available to all City employees, permits them to defer payment of a portion of their salary to future years. This deferred compensation is not available to plan participants until termination, retirement, death, or unforeseeable emergency.

Investments are managed by the Plan's trustee under one of five investment options, or a combination thereof. The choice of investment option(s) is made by the plan participant.

The Plan has been amended to comply with amendments to Section 457 of the Internal Revenue Code. Trust Provisions were incorporated so that plan assets are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Compensated absences have been reclassified to the governmental funds. This liability is considered to be payable from current resources.

8. **EMPLOYEE RETIREMENT PLAN**

**Plan Description and Provisions** - The City of Ferguson Pension Plan (the Plan) is a single-employer, defined benefit retirement and disability plan covering all regular, full-time employees of the City except the City Manager and Assistant to the City Manager. The Plan is administered by UMB Bank NA. Employees become eligible for full benefits under the Plan on the first day of the month or next following the later of a) the participant's 60<sup>th</sup> birthday and completion of eight years of credited service or b) the participant's 55<sup>th</sup> birthday and the sum of the participant's age plus years of credited service total at least 82 ½. Employees fully vest after eight years of service. The Plan does not provide for partial vesting. The Plan does not issue a separate stand-alone financial report. The Plan's financial information is included as a Trust Fund in the City's financial statements and is accounted for on an accrual basis. The fair value of Plan investments is determined by their market value at the date of the statement. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

8. **EMPLOYEE RETIREMENT PLAN** - continued

At July 1, 2009, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	132
Retirees and beneficiaries currently receiving benefits	78
Terminated employees entitled to benefits but not yet receiving them	23
Total Plan Participants	<u>233</u>

The payroll for employees covered by the Plan for the year ended June 30, 2008 was \$6,011,092; the City's total payroll was \$7,192,370.

Benefits under the Plan are established by ordinance. An eligible employee is entitled to a monthly benefit of 1.75% of their final average salary for each year of credited service. Credited service also includes prior years of service for those persons reemployed following termination, provided the break in service is not more than five years. Unused sick leave is added to credited service. Final average salary (FAS), for the purpose of computing benefits, means the average monthly base compensation received during 60 of the last 96 months preceding the date of calculation which produces the greatest average.

The Plan permits early retirement at age 55 with less than 27 years of credited service with a benefit reduction of 0.25%. A health insurance benefit of \$5 per month per year of credited service, up to \$150 is provided, until the retiree becomes Medicare eligible.

The Plan also provides a disability benefit calculated by the same formula as used to calculate normal retirement, with a minimum benefit of \$450 per month, payable until the earlier of death or recovery. If a vested participant dies, the beneficiary receives a monthly benefit for 120 months, calculated as if the employee had retired on the date of death.

**Contributions Required and Contributions Made** - All contributions to the Plan are made by the City. The City contributes an amount equal to the actuarially determined requirement, designed to meet the full annual current costs of the Plan. The plan has no unfunded prior service cost required to be covered by the annual contribution. Administrative costs are paid with plan assets.

Contributions by the City are based upon annual actuarial determinations designed to provide the Plan with assets sufficient to meet pension benefit obligations as they become due. The Unfunded Actuarial Accrued Liability is amortized as a level percentage of pay over a period of 10 years.

Annual valuations are performed using the Entry Age Normal Actuarial Cost Method, assuming 7.5% rate of return, 4% annual salary increases, 4% inflation rate and using the 1983 Group Annuity Mortality Table. Benefits are not increased for inflation.

**Remainder of page intentionally left blank.**

8. **EMPLOYEE RETIREMENT PLAN - continued**

**Funding Status and Progress**

**Three Year Trend Information - Pension Trust**

<u>Fiscal Year Ended June 30,</u>	<u>Annual Pension Cost</u>	<u>Percentage Contribution</u>	<u>Net Pension Obligation</u>
2007	\$ -	- %	\$ -
2008	7,075	100	-
2009	35,495	100	-

**Funded Status and Funding Progress** - As of July 1, 2008, the most recent actuarial valuation available, the plan was 116.0 percent funded. The actuarial accrued liability for benefits was \$18,575,389, and the actuarial value of assets was \$21,600,485, resulting in assets in excess of the actuarial accrued liability (AAAL) of \$3,025,096. The covered payroll (annual payroll of active employees covered by the plan) was \$6,011,092, and the ratio of the AAAL to the covered payroll was 50.0 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

9. **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Provisions** - The City of Ferguson is a single-employer other post employment plan that provides its retirees with access to healthcare (medical and dental). The retiree must pay the full premium of such coverage, but the employer is responsible for any implicit subsidy arising from actual claims being higher than premium amounts. Employees become eligible for other post employment benefits on the first day of the month or next following their retirement or disability. The Plan does not issue a separate stand-alone financial report. Benefits under the Plan are established by ordinance and may be changed by the passage of an ordinance. The City funds these benefits on a pay as you go basis.

At July 1, 2009, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	133
Retirees and beneficiaries currently receiving benefits	<u>10</u>
Total Plan Participants	<u>143</u>

Bi-annual valuations are performed using the Entry Age Normal Actuarial Cost Method, with a 30 year level dollar amortization, assuming 4.0% rate of return, 4.0% annual salary increases, 4% inflation rate and using the 1983 Group Annuity Mortality Table. The initial health care cost trend rate is 8%, with an ultimate rate of 5%.

**Remainder of page intentionally left blank.**

9. **OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**

**Net OPEB Obligation**

The City's annual other post employment benefit cost of the current Plan year is as follows:

Annual required contribution (actuarially computed)	\$ 23,198
Interest on net benefit plan obligation	-
Adjustment to annual required contribution	-
Annual benefit plan cost	23,198
Contributions made	<u>13,370</u>
Increase in net benefit plan obligation	9,828
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 9,828</u>

**Trend Information – Other Post Employment Benefits**

<u>Fiscal Year Ended June 30,</u>	<u>Annual Pension Cost</u>	<u>Percentage Contribution</u>	<u>Net OPEB Obligation</u>
2009	\$ 23,198	- %	\$ 9,828

**Funded Status and Funding Progress** - As of July 1, 2009, the most recent actuarial valuation available, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$240,892, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$240,892. The covered payroll (annual payroll of active employees covered by the plan) was \$6,011,092, and the ratio of the UAAL to the covered payroll was 5.2 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements.

10. **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

The City, along with various other local municipal governments, participates in an insurance trust for workers' compensation and general liability matters, St. Louis Area Insurance Trust – SLAIT (the Trust). The purpose of the Trust is to distribute the cost of self insurance over similar entities. The Trust requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of the Trust have no legal interest in the assets, liabilities, or fund balances of the Trust. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the Trust should it cease operations at some future date. The Trust contracts with Daniel and Henry, Inc. to administrate the trust include processing claims filed. The City's premium payment to the Trust for the fiscal 2009 was \$396,242.

The City purchases commercial insurance for all other risks of loss. A complete listing of insurance coverage in force is presented in the supplementary information of the City's CAFR. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

# 11. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2009, expenditures exceeded appropriations in the following departments (the legal level of budgetary control):

	Budgeted Appropriation	Expenditure	Expenditure In Excess of Budget
General Fund:			
City council and clerk	\$ 93,496	\$ 99,049	\$ 5,553
City manager's office	273,708	280,857	7,149
Corporate expenses	345,519	357,791	12,272
Finance	298,612	302,307	3,695
Police	4,643,578	4,679,584	36,006
Capital outlays	79,000	107,295	28,295
Capital Improvements Sales Tax			
Capital Projects Fund:			
Capital outlays	2,399,265	2,813,225	413,960

# 12. **CONTINGENT LIABILITIES**

- A. **Grants** - The City receives financial assistance from numerous federal, state, and local government agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund types. However, in the opinion of management, any such disallowed claims would not have a material effect on the financial statements of the City at June 30, 2009.
- B. **Litigation** - Various claims and legal actions involving the City are presently pending which involve claims made by the City for unpaid tax assessments and other miscellaneous cases. In the opinion of management, the outcome of these legal matters will not have a material effect on the financial statements of the City at June 30, 2009

# 13. **PRIOR PERIOD ADJUSTMENT**

The City reclassified accrued vacation from the General and Parks Funds because this liability will not be paid out of current economic resources and therefore do not meet the definition of a liability under the modified accrual basis of accounting. As a result, fund balance was increased in the General Fund by \$293,690 and in the Parks Fund by \$17,860. This reclassification had no affect on the net assets reported in the Governmental Activities.

In the current year, it was determined that the receivable recorded for unpaid fines was not an accurate estimate. In addition, it was determined, with the current software system in place, the City would not be able to calculate an accurate estimate for this receivable. As a result, the receivable was removed from the financial statements. This adjustment reduced government-wide net assets by \$305,947. This software system is scheduled for replacement in fiscal year 2010.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF FERGUSON, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$8,128,500	\$8,248,600	\$8,398,490	\$ 149,890
Licenses and permits	605,200	621,600	649,745	28,145
Charges for service	320,300	152,000	233,594	81,594
Fines and forfeits	1,454,500	1,388,000	1,391,546	3,546
Investment income	50,000	62,000	136,836	74,836
Other income	126,500	204,000	204,963	963
TOTAL REVENUES	10,685,000	10,676,200	11,015,174	338,974
<b>EXPENDITURES</b>				
Current:				
General government				
City council and clerk	109,800	93,496	99,049	(5,553)
City manager's office	349,700	273,708	280,857	(7,149)
Public works administration	238,200	217,269	204,735	12,534
Human resources	128,800	120,713	120,496	217
Corporate expenses	319,000	345,519	357,791	(12,272)
Municipal building	126,500	104,675	88,436	16,239
Information technology	125,500	104,834	87,970	16,864
Finance	299,200	298,612	302,307	(3,695)
Public safety				
Municipal court	316,800	299,413	284,135	15,278
Protective inspections	370,000	362,495	351,167	11,328
Police	4,733,400	4,643,578	4,679,584	(36,006)
Fire	2,222,500	2,337,588	2,196,736	140,852
Highways and streets				
Streets	886,200	810,513	787,326	23,187
Municipal garage	980,300	855,686	676,669	179,017
Community development	311,800	266,868	260,609	6,259
Culture and recreation	437,900	415,103	379,514	35,589
Pension	-	-	-	-
Capital outlays	88,000	79,000	107,295	(28,295)
TOTAL EXPENDITURES	12,043,600	11,629,070	11,264,676	364,394
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,358,600)	(952,870)	(249,502)	703,368
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	734,000	678,434	664,433	(14,001)
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (624,600)</u>	<u>\$ (274,436)</u>	414,931	<u>\$ 689,367</u>
<b>FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>			7,058,608	
Prior period adjustments			293,690	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$7,767,229</u>	

***CITY OF FERGUSON, MISSOURI***  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**PARKS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 1,610,000	\$ 1,636,000	\$ 1,597,586	\$ (38,414)
Charges for service	397,600	345,000	334,099	(10,901)
Investment income	54,000	37,000	30,821	(6,179)
Other income	100,100	203,000	499	(202,501)
TOTAL REVENUES	<u>2,161,700</u>	<u>2,221,000</u>	<u>1,963,005</u>	<u>(257,995)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	913,700	825,870	792,391	33,479
Capital outlays	<u>917,400</u>	<u>698,144</u>	<u>385,549</u>	<u>312,595</u>
TOTAL EXPENDITURES	<u>1,831,100</u>	<u>1,524,014</u>	<u>1,177,940</u>	<u>346,074</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>330,600</u>	<u>696,986</u>	<u>785,065</u>	<u>88,079</u>
<b>OTHER FINANCING USES</b>				
Operating transfer out	<u>(930,000)</u>	<u>(928,000)</u>	<u>(962,264)</u>	<u>(34,264)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (599,400)</u>	<u>\$ (231,014)</u>	<u>(177,199)</u>	<u>\$ 53,815</u>
<b>FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>			1,573,566	
Prior period adjustments			<u>17,860</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 1,414,227</u>	



**CITY OF FERGUSON, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FUNDING STATUS AND PROGRESS**  
**PENSION TRUST FUND**  
**LAST TEN FISCAL YEARS**

**SCHEDULE OF FUNDING PROGRESS**

Valuation Year July 1	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Assets In Excess Of AAL	Funded Ratio	Annual Covered Payroll	Assets In Excess Of AAL As A Percentage Of Covered Payroll
1999	\$ 17,339,565	\$ 12,515,591	\$ 4,823,974	138.5 %	\$ 4,603,224	104.8 %
2000	18,047,113	13,653,910	4,393,203	132.2	4,832,587	90.9
2001	18,629,131	14,431,171	4,197,960	129.1	5,073,329	82.7
2002	18,852,310	15,131,350	3,720,960	124.6	5,250,529	70.9
2003	18,988,459	15,747,735	3,240,724	120.6	5,435,740	59.6
2004	19,341,491	16,149,796	3,191,695	119.8	5,261,248	60.7
2005	19,792,426	16,573,605	3,218,821	119.4	5,388,754	59.7
2006	20,277,743	16,810,351	3,467,392	120.6	5,668,903	61.2
2007	21,097,686	17,605,559	3,492,127	119.8	5,688,280	61.4
2008	21,600,485	18,575,389	3,025,096	116.0	6,011,092	50.0

The historical trend information about the Plan is presented to help the user assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other Public Employee Retirement systems. This schedule is prepared using the aggregate actuarial cost method.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Valuation Year July 1	Annual Required Contribution	Employer Contribution	Percentage Contributed
1999	\$ -	\$ -	100 %
2000	-	-	100
2001	-	-	100
2002	-	-	100
2003	-	-	100
2004	-	-	100
2005	-	-	100
2006	-	-	100
2007	-	-	100
2008	7,075	7,075	100
2009	35,495	35,495	100

***CITY OF FERGUSON, MISSOURI***  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FUNDING STATUS AND PROGRESS**  
**OTHER POST EMPLOYMENT BENEFIT**  
**ONE FISCAL YEAR**

**SCHEDULE OF FUNDING PROGRESS**

<u>Valuation Year July 1</u>	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfund AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Assets In Excess Of AAL As A Percentage Of Covered Payroll</u>
2009	\$ -	\$ 240,892	\$ 240,892	- %	\$ 6,082,657	4.0 %

The historical trend information about the Plan is presented to help the user assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other Public Employee Retirement systems. This schedule is prepared using the aggregate actuarial cost method.

Information for years prior to July 1, 2009 are unavailable.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Valuation Year July 1</u>	<u>Annual Required Contribution</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 23,198	\$ 13,370	58 %

Note: Since the City does not accumulate assets to pay other post retirement benefits the Employer contribution is the actuarial estimate of the implicit subsidy.

***CITY OF FERGUSON, MISSOURI***  
REQUIRED SUPPLEMENTAL INFORMATION  
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Budgets are prepared on a basis consistent with GAAP, except that encumbered amounts are treated as expenditures for budgetary purposes. Annual appropriated budgets are adopted for the General, Park Special Revenue, Special Business District Special Revenue, Sewer Lateral Special Revenue, Local Improvement Capital Projects, Capital Improvements Sales Tax Capital Projects Funds, Downtown TIF Redevelopment Fund and Halls Ferry TIF Bonds Fund. The City does not prepare a budget for the North Park Redevelopment TIF Fund.

Prior to March 1 of each year, all departments of the City submit requests for appropriations to the City Manager. After review of these requests, the proposed annual operating budget is prepared by fund, function, and department.

Before May 1st the proposed budget is submitted to the City Council for review. The City Council holds multiple worksessions and at least one public hearing and may add to, subtract from, or change appropriations. Prior to June 30 of each year, the Council adopts by resolution the budget, as revised, for the fiscal year beginning the following July 1.

Legal budgetary control is at the departmental level. Any transfers of budgeted amounts from one department to another require the approval of the City Council. Funds are appropriated in the General Fund budget for general contingencies in an amount not to exceed 5 percent of the operating budget. Transfers for unplanned expenditures may be made from the contingency account to departmental budgets with City Manager approval. Budgeted amounts are as originally adopted or as amended by the City Council or City Manager, as appropriate. Supplemental appropriations were made to cover large unanticipated items.

**This page intentionally left blank**

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF FERGUSON, MISSOURI**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	Special Revenue Funds			Capital Projects Fund		Debt Service Fund		Total
	Special Business District	Downtown TIF Redevelopment	Sewer Lateral	Halls Ferry TIF Bonds	Local Improvement	Splash At Wabash Pool Project	North Park Redevelopment TIF	Non-major Governmental Funds
<b>ASSETS AND OTHER DEBITS</b>								
Cash and investments	\$ 300	\$ -	\$ 470,620	\$ -	\$ 201,207	\$ -	\$ -	\$ 672,127
Accounts receivable	-	34,332	1,577	-	214	-	-	36,123
Due from other governments	-	-	-	102,486	-	-	-	102,486
Due from other funds	25,623	1,044,874	82,103	-	197,136	12,288	393	1,362,417
Restricted cash	-	-	-	958,700	-	279,992	-	1,238,692
TOTAL ASSETS	<u>\$ 25,923</u>	<u>\$ 1,079,206</u>	<u>\$ 554,300</u>	<u>\$ 1,061,186</u>	<u>\$ 398,557</u>	<u>\$ 292,280</u>	<u>\$ 393</u>	<u>\$ 3,411,845</u>
<b>LIABILITIES</b>								
Accounts payable	<u>\$ 5,475</u>	<u>\$ 24,184</u>	<u>\$ 14,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,423</u>
<b>FUND BALANCES:</b>								
Fund balances:								
Reserved:								
Debt service	-	-	-	-	-	292,280	393	292,673
Unreserved:								
Special Revenue Funds	20,448	1,055,022	539,536	-	-	-	-	1,615,006
Capital Projects Funds	-	-	-	1,061,186	398,557	-	-	1,459,743
TOTAL FUND BALANCES	<u>20,448</u>	<u>1,055,022</u>	<u>539,536</u>	<u>1,061,186</u>	<u>398,557</u>	<u>292,280</u>	<u>393</u>	<u>3,367,422</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 25,923</u>	<u>\$ 1,079,206</u>	<u>\$ 554,300</u>	<u>\$ 1,061,186</u>	<u>\$ 398,557</u>	<u>\$ 292,280</u>	<u>\$ 393</u>	<u>\$ 3,411,845</u>

**CITY OF FERGUSON, MISSOURI**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds			Capital Projects Fund		Debt Service Fund		Total
	Special Business District	Downtown TIF Redevelopment	Sewer Lateral	Halls Ferry TIF Bonds	Local Improvement	Splash At Wabash Pool Project	North Park Redevelopment TIF	Non-major Governmental Funds
<b>REVENUES</b>								
Taxes	\$ -	\$ 537,940	\$ 192,487	\$ 953,302	\$ -	\$ -	\$ 80	\$ 1,683,809
Licenses and permits	24,147	-	-	-	-	-	-	24,147
Investment income	-	6,031	18,194	88,815	9,085	2,180	2	124,307
Other income	900	-	-	-	-	-	-	900
<b>TOTAL REVENUES</b>	<u>25,047</u>	<u>543,971</u>	<u>210,681</u>	<u>1,042,117</u>	<u>9,085</u>	<u>2,180</u>	<u>82</u>	<u>1,833,163</u>
<b>EXPENDITURES</b>								
Current:								
Community development	63,528	270,523	161,099	-	-	-	-	495,150
Debt services:								
Principal, interest and fiscal charges	-	-	-	1,164,418	-	263,529	-	1,427,947
<b>TOTAL EXPENDITURES</b>	<u>63,528</u>	<u>270,523</u>	<u>161,099</u>	<u>1,164,418</u>	<u>-</u>	<u>263,529</u>	<u>-</u>	<u>1,923,097</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(38,481)	273,448	49,582	(122,301)	9,085	(261,349)	82	(89,934)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer in (out)	53,567	100,000	(10,000)	-	-	254,264	-	397,831
<b>CHANGE IN FUND BALANCE</b>	15,086	373,448	39,582	(122,301)	9,085	(7,085)	82	307,897
<b>FUND BALANCES - BEGINNING OF YEAR</b>	5,362	681,574	499,954	1,183,487	389,472	299,365	311	3,059,525
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 20,448</u>	<u>\$ 1,055,022</u>	<u>\$ 539,536</u>	<u>\$ 1,061,186</u>	<u>\$ 398,557</u>	<u>\$ 292,280</u>	<u>\$ 393</u>	<u>\$ 3,367,422</u>

**CITY OF FERGUSON, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT SALES TAX CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 1,223,000	\$ 1,200,000	\$ 1,202,166	\$ 2,166
Investment income	150,000	108,500	(43,633)	(152,133)
Other income	-	155,000	199,500	44,500
TOTAL REVENUES	<u>1,373,000</u>	<u>1,463,500</u>	<u>1,358,033</u>	<u>(105,467)</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlays	2,413,600	2,399,265	2,813,225	(413,960)
Debt service:				
Principal, interest and fiscal charges	760,100	755,000	724,143	30,857
TOTAL EXPENDITURES	<u>2,413,600</u>	<u>3,154,265</u>	<u>3,537,368</u>	<u>(383,103)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(1,040,600)</u>	<u>(1,690,765)</u>	<u>(2,179,335)</u>	<u>(488,570)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in (out)	200,000	(155,000)	(100,000)	(55,000)
Proceeds from issuance of debt	-	-	1,669,205	1,669,205
TOTAL OTHER FINANCING SOURCES	<u>200,000</u>	<u>(155,000)</u>	<u>1,569,205</u>	<u>1,614,205</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (840,600)</u>	<u>\$ (1,690,765)</u>	<u>(610,130)</u>	<u>\$ 1,180,635</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>3,030,036</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 2,419,906</u>	



***CITY OF FERGUSON, MISSOURI***  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**HALLS FERRY TIF BONDS DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 1,035,300	\$ 1,002,000	\$ 953,302	\$ (48,698)
Investment income	42,000	88,000	88,815	815
Miscellaneous	-	55,000	-	(55,000)
TOTAL REVENUES	<u>1,077,300</u>	<u>1,145,000</u>	<u>1,042,117</u>	<u>(47,883)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	-	-	-	-
Debt service:				
Principal, interest and fiscal charges	<u>777,510</u>	<u>1,186,000</u>	<u>1,164,418</u>	<u>21,582</u>
TOTAL EXPENDITURES	<u>777,510</u>	<u>1,186,000</u>	<u>1,164,418</u>	<u>21,582</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 299,790</u>	<u>\$ (41,000)</u>	(122,301)	<u>\$ (69,465)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>1,183,487</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 1,061,186</u>	

***CITY OF FERGUSON, MISSOURI***  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**SPECIAL BUSINESS DISTRICT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Licenses and permits	\$ 26,000	\$ 23,000	\$ 24,147	\$ 1,147
Investment income	400	-	-	-
Other income	-	8,000	900	(7,100)
TOTAL REVENUES	<u>26,400</u>	<u>31,000</u>	<u>25,047</u>	<u>(5,953)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	<u>126,400</u>	<u>91,555</u>	<u>63,528</u>	<u>28,027</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(100,000)	(60,555)	(38,481)	22,074
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	<u>100,000</u>	<u>53,567</u>	<u>53,567</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (6,988)</u>	15,086	<u>\$ 22,074</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>5,362</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 20,448</u>	

***CITY OF FERGUSON, MISSOURI***

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**

**BUDGET AND ACTUAL**

**SEWER LATERAL SPECIAL REVENUE FUND**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 193,000	\$ 189,000	\$ 192,487	\$ 3,487
Investment income	13,000	22,000	18,194	(3,806)
TOTAL REVENUES	206,000	211,000	210,681	(319)
<b>EXPENDITURES</b>				
Current:				
Community development	175,000	171,000	161,099	9,901
TOTAL EXPENDITURES	175,000	171,000	161,099	9,901
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	31,000	40,000	49,582	9,582
<b>OTHER FINANCING USES</b>				
Operating transfer out	(10,000)	(10,000)	(10,000)	-
<b>CHANGE IN FUND BALANCE</b>	\$ 21,000	\$ 30,000	39,582	\$ 9,582
<b>FUND BALANCES - BEGINNING OF YEAR</b>			499,954	
<b>FUND BALANCES - END OF YEAR</b>			\$ 539,536	

***CITY OF FERGUSON, MISSOURI***  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**DOWNTOWN TIF REDEVELOPMENT CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 504,000	\$ 545,000	\$ 537,940	\$ (7,060)
Investment income	8,000	12,000	6,031	(5,969)
TOTAL REVENUES	<u>512,000</u>	<u>557,000</u>	<u>543,971</u>	<u>(13,029)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	345,200	501,000	270,523	230,477
TOTAL EXPENDITURES	<u>345,200</u>	<u>501,000</u>	<u>270,523</u>	<u>230,477</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	166,800	56,000	273,448	(243,506)
<b>OTHER FINANCING USES</b>				
Operating transfer in (out)	<u>(200,000)</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (33,200)</u>	<u>\$ 156,000</u>	<u>373,448</u>	<u>\$ (243,506)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>681,574</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 1,055,022</u>	

***CITY OF FERGUSON, MISSOURI***  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
LOCAL IMPROVEMENT CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Investment income	\$ 14,000	\$ 12,000	\$ 9,085	\$ (2,915)
<b>EXPENDITURES</b>				
Capital outlays	-	-	-	-
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 14,000</u>	<u>\$ 12,000</u>	9,085	<u>\$ (2,915)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>389,472</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 398,557</u>	

***CITY OF FERGUSON, MISSOURI***  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**SPLASH AT WABASH POOL PROJECT DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Investment income	\$ 8,500	\$ 10,000	\$ 2,180	\$ (7,820)
<b>EXPENDITURES</b>				
Debt service:				
Principal, interest and fiscal charges	261,000	264,000	263,529	471
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(252,500)	(254,000)	(261,349)	(7,349)
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	261,000	261,000	254,264	(6,736)
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 8,500</u>	<u>\$ 7,000</u>	(7,085)	<u>\$ (14,085)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>299,365</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 292,280</u>	

***CITY OF FERGUSON, MISSOURI***  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BALANCE</u> <u>JULY 1, 2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2009</u>
<b>ASSETS</b>				
Cash	<u>\$ 113,224</u>	<u>\$ 456,201</u>	<u>\$ 464,632</u>	<u>\$ 104,793</u>
<b>LIABILITIES</b>				
Accounts Payable	<u>\$ 113,224</u>	<u>\$ 456,201</u>	<u>\$ 464,632</u>	<u>\$ 104,793</u>

**This page intentionally left blank**



## **STATISTICAL SECTION**

This part of the City of Ferguson, Missouri's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

***CITY OF FERGUSON, MISSOURI***  
**NET ASSETS**  
**LAST SEVEN FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:							
Invested in capital assets, net of related debt	\$ 9,961,395	\$ 10,507,866	\$ 7,246,484	\$ 8,533,891	\$ 8,870,581	\$ 8,491,905	\$ 8,491,905
Restricted	4,429,985	5,138,047	7,826,907	5,761,966	3,732,212	3,249,387	3,249,387
Unrestricted	<u>6,774,385</u>	<u>4,649,996</u>	<u>(252,954)</u>	<u>(1,839,153)</u>	<u>(3,229,912)</u>	<u>(4,635,077)</u>	<u>(5,319,408)</u>
Total governmental activities net assets	<u>\$ 21,165,765</u>	<u>\$ 20,295,909</u>	<u>\$ 14,820,437</u>	<u>\$ 12,456,704</u>	<u>\$ 9,372,881</u>	<u>\$ 7,106,215</u>	<u>\$ 6,421,884</u>

Note: Only seven years of information available. The City implemented GASB34-New Reporting Model in 2003.

**CITY OF FERGUSON**  
**CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS**  
 (Accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES</b>							
Administrative	\$ 1,644,938	\$ 1,567,009	\$ 1,608,651	\$ 1,376,228	\$ 1,221,280	\$ 1,641,523	\$ 1,601,877
Police department	7,786,030	7,531,021	7,219,261	6,674,109	6,432,507	6,417,994	6,127,322
Highway and streets	2,901,550	2,302,635	3,109,783	2,619,592	1,111,778	1,564,795	1,889,036
Community development	408,792	609,187	782,770	302,788	530,793	491,677	519,924
Culture and recreation	1,546,383	1,442,340	1,613,879	1,522,714	1,461,715	1,470,433	1,423,663
Interest and fiscal charges	717,508	680,399	724,694	615,573	411,427	717,441	698,228
Total governmental activities expenses	15,005,201	14,132,591	15,059,038	13,111,004	11,169,500	12,303,863	12,260,050
<b>PROGRAM REVENUE</b>							
Charges for services:							
General government	488,950	439,153	451,320	420,797	439,753	-	-
Public safety	1,535,853	1,694,023	1,611,704	1,446,387	1,336,666	1,379,688	1,283,851
Highway and streets	274,229	208,710	482,952	491,895	-	-	-
Community development	-	30,611	16,342	22,378	198,654	190,824	-
Culture and recreation	334,099	368,180	360,424	582,667	554,324	559,256	505,220
Operating grants	-	-	-	-	1,211,287	1,413,984	1,362,927
Capital grants	273,961	2,199,903	320,056	222,109	286,760	130,571	279,302
Total governmental activities program revenue	2,907,092	4,940,580	3,242,798	3,186,233	4,027,444	3,674,323	3,431,300
<b>NET EXPENSES</b>	<b>(12,098,109)</b>	<b>(9,192,011)</b>	<b>(11,816,240)</b>	<b>(9,924,771)</b>	<b>(7,142,056)</b>	<b>(8,629,540)</b>	<b>(8,828,750)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>							
Governmental activities:							
Taxes:							
Sales	8,292,648	8,687,937	8,894,227	8,870,085	5,820,353	5,350,366	5,364,351
Utility	2,416,369	2,665,470	2,040,890	1,925,685	1,535,947	1,801,120	1,792,672
Property	2,277,332	2,304,983	1,731,106	1,613,335	1,803,756	1,557,673	1,527,580
Other	77,778	72,980	75,165	81,919	81,000	84,340	86,166
Investment income	248,331	551,101	603,169	396,682	70,120	23,014	56,491
Gain (loss) on disposal of capital assets	(169,947)	(20,893)	660,898	18,810	49,996	-	22,372
Other miscellaneous revenue	131,401	299,373	174,519	102,078	47,550	110,758	116,367
Total governmental activities	13,273,912	14,560,951	14,179,974	13,008,594	9,408,722	8,927,271	8,965,999
<b>CHANGES IN NET ASSETS</b>	<b>\$ 1,175,803</b>	<b>\$ 5,368,940</b>	<b>\$ 2,363,734</b>	<b>\$ 3,083,823</b>	<b>\$ 2,266,666</b>	<b>\$ 297,731</b>	<b>\$ 137,249</b>

Note: Only seven years of information available. The City implemented GASB34-New Reporting Model in 2003.

***CITY OF FERGUSON, MISSOURI***  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST SEVEN FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:							
Reserved	\$ 6,800	\$ 352,891	\$ 78,513	\$ 33,104	\$ 42,136	\$ 24,857	\$ 73,022
Unreserved	<u>7,760,429</u>	<u>6,772,230</u>	<u>4,967,205</u>	<u>3,920,519</u>	<u>2,688,395</u>	<u>1,905,745</u>	<u>1,950,735</u>
Total general fund	<u><u>\$ 7,767,229</u></u>	<u><u>\$ 7,125,121</u></u>	<u><u>\$ 5,045,718</u></u>	<u><u>\$ 3,953,623</u></u>	<u><u>\$ 2,730,531</u></u>	<u><u>\$ 1,930,602</u></u>	<u><u>\$ 2,023,757</u></u>
 All Other Governmental Funds:							
Reserved	\$ 298,387	\$ 1,219,114	\$ 3,897,624	\$ 1,481,764	\$ 1,471,275	\$ 1,859,374	\$ 1,995,314
Unreserved reported in:							
Special revenue funds	3,023,519	2,760,455	2,047,147	1,400,123	770,405	424,051	199,585
Capital projects funds	3,879,649	4,602,995	4,843,409	4,952,065	1,359,238	647,676	553,024
Debt service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,190</u>	<u>470,443</u>	<u>542,052</u>
Total all other governmental funds	<u><u>\$ 7,201,555</u></u>	<u><u>\$ 8,582,564</u></u>	<u><u>\$ 10,788,180</u></u>	<u><u>\$ 7,833,952</u></u>	<u><u>\$ 3,849,108</u></u>	<u><u>\$ 3,401,544</u></u>	<u><u>\$ 3,289,975</u></u>

Note: Only seven years of information available. The City implemented GASB34-New Reporting Model in 2003.

**CITY OF FERGUSON**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Revenues</b>										
Taxes (1)	\$ 12,882,051	\$ 13,983,386	\$ 12,577,656	\$ 12,491,024	\$ 9,129,162	\$ 8,645,181	\$ 8,594,509	\$ 8,777,296	\$ 8,743,860	\$ 8,130,308
Licenses	673,892	594,890	679,974	634,304	439,753	388,487	387,549	400,377	383,027	371,397
Intergovernmental (1)	-	-	-	244,487	1,521,417	1,434,449	1,330,134	1,796,496	1,526,364	1,359,181
Charges for service	567,693	537,268	696,176	918,193	1,095,380	1,122,359	1,028,199	1,064,998	717,467	584,465
Fines and forfeits	1,391,546	1,447,904	1,477,985	1,398,221	1,085,084	1,056,528	935,760	929,034	812,008	701,597
Investment income (2)	248,331	551,101	603,169	396,682	70,120	-	-	-	-	-
Other income	405,862	2,437,844	510,917	120,888	99,271	300,790	509,214	186,504	286,874	447,372
Total Revenues	<u>16,169,375</u>	<u>19,552,393</u>	<u>16,545,877</u>	<u>16,203,799</u>	<u>13,440,187</u>	<u>12,947,794</u>	<u>12,785,365</u>	<u>13,154,705</u>	<u>12,469,600</u>	<u>11,594,320</u>
<b>Expenditures</b>										
General government	1,571,405	1,485,407	1,426,782	1,326,238	1,169,794	1,588,424	1,535,639	1,482,182	1,533,151	1,388,657
Public safety	7,511,656	7,308,373	6,973,743	6,418,677	6,248,835	6,295,717	6,047,387	5,767,799	5,504,729	5,161,000
Highways and streets	1,496,604	1,472,053	1,419,157	1,281,617	816,721	1,025,494	1,033,353	1,100,116	1,187,924	1,119,984
Community development	759,865	827,062	592,481	463,065	400,229	300,555	425,902	511,604	500,019	356,363
Culture and recreation	1,171,905	1,167,650	1,241,970	1,245,006	1,228,020	1,333,516	1,326,900	1,288,285	1,296,580	1,122,493
Capital outlay	4,225,507	5,688,451	2,738,118	1,623,172	1,171,901	1,406,502	4,968,125	2,398,508	1,307,944	1,841,018
Debt service:										
Interest	612,897	916,235	598,320	529,578	544,113	716,990	828,972	995,082	644,919	636,510
Principal	1,539,193	711,228	908,982	565,000	130,000	340,000	180,000	165,000	120,000	90,000
Total Expenditures	<u>18,889,032</u>	<u>19,576,459</u>	<u>15,899,553</u>	<u>13,452,353</u>	<u>11,709,613</u>	<u>13,007,198</u>	<u>16,346,278</u>	<u>13,708,576</u>	<u>12,095,266</u>	<u>11,716,025</u>
Excess of revenues over (under) expenditures	<u>(2,719,657)</u>	<u>(24,066)</u>	<u>646,324</u>	<u>2,751,446</u>	<u>1,730,574</u>	<u>(59,404)</u>	<u>(3,560,913)</u>	<u>(553,871)</u>	<u>374,334</u>	<u>(121,705)</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from issuance of debt	1,669,205	64,942	2,750,000	2,332,127	7,370,000	-	3,480,000	-	-	-
Payment to bond escrow agent	-	-	-	-	(7,989,575)	-	-	-	-	-
Discount on bond issue	-	-	-	-	(44,195)	-	-	-	-	-
Sale of capital assets	-	-	650,000	-	130,032	-	-	-	-	-
Transfers	-	-	-	124,362	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,669,205</u>	<u>64,942</u>	<u>3,400,000</u>	<u>2,456,489</u>	<u>(533,738)</u>	<u>-</u>	<u>3,480,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,050,452)</u>	<u>\$ 40,876</u>	<u>\$ 4,046,324</u>	<u>\$ 5,207,935</u>	<u>\$ 1,196,836</u>	<u>\$ (59,404)</u>	<u>\$ (80,913)</u>	<u>\$ (553,871)</u>	<u>\$ 374,334</u>	<u>\$ (121,705)</u>
Debt service as a percentage of noncapital expenditures	16.5%	11.6%	10.5%	8.9%	6.1%	8.8%	6.6%	9.2%	6.8%	6.6%

(1) Beginning in 2006 the City included motor fuel sales and cigarette receipts as taxes instead of intergovernmental.

(2) Prior to 2005 the City included investment income in other income.

***CITY OF FERGUSON, MISSOURI***  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Railroads And Utilities</u>	<u>Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>
2000	\$ 124,703,620	\$ 40,131,088	\$ 6,251,123	\$ 171,085,831	\$ 0.640	\$ 712,387,019
2001	124,096,110	42,736,989	6,129,955	172,963,054	0.640	717,755,728
2002	133,218,460	42,387,343	6,393,284	181,999,087	0.628	763,957,578
2003	132,933,520	42,824,082	5,875,900	181,633,502	0.628	762,564,485
2004	137,233,000	40,178,304	5,604,113	183,015,417	0.634	773,650,784
2005	136,961,830	37,763,060	5,219,204	179,944,094	0.634	763,982,562
2006	146,001,792	43,042,580	5,501,708	200,047,788	0.600	851,295,790
2007	150,326,961	43,673,690	5,604,467	199,605,118	0.600	859,629,879
2008	192,916,060	44,814,332	4,519,706	242,250,098	0.648	1,019,303,012
2009	192,609,850	44,141,310	5,474,999	242,226,159	0.648	1,053,739,213

Residential real property is assessed at 19 percent of estimated value, commercial at 32 percent, and agricultural at 12 percent; personal property is assessed at 33 1/3 percent.

A complete property assessment is made by the Assessor biannually in odd-numbered years. Tax rates are per \$100 of assessed value.

Source: St. Louis County Assessor

***CITY OF FERGUSON, MISSOURI***  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>City</u>	<u>School District</u>	<u>County</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
2000	\$ 0.640	\$ 5.010	\$ 0.580	\$ 0.030	\$ 1.552	\$ 7.812
2001	0.640	5.015	0.580	0.030	1.560	7.825
2002	0.628	5.015	0.580	0.030	1.747	8.000
2003	0.628	5.040	0.580	0.030	1.743	8.021
2004	0.634	5.040	0.580	0.030	1.961	8.245
2005	0.634	5.040	0.580	0.030	1.861	8.145
2006	0.600	4.848	0.558	0.030	1.760	7.796
2007	0.600	4.843	0.558	0.030	1.834	7.865
2008	0.648	4.843	0.558	0.030	1.834	7.913
2009	0.648	5.030	0.558	0.300	2.042	7.930

Rates state per \$100 assessed valuation

Source: St. Louis County Assessor

***CITY OF FERGUSON, MISSOURI***  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Property Taxpayer	Type of Business	2009		2000	
		Assessed Valuation	Percent Of Total Assessment	Assessed Valuation	Percent Of Total Assessment
Emerson Electric	Manufacturing	\$ 12,351,000	5.10 %	\$ 7,105,000	4.15 %
Sam's/Walmart Real Estate	Retail Sales	4,224,000	1.74	3,185,000	1.86
Crossings at Halls Ferry LLC	Shopping Center	3,616,000	1.49	1,112,000	0.65
US Bancorp-Allen Technologies	Equipment Leasing	2,130,000	0.88	-	-
Lipton Properties	Apartment Rental	1,991,000	0.82	1,687,000	0.99
Afshari Enterprises Inc.	Real Estate Holding Co.	1,935,000	0.80	-	-
Northwinds Apartments LLP	Apartment Rental	1,895,000	0.78	1,751,000	1.02
NCF LLC	Real Estate Holding Co.	1,851,000	0.76	-	-
Home Depot USA, Inc.	Retail Sales	1,824,000	0.75	2,862,000	1.67
Park Ridge Appts/Gannon Ptrship	Apartment Rentals	1,691,000	0.70	1,177,000	0.69
Ackerman Buick	Retail sales	1,606,000	0.66	1,281,000	0.75
Negwer Materials/Investments	Retail Sales	1,531,000	0.63	-	-
Coats Investment Ltd	Real Estate Holding Co.	1,370,000	0.57	1,119,000	0.65
Permalok (PC Redevelopment)	Manufacturing	1,277,000	0.53	-	-
Otis & Clark/St. Louis Invest. Prop	Real Estate Holding Co.	-	-	1,227,000	0.72
Totals		<u>\$ 39,292,000</u>	<u>16.22 %</u>	<u>\$ 22,506,000</u>	<u>13.15 %</u>

Source: St. Louis County Assessor



***CITY OF FERGUSON, MISSOURI***  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Original Tax Levy</u>	<u>Adjusted Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>		<u>Delinquent Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent Of Levy</u>	
2000	\$ 1,073,901	\$ 1,025,675	\$ 897,543	87.5	%	\$ 116,108	\$ 1,013,651	98.8	%
2001	1,106,964	1,036,684	891,052	86.0		117,764	1,008,816	97.3	
2002	1,142,954	1,125,931	965,810	85.8		93,207	1,059,017	94.1	
2003	1,140,658	1,067,766	902,016	84.5		94,835	996,851	93.4	
2004	1,128,168	1,133,568	1,042,668	92.0		94,742	1,137,410	100.3	
2005	1,125,240	1,129,347	965,928	85.5		189,564	1,155,492	102.3	
2006	1,172,244	1,177,642	1,087,504	92.3		83,248	1,170,752	99.4	
2007	1,192,232	1,197,689	1,104,141	92.2		110,835	1,214,976	101.4	
2008	1,208,931	1,208,931	1,083,238	89.6		103,773	1,186,971	98.1	
2009	1,264,932	1,210,069	972,588	80.4		211,332	1,184,921	97.9	

(1) Original levy adjusted for strikeouts and additions by St. Louis County Board of Equalization.

Source: St. Louis County Collector of Revenue

***CITY OF FERGUSON, MISSOURI***  
**SPECIAL ASSESSMENT COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Special Assessments Levied</u>	<u>Collected As Of June 30</u>	<u>Uncollected As Of June 30</u>	<u>Collection Ratio</u>
2000	\$ 13,383	\$ 10,432	\$ 2,063	78 %
2001	53,966	35,424	14,878	66
2002	31,484	16,708	13,833	53
2003	110,467	43,267	59,411	39
2004	108,745	24,863	69,432	23
2005	70,469	19,377	51,092	50
2006	67,285	31,069	36,216	46
2007	49,581	22,502	27,080	45
2008	59,359	29,810	29,549	50
2009	67,457	45,450	22,007	67

***CITY OF FERGUSON, MISSOURI***  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Governmental Activities

<u>Fiscal Year</u>	<u>Tax Increment Revenue Bonds (2)</u>	<u>Certificates of Participation (3)</u>	<u>Variable Rate Capital Improvement Bonds (4)</u>	<u>Capital Leases (5)</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2000	\$ 8,295,000	\$ -	\$ -	\$ -	\$ 8,295,000	0.69	\$ 332
2001	8,175,000	-	-	-	8,175,000	0.76	327
2002	8,010,000	-	-	-	8,010,000	0.77	320
2003	7,830,000	3,480,000	-	-	11,310,000	1.05	455
2004	7,145,000	3,355,000	-	-	10,500,000	0.98	440
2005	7,370,000	3,225,000	-	-	10,595,000	0.92	427
2006	6,935,000	3,095,000	2,250,000	77,982	12,357,982	1.07	508
2007	6,185,000	2,960,000	5,000,000	54,000	14,199,000	1.37	634
2008	5,510,000	2,820,000	4,850,002	72,714	13,252,714	1.37	539
2009	4,600,000	2,680,000	4,545,000	1,557,726	13,382,726	1.23	597

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) On September 12, 1997 the City issued tax increment bonds for the Crossings at Halls Ferry Redevelopment Project. These bonds were refunded on March 1, 2000 when the City issued \$7,370,000 in TIF bonds to refund the prior bonds.

(3) On October 3, 2002, the City issued certificates of participation of \$3,480,000 for the new aquatic facility known as the Splash at Wabash.

(4) In September 2005, the City issued \$2,250,000 in variable rate capital improvement bonds. The purpose of the bonds is to finance the cost of acquiring, constructing, rehabilitating, equipping, and improving certain capital improvement projects. On September 1, 2006, the city issued an additional \$2,750,000.

(5) Leases with Key Government Finance for the purchase of laptops and peripheral equipment for the police department. Additional leases in 2009 for 2 fire trucks and streetlights.

(6) See table entitled "Demographic and Economic Statistics" for personal income and population data.

***CITY OF FERGUSON, MISSOURI***  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)**  
**GENERAL OBLIGATION BONDED DEBT**  
**JUNE 30, 2009**

<u>Name Of Governmental Uni</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To City Of Ferguson</u>	<u>Amount Applicable To City Of Ferguson</u>
City of Ferguson	\$ -	100.00%	\$ -
St. Louis County	81,935,000	2.20	1,802,570
Ferguson-Florissant RII School District	5,855,000	25.80	<u>1,510,590</u>
Total Direct And Overlapping Debt			<u><u>\$ 3,313,160</u></u>

Source: Outstanding debt was obtained by contacting the taxing jurisdiction. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

***CITY OF FERGUSON, MISSOURI***  
**LEGAL DEBT MARGIN INFORMATION**  
**JUNE 30, 2009**

Net Assessed Value		<u><u>\$ 242,226,159</u></u>
Debt limit - 10% of assessed valuation*		\$ 24,222,616
Amount of debt applicable to debt limit:		
Total bonded debt	\$ -	
Less assets in Debt Service Fund	<u>-</u>	
Total Amount Of Debt Applicable To Debt Limit		<u>-</u>
Legal debt margin		<u><u>\$ 24,222,616</u></u>

Prior fiscal year information:

	<u>2007</u>
Debt limit	\$ 24,225,010
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 24,225,010</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.0%

\*Under Article VI, Sections 26(b) and 26(c) of the Missouri Constitution, the City by vote of 2/3 of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation.

***CITY OF FERGUSON, MISSOURI***

**PLEDGED REVENUE COVERAGE  
LAST SIX FISCAL YEARS**

**TIF Refunding and Improvement Bonds (1)**

Fiscal Year	TIF Sales Tax	TIF Property Tax	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2004	\$ 452,887	\$ 259,775	\$ 12,680	\$ 699,982	\$ 215,000	\$ 557,225	0.91 %
2005	463,223	270,318	(18,623)	752,163	-	270,819	2.78
2006	616,483	452,804	34,482	1,034,805	435,000	345,356	1.33
2007	628,300	506,052	46,207	1,088,145	750,000	304,610	1.03
2008	628,300	506,052	46,207	1,088,145	675,000	292,480	1.03
2009	540,790	412,512	-	953,302	910,000	254,418	0.82

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include interest, depreciation, or amortization expenses.

(1) TIF Revenue Bonds are backed by sales and property taxes in the Halls Ferry TIF area.

***CITY OF FERGUSON, MISSOURI***  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (<i>thousands of dollars</i>)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2000	\$ 22,406	\$ 1,072,508	\$ 47,867	3.0 %
2001	22,406	969,911	43,288	3.7
2002	22,406	934,285	41,698	4.9
2003	22,406	972,241	43,392	5.0
2004	22,406	1,010,533	45,101	5.1
2005	22,406	1,036,815	46,274	5.5
2006	22,406	1,063,772	47,477	5.1
2007	22,406	1,040,054	48,838	5.3
2008	22,406	1,122,715	50,108	5.1
2009	22,406	1,090,836	48,685	10.1

Source:

Population and per capita personal income data for the City using the U.S. Census Bureau data for the area and Bureau of Economic Analysis for St. Louis County. Unemployment rate data was located using the U.S. Department of Labor, Bureau of Labor Statistics website.

Note:

Per capita personal income for year 2005 used consumer price index for midwest state as a percent of change from 2004.

***CITY OF FERGUSON, MISSOURI***  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Jeff I left prior numbers in, in case they did not change

<u>Employer</u>	<u>2008/09 Fiscal Year</u>			<u>1999/2000 Fiscal Year</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment (1)</u>	<u>Employees</u>	<u>Rank (1)</u>	<u>Percentage of Total City Employment (1)</u>
Emerson Electric	675	1	5.56	413		unknown
Walmart	300	2	2.47	unknown		unknown
Shop N Save - 2 stores	185	3	1.52	not opened		unknown
Sam's Club	170	4	1.40	unknown		unknown
Home Depot	154	5	1.27	150		unknown
Negwar Materials	120	6	0.99	70		unknown
Cracker Barrel	120	7	0.99	unknown		unknown
Walgreens - 1 store	33	8	0.83	not opened		unknown
McDonalds Restaurant	60	9	0.49	60		unknown
McDonalds Restaurant	55	10	0.45	55		unknown
Circuit City	-	-	-	50		unknown
Shoe Carnival	-	-	-	30		unknown

(1) Information unavailable at this time.

Source: Business License database from Finance Department



***CITY OF FERGUSON, MISSOURI***  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
General government:										
Legislative Department:										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Clerk	1	1	1	1	1	1	1	1	1	1
Administration Department	2	2	2	2	2	2	2	4	4	4
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	-	-	-	-	-	-	-	1	1	1
Finance Department	3	4	4	4	5	3	3	3	3	3
Public Works Administration	3	3	3	3	3	3	3	3	3	2
Community Development:										
Planning and Development	2	3	2	3	2	3	4	4	4	4
Public Safety:										
Municipal Court	3	3	3	4	3	3	3	3	3	3
Police Department:										
Commissioned officers	50	51	51	52	52	52	53	52	54	54
Civilians	10	10	10	10	10	10	13	11	11	11
Fire Department	24	24	24	24	24	24	24	27	27	27
Code Enforcement	5	7	7	7	7	5	5	7	6	6
Highways and Streets:										
Municipal Services (Streets)	13	13	13	13	12	12	12	12	16	16
Municipal Garage	3	3	3	3	3	3	3	3	3	3
Parks and Recreation	10	10	10	10	10	10	10	8	5	4
Total	<u>137</u>	<u>137</u>	<u>137</u>	<u>142</u>	<u>141</u>	<u>144</u>	<u>142</u>	<u>147</u>	<u>149</u>	<u>147</u>

Source: City of Ferguson, Missouri budget.

***CITY OF FERGUSON, MISSOURI***  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

		<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Highways/Streets:</u>											
Miles of streets:	paved	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15
	unpaved	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85
Miles of alleys		0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Miles of sidewalks		41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52
Miles of sewers:	storm	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27
	sanitary	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59
Number of street lights		1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,126	1,161	1,161
<u>Fire protection:</u>											
Number of stations		2	2	2	2	2	2	2	2	2	2
Fire hydrants		597	598	598	598	598	598	598	598	598	598
<u>Vehicles:</u>											
Pumpers		3	3	3	3	3	3	3	3	3	3
Pumper/Telesquirt		1	1	1	1	1	1	1	1	1	1
Rescue trucks		1	1	1	1	1	1	1	1	1	1
Foam truck		1	1	1	1	1	1	1	1	1	1
<u>Police protection:</u>											
Number of stations		1	1	1	1	1	1	1	1	1	1
<u>Parks and recreation:</u>											
Acres of parks		107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7
Number of parks		11	11	11	11	11	11	11	11	11	11

Source: Various departments of the City of Ferguson, Missouri.