
***CITY OF FERGUSON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020***



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



PRINCIPAL OFFICIALS

MAYOR

Ella M. Jones

COUNCIL MEMBERS

Linda Lipka
Heather Robinett
J. Toni Burrow
Fran Griffin
Byron Fry
Stephen Garrett

INTERIM CITY MANAGER

Jeffrey B. Blume

DIRECTOR OF PUBLIC WORKS

Donald Boyce

DIRECTOR OF PARKS & RECREATION

David Musgrave

CHIEF - FIRE DEPARTMENT

John Hampton

CHIEF - POLICE DEPARTMENT

Jason Armstrong

DIRECTOR OF FINANCE

Alexis Miller

DIRECTOR OF PLANNING AND DEVELOPMENT

Elliot Liebson

CITY CLERK

Octavia Pittman

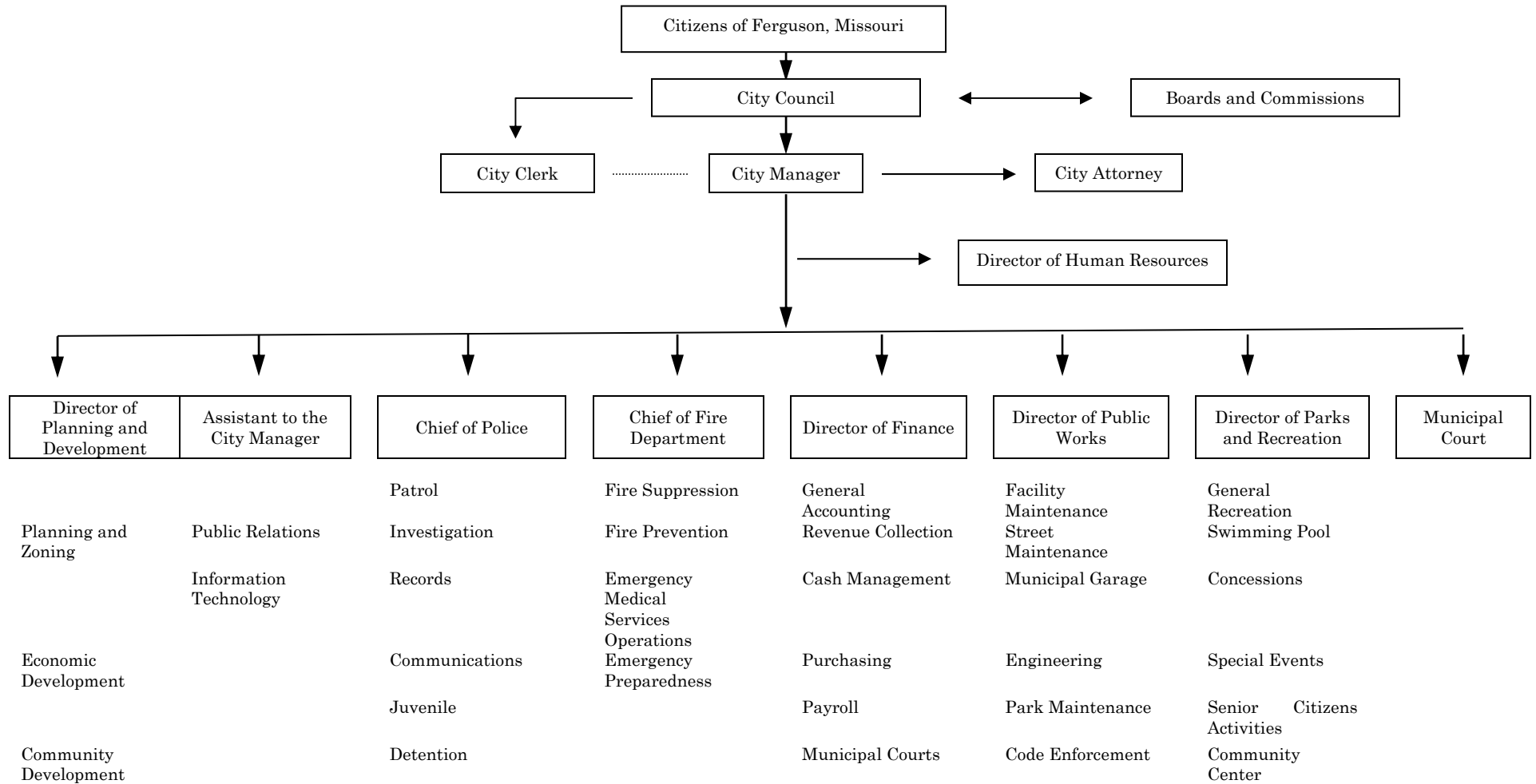
DIRECTOR OF HUMAN RESOURCES

Veta Crosswhite

ASSISTANT TO THE CITY MANAGER

Chris Crabel

ADMINISTRATIVE ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Reporting

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**City of Ferguson
Missouri**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



CITY OF FERGUSON

MISSOURI 63135

December 15, 2020

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, 2020. This year's comprehensive annual financial report (CAFR) is the sixteenth year that the City has presented its financial statements under the reporting model required by 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 & Co., P.C., 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, 2020, 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 their audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Ferguson, Missouri's financial statements for the fiscal year ended June 30, 2020, 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.

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

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.

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, the City has operated 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, and Police Chief, and appointing the Municipal Judge and Prosecuting Attorney. 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 three Council members elected in each of two years. The Mayor is elected, at large, to serve a three-year term, in the third year of the three-year cycle.

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 board of the City. It was created by ordinance to maintain and improve the City's downtown business district. Its activities are included as a special revenue fund. The Ferguson Neighborhood Improvement Program (FNIP) is a not-for-profit corporation. It was established to assist in rehabilitation and restoration of housing and residential properties in the City utilizing resources unavailable to the City. The FNIP Board of Directors is appointed by the City Council. However, the City cannot "impose its will" on FNIP. It is not a component unit. Complete financial statements of FNIP may 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 about seven (7) square miles and serves a population of 21,086 residents, who are ideally located to commute to employment in downtown St. Louis or to any of the many nearby commercial areas. 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 the Crossings at Halls Ferry. North County Festival includes Wal-Mart, Sam's Club and a variety of smaller stores, while the Crossings at Halls Ferry is anchored by Home Depot, with many other smaller stores. A number of restaurants are also located in the area. The other anchor, Shop'n Save, closed in December 2018 and has not been backfilled at this time.

Efforts are well underway to redevelop the City's historic downtown business district. A pay-as-you-go Tax Increment Financing (TIF) district was established in September, 2002 to assist with redevelopment of the downtown business district. TIF assistance is 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 is in the process of transforming 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 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, Schnuck Markets, SKF Lincoln, 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. As such, revenues are recorded when measurable and available, and expenditures are 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 30th, 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.

All governmental funds are appropriated. The single exception to this statement is the North Park Redevelopment TIF Fund (North Park) which earns less than \$500 per year in revenue and has no expenditures. Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund and Parks Fund, this comparison is presented as required supplementary information. For all other governmental funds, except North Park, final budget-to-actual comparisons are found in other supplementary information. Budgets are prepared on a basis consistent with GAAP.

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. These internal controls are subject to periodic evaluation by the City's management and staff. In years when Federal grant receipts exceed \$750,000, 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 the Uniform Guidance. For the fiscal year ended June 30, 2020, the City did not meet the minimum threshold of the Single Audit Act. Accordingly, no audit was performed.

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 project funds. The primary sources of financing for these improvements include capital improvement sales tax, 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 obligations of the U.S. Treasury and other US Agencies. The maturities of the investments range from overnight to up to ten years. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all of the City's 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 the 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, professionally managed cities. The Daniel & Henry Company provides claims administration for the trust. The City is provided liability coverage by Missouri Public Entity Risk Management Fund (MOPERM). 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 six debt issues outstanding. These issues and original issue amounts include (1) \$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, which were defeased in April 2012 and refinanced in the amount of \$2,065,000 (2) \$5,000,000 in variable rate bonds for infrastructure improvements, (3) \$8,000,000 in general obligation bonds related to land purchase and construction of a replacement of Firehouse 1, and (4) \$9,500,000 in certificates of participation bonds issued to purchase land and remodel existing buildings (5) \$1,016,900 in certificates of participation bonds issued to purchase a new heavy duty pumper. At year end, the City had a capital lease obligation outstanding. The original issue cost of the lease is \$1,086,136. Lease funds were expended for the acquisition and installation of energy saving equipment (HVAC and street lighting). Under the terms of the lease agreement, it is the City's intent to purchase the leased assets at the end of the lease term.

Pension - The City of Ferguson sponsors a single-employer defined benefit pension plan (the Plan) for substantially all full-time employees. Plan governance is the responsibility of an 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 plan contribution. In each of the last five 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 and the City's website (www.fergusoncity.com).

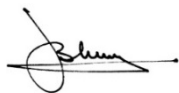
AWARDS AND ACKNOWLEDGEMENTS

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, 2019. This was the sixteenth 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 for GFOA 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, we would like to acknowledge the assistance of our independent auditors, Botz, Deal & Company, P.C. Their assistance and recommendations, both in the preparation of this report, as well as their consultations and interim reviews, are sincerely appreciated.

Respectfully submitted,



Jeffrey B. Blume
Interim City Manager



Alexis Miller
Director of Finance

Financial Section

INDEPENDENT AUDITORS' REPORT



The Honorable Mayor and Members of
the City Council of the
CITY OF FERGUSON, MISSOURI

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of June 30, 2020, and the respective changes in the financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

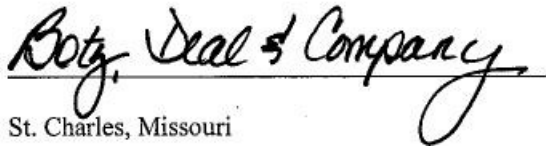
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis budgetary comparison information, schedule of changes in net pension liability, investment returns and related ratios, schedule of actuarially determined contributions, and schedule of changes to total other post-employment benefits and related ratios and on pages 4 through 13 and 52 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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, combining nonmajor fund financial statements, budgetary comparison schedules, statement of changes in assets and liabilities - Agency Fund, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, budgetary comparison schedules, and statement of changes in assets and liabilities - Agency Fund included in the supplemental information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules, and statement of changes in assets and liabilities - Agency Fund are fairly stated in all material respects in relation to the 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 do not express an opinion or provide any assurance on them.


St. Charles, Missouri

December 15, 2020

CITY OF FERGUSON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information 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 and deferred outflows exceeded its liabilities and deferred inflows by \$32,941,363. This represents an decrease of \$290,929 from operations for the fiscal year ending June 30, 2020.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,287,797. This represents an increase of \$163,715 from current year operations.

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 that the government-wide financial statements exclude fiduciary fund activities.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 (continued)

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.

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 function 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 nonmajor 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.

The City adopts an annual appropriated budget for its General Fund, Parks [Special Revenue] Fund, Capital Improvements Sales Tax [Capital Projects] Fund, Special Business District [Special Revenue] Fund, Farmers' Market Fund [Special Revenue], Sewer Lateral [Special Revenue] Fund, Economic Development Sales Tax [Special Revenue] Fund, Downtown TIF Redevelopment [Special Revenue] Fund, Certificates of Participation [Debt Service] Fund, and General Obligation Bonds [Debt Service] Fund. Budgetary comparison schedules have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

The City does not appropriate funds for the North Park Redevelopment TIF Fund. The fund typically receives *de minimus* amounts of revenue annually and has no expenses and no substantial fund balance.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$32,941,363 at June 30, 2020.

The largest portion of the City's net position 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 (continued)

Governmental Activities			
	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Current and other assets	\$ 13,314,509	\$ 14,838,987	\$ (1,524,478)
Capital assets	<u>37,301,400</u>	<u>37,309,620</u>	<u>(8,220)</u>
Total assets	<u>50,615,909</u>	<u>52,148,607</u>	<u>(1,532,698)</u>
 Total deferred outflows of resources	 <u>1,959,602</u>	 <u>546,640</u>	 <u>1,412,962</u>
 Current and other liabilities	 3,485,983	 3,353,946	 132,037
Long-term liabilities	<u>15,285,568</u>	<u>15,047,986</u>	<u>237,582</u>
Total liabilities	<u>18,771,551</u>	<u>18,401,932</u>	<u>369,619</u>
 Total deferred inflows of resources	 <u>862,597</u>	 <u>1,061,023</u>	 <u>(198,426)</u>
 Net position:			
Net investment in capital assets	24,070,312	23,089,137	981,175
Restricted	5,596,267	4,713,962	882,305
Unrestricted	<u>3,274,784</u>	<u>5,429,193</u>	<u>(2,154,409)</u>
Total net position	<u>\$ 32,941,363</u>	<u>\$ 33,232,292</u>	<u>\$ (290,929)</u>

Governmental Activities

On a government-wide basis, governmental activities resulted in the City's net position decreasing by \$290,929.

As disclosed in prior year's financial statements, in August 2014, one of the City's police officers was involved in a use of deadly force incident which resulted in the death of an individual. This event precipitated civil unrest. The response to the unrest, as well as other related matters, resulted in significant, continued expenditures and lost revenues.

The following narrative illustrates key elements of the increase in net position as a result of governmental activities, as shown on the following table.

- Overall, charges for services decreased about \$491,000. The most significant component of this decrease was due to the COVID-19 pandemic, the city chose to provide relief to local businesses by extending the due date for business licenses from May 1st, to August 1st. This resulted in about \$170,000 in revenue from Fiscal year 2020 to fiscal year 2021. Also due to the pandemic, the Community Center was required to cancel room rentals and events, as well as not opening the pool this year reducing revenues by about \$139,000. The remainder was smaller differentials aggregating to the balance.
- Operating grants decreased by about \$1,126,000. The majority of the decrease is the result of timing of surface transportation projects (STP). The City substantially completed construction on the Highmont and January Brotherton Powell Street projects in Fiscal Year 2019. The City has two new STP street projects, S. Florissant Rd and Frost, both of which are still in the engineering phase. The City does receive grant funds for reengineering costs for the street projects, but it is not as significant an expenses as that of street construction.

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

- Overall, sales tax receipts dropped slightly as a result of the pandemic. Sales taxes from the Saint Louis County sales tax (POOL) saw a decline during the last quarter of Fiscal Year 2020. The City does receive both POOL and point of sale (POS) tax revenue, this along with a two-month delay in reporting allowed the city to see a smoother impact to Sales Tax Revenue - POOL tax revenue is down, POS is up.
- The approximately \$55,000 increase in Miscellaneous revenues is the result of a one-time asset sale. The City sold a number of vehicles at auction.
- In total, General Government expenditures increased about \$819,000 or about 27%. This is due in large part to the following:
 - Hiring two new positions- Consent Decree Coordinator and Assistant to the City Manager, which aggregated to about \$175,000.
 - Recruiting costs for the Police department and Assistant Director of Finance position added about \$25,000 in expenses.
 - During fiscal year 2020, the City settled a number of lawsuits. These expenditures along with higher than anticipated professional fees related to ongoing litigation caused litigation costs to rise by slightly more than \$510,000.
 - The City experienced a significant server failure requiring a third party to rebuild the infrastructure at a cost of \$50,000.
- Overall, Public Safety expenses increased about \$617,000 in Fiscal Year 2020 to about \$9,300,000. Operating costs in both Code Enforcement and Municipal Courts decreased by about \$33,000 and \$42,000, respectively. Police Operating costs for Fiscal Year 2020 increased by about \$25,000 to about \$4,478,000. These relatively de minimis changes reflect the static nature of operations and operational costs in the current economic environment. Fire operating costs increased about \$154,000 to about \$2,800,000. This increase is entirely the result of the addition of four (4) fire privates. These personnel were added as a result of the City's award of the AFG SAFER Grant which reimburses about 75% of costs. The balance of the functional increase of about \$500,000 is the result of GASB required allocation of government wide costs related to compensated absences and pension costs.
- Highway and Streets costs decreased by about \$488,000 in Fiscal Year 2020 to about \$2,895,000. Of this amount, street maintenance costs decreased about \$53,000 to about \$841,000. Municipal garage costs decreased about \$6,700 to about \$756,000. Public Works Administrative costs remained constant at about \$158,000. The balance of the decrease is related to a significant reduction in capital outlay, as mentioned earlier in regard to the decrease in grant revenue.
- Community Development costs decreased about \$251,000 or 27%, to about \$657,000 in Fiscal Year 2020. About \$51,000 of the decrease resulted from the reduction in Ferguson Special District Fund activities which include the Ferguson Farmers Market whose management is now done on a contractual basis. Planning and Development costs increased about \$5,000 to about \$212,000. In the aggregate Economic Development Fund and Downtown TIF Fund costs decreased about \$233,000, principally as a result of fewer development projects.

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

- Culture and Recreation costs decreased about \$109,000 to about \$1,771,000 in Fiscal Year 2020. Virtually every single account balance within this functional area shows a year-over-year decrease, including utilities, which to a very large degree are fixed in nature. Because of the public nature of its programs and activities, as the COVID-19 pandemic took root, this functional area experienced the most significant reduction in activities and revenues in the entire City. While not pandemic causal, this functional area experienced about a 17% reduction in force. As a result of the pandemic, all rentals and program events were cancelled or deferred to after March 15, 2020. This resulted in a revenue loss of about \$139,000. This revenue loss was off-set by a total expense decrease of about \$114,000. While not dollar-for-dollar, all things being equal, the expense savings compares very favorably to the revenue loss.
- Overall, Interest and Fiscal Charges decreased about \$16,000, or 4%, to about \$420,000 for Fiscal Year 2020. While relatively small, this decrease is resultant of the overall decrease in debt burden of the City as indicated on page 11. As indicated, total debt decreased by about \$980,000, or about 7% in Fiscal Year 2020. This is not a percentage point for percentage point decrease between debt and interest mostly because by the nature of municipal debt, older tranches of debt bear interest at a higher rate.

Governmental Activities

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for service	\$ 1,151,416	\$ 1,642,969	\$ (491,553)
Grants and contributions	1,844,000	2,970,026	(1,126,026)
General revenues:			
Taxes	15,133,719	15,284,856	(151,137)
Interest income	268,136	261,853	6,283
Miscellaneous	164,397	108,705	55,692
Total revenues	<u>18,561,668</u>	<u>20,268,409</u>	<u>(1,706,741)</u>
Expenses:			
General government	3,831,945	3,012,594	819,351
Public Safety	9,276,253	8,658,537	617,716
Highway and streets	2,895,814	3,384,530	(488,716)
Community development	657,072	908,975	(251,903)
Culture and recreation	1,771,500	1,881,122	(109,622)
Interest and fiscal charges	420,013	436,435	(16,422)
Total expenses	<u>18,852,597</u>	<u>18,282,193</u>	<u>570,404</u>
Increase (decrease) in net position	(290,929)	1,986,216	(2,277,145)
Net position, beginning of year	<u>33,232,292</u>	<u>31,246,076</u>	<u>1,986,216</u>
Net position, end of year	<u>\$ 32,941,363</u>	<u>\$ 33,232,292</u>	<u>\$ 1,986,216</u>

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

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.

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 may be useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the main operating fund of the City. At June 30, 2020, the unassigned fund balance of the General Fund was \$3,865,102 and the total fund balance was \$4,280,519. The difference of \$415,417 represents non-spendable fund balance (prepaid items and inventory). As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 28.0% of total General Fund expenditures of \$13,762,002 as compared to 30.0% in Fiscal Year 2019.

The General Fund's fund balance decreased by \$782,480 in Fiscal Year 2020. There were several factors that influenced the decrease in fund balance in 2020. Overall, revenues decreased about \$500,501. A large portion of those decreases were due to the COVID-19 pandemic. The City elected to push back business license due dates until the next fiscal year as well as seeing a decline in sales tax revenue during the latter part of Fiscal Year 2020. Expenses for the year also increased due to a couple unforeseen circumstances. With the pandemic came additional costs to ensure the health and safety of not only the City's employees, but also that of residents that utilize City resources. In June 2020, with the death of George Floyd, the nation as a whole experienced civil unrest and, since 2014, the City has become a focal point of that unrest. In an effort to move forward from the events of 2014 and the subsequent lawsuits, the City undertook to settle a number of lawsuits. This negatively impacted fund balance. The combination of the reduction in revenues due to the pandemic, and the unforeseen circumstances resulted in a negative change in fund balance. The City is committed to accreting to the fund balance annually, and prior to the pandemic and unrest, the City was anticipating a positive change in fund balance for the year.

Significant changes in other fund's fund balances are as follows:

- With respect to the Parks Special Revenue Fund, the total increase in revenues of about \$85,500 was due in part to an increase in Parks/Storms Sales Tax revenues of about \$25,800 which were the result of being a point of sale tax, dependent on purchases made within the City; which wasn't as impacted by the COVID-19 pandemic.
- With respect to the Capital Improvements Sales Tax Fund, revenues decreased by about \$519,000 in the current fiscal year. This is entirely the result of not being in the construction phase of any capital projects supported by federal grants. The City had one construction project that completed at the beginning of the fiscal year, and then two projects that were in the engineering stage with significantly less grant revenue associated.

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

- With respect to the Sewer Lateral Special Revenue Fund, fund balance increased by almost \$40,000 this year which is about \$30,000 less than the previous year. This is the result of decreased revenues, about \$20,000, due evenly to decreased tax revenues as well as a decrease of interest/investment income, and about \$10,000 in increased expenses for projects. The pandemic has had people spending more time at home and therefore having plumbing/sewer lateral repairs completed.
- With respect to the Economic Development Sales Tax (EDST) Fund, fund balance increased just over \$600,000. This is in part the result of the underutilization of the business assistance grant program. It was anticipated that local businesses within the City would respond enthusiastically at the opportunity for a business grant. The program has since been revamped and has seen better utilization.
- With respect to the Downtown TIF Special Revenue Fund, fund balance increased by over \$330,000. This is the result of greater revenues and decreased expenses. The fund's decrease in expenditures was mainly due to the existence of only one redevelopment grant payment due to construction progress.
- With respect to the General Obligation Bonds Debt Service Fund, fund balance increased by over \$37,000. This increase is the result of tax collections exceeding required debt service payments.

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.

Capital Assets

The City has invested \$37,301,400, net of depreciation, in a broad range of capital assets as of June 30, 2020. This investment in capital assets is summarized as follows.

Capital Assets, Net of Depreciation

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Land	\$ 3,979,552	\$ 3,979,552	\$ -
Construction in progress	50,562	1,252,289	(1,201,727)
Buildings and improvements	18,763,317	19,836,823	(1,073,506)
Machinery and equipment	1,140,714	754,034	386,680
Motor vehicles	2,953,659	2,174,118	779,541
Infrastructure	10,413,596	9,312,804	1,100,792
Total	<u>\$ 37,301,400</u>	<u>\$ 37,309,620</u>	<u>\$ (8,220)</u>

Additional information regarding the City's capital assets may be found in Note 6 of the Notes to Financial Statements.

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

Long-Term Debt

The City's outstanding long-term debt obligations for governmental activities decreased by about \$1M to \$13,240,980 at June 30, 2020. The net decrease in the City's long-term debt obligations is the result of debt service payments offset by debt issued of \$556,420.

The following summarizes the City's governmental activities debt:

	Governmental Activities		
	2020	2019	Variance
Variable Rate Capital Improvement Bonds 2005	\$ 244,983	\$ 714,950	\$ (469,967)
Certificates of Participant, Series 2012	435,000	650,000	(215,000)
Certificates of Participant, Series 2013	6,400,000	6,810,000	(410,000)
Certificates of Participant, Series 2019	556,420	-	556,420
General Obligation Bonds, Series 2011	4,865,000	5,240,000	(375,000)
Capital lease	739,577	806,636	(67,059)
Total Governmental Activities	<u>\$ 13,240,980</u>	<u>\$ 14,221,586</u>	<u>\$ (980,606)</u>

Additional information regarding the City's long-term debt may be found in Note 7 of the Notes to Financial Statements.

Significant Variances between Final Budgets and Actual

The following represent the most significant variances between final budget and actual results for the City's General Fund revenues and expenses -

- Regarding revenues, the final budget of anticipated total revenues was set at \$11,760,800 which is about \$1,101,000 less than the original budget of \$12,861,900. This final estimate was based on nine (9) months of collections data and trying to estimate the sales tax revenues attributable to a unspecified length county-wide shut-down due to the COVID-19 pandemic. Actual revenues of about \$11,989,000 result in an unfavorable variance of almost \$872,300, or almost 7% from the original budget. Fourth quarter sales tax collections were not as negatively impacted as initially anticipated.
- Civil unrest at year end, combined with increased litigation costs created an unfavorable variance of about \$107,000 above forecast expenditures. This represents about a 1% favorable variance from the original total expense budget of \$13,867,590, but about a 1% negative variance from forecasted expenditures of about \$13,654,000. Additional budget amendments of \$272,050 were made to the forecast to bring the final budget to \$13,926,050.

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

The Parks Fund had a positive variance of about 5% or about \$100,000 from the original revenue budget of \$2,131,600. While revenues were forecasted to drop due to the pandemic, point of sales tax revenues were not impacted as significantly as sales tax revenues from the County Pool. The final budget of anticipated expenditures was set at almost \$1,287,000 or almost 70% less than originally budgeted at \$1,668,560. Expenditures were forecasted low due to anticipated expense reductions required due to the pandemic and not having an end date for the county-wide shut down. Expenditures showed a negative variance of about \$56,000 due to two projects that were not accounted for in the forecast for completion prior to year-end. They were, however, included in the budgeted capital schedule. Additional budget amendments of approximately \$120,000 were made to the forecast to bring the final budget to \$1,407,692.

Economic Factors and Next Year's Budget

One of the City's greatest challenges has been devising a plan to continue to deliver services and maintain operations with a substantially eroded revenue base while dealing with exogenous issues like consent decree compliance. And to a very large degree, it has succeeded. At this juncture, the City still has many challenges ahead of it. Unlike in the past, today, most of those challenges are known and a plan exists to meet them.

With anticipated revenues of \$11,676,600 for Fiscal Year 2021, the City has had to estimate sales tax revenues amid the pandemic. The City has forecasted that there will be a significant shut down or slow-down in sales tax revenues at some point during the second and or third quarter due to pandemic. The City had not anticipated receiving any CARES Act Funding from Saint Louis County to cover expenses incurred by the City. Therefore, there was a projected salary furlough of up to 10% should the CARES Act funding not be received. In doing so, the City had committed to sharing the burden of this revenue shortfall with a budgeted negative variance in fund balance of almost \$525,000. The City has received CARES Act Funds, and now projects revenues to be about \$13,000,000, and expenditures of about \$14,000,000. The increased revenues along with other financing sources leads the City to believe that there will be a slight positive Fund Balance variance at year end of about \$50,000.

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.

Basic Financial Statements

CITY OF FERGUSON, MISSOURI

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 9,366,103
Taxes receivable:	
Property	544,369
Sales	1,541,056
Other	443,353
Accounts receivable - net	812,765
Prepaid items	380,593
Inventory	126,290
Cash and investments - restricted	99,980
Capital assets - net	
Nondepreciable	4,030,114
Depreciable	33,271,286
TOTAL ASSETS	<u>50,615,909</u>
DEFERRED OUTFLOWS OF RESOURCES	
Bond refunding	7,681
Pension related deferred outflows	1,913,032
Other post employment benefits related deferred outflows	38,889
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>1,959,602</u>
LIABILITIES	
Accounts payable	536,495
Wages and benefits payable	242,333
Other liabilities	2,409,309
Accrued interest payable	112,136
Unearned revenue	185,710
Noncurrent liabilities:	
Due in one year	1,547,627
Due in more than one year	12,396,362
Net pension liability	1,092,117
Total other post employment benefits liability	249,462
TOTAL LIABILITIES	<u>18,771,551</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	836,148
Other post employment benefits related deferred inflows	26,449
TOTAL DEFERRED INFLOW OF RESOURCES	<u>862,597</u>
NET POSITION	
Net investment in capital assets	24,070,312
Restricted for:	
Parks	988,711
Debt service	1,090,905
Economic development	1,613,625
Downtown TIF	605,053
Sewer Lateral	1,297,973
Unrestricted	3,274,784
TOTAL NET POSITION	<u>\$ 32,941,363</u>

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

CITY OF FERGUSON, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 3,831,945	\$ 439,092	\$ -	\$ 68,094	\$ (3,324,759)
Public safety	9,276,253	238,595	30,656	5,000	(9,002,002)
Highway and streets	2,895,814	280,404	-	1,289,811	(1,325,599)
Community development	657,072	-	-	-	(657,072)
Culture and recreation	1,771,500	193,325	-	450,439	(1,127,736)
Interest and fiscal charges	420,013	-	-	-	(420,013)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 18,852,597</u>	<u>\$ 1,151,416</u>	<u>\$ 30,656</u>	<u>\$ 1,813,344</u>	<u>(15,857,181)</u>
General revenues:					
Taxes:					
Sales					9,573,316
Utility					2,680,938
Property					2,879,465
Interest income					268,136
Other revenue					164,397
TOTAL GENERAL REVENUES					<u>15,566,252</u>
CHANGE IN NET POSITION					<u>(290,929)</u>
NET POSITION - BEGINNING OF YEAR					<u>33,232,292</u>
NET POSITION - END OF YEAR					<u>\$ 32,941,363</u>

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

CITY OF FERGUSON, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Parks Fund	Capital Improvements Sales Tax	Other Nonmajor Funds	Total
ASSETS					
Cash and investments	\$ 2,596,261	\$ 4,426,894	\$ 102,893	\$ 2,240,055	\$ 9,366,103
Taxes receivable:					
Sales	865,023	196,157	220,177	259,699	1,541,056
Property	304,459	74,329	-	165,581	544,369
Other	443,353	-	-	-	443,353
Accounts receivable - net	238,392	454,056	120,317	-	812,765
Due from other funds	3,063,288	-	-	2,083,635	5,146,923
Prepaid items	289,127	58,481	32,985	-	380,593
Inventory	126,290	-	-	-	126,290
Restricted:					
Cash and investments	-	-	99,980	-	99,980
TOTAL ASSETS	<u>\$ 7,926,193</u>	<u>\$ 5,209,917</u>	<u>\$ 576,352</u>	<u>\$ 4,748,970</u>	<u>\$ 18,461,432</u>
LIABILITIES					
Accounts payable	\$ 450,035	\$ 4,728	\$ 52,531	\$ 29,201	\$ 536,495
Due to other funds	33,511	4,139,680	862,129	111,603	5,146,923
Wages and benefits payable	233,543	8,790	-	-	242,333
Other liabilities	2,409,309	-	-	-	2,409,309
Unearned revenue	176,183	9,527	-	-	185,710
TOTAL LIABILITIES	<u>3,302,581</u>	<u>4,162,725</u>	<u>914,660</u>	<u>140,804</u>	<u>8,520,770</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	254,477	62,563	-	132,860	449,900
Grants	-	-	114,349	-	114,349
Other	88,616	-	-	-	88,616
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>343,093</u>	<u>62,563</u>	<u>114,349</u>	<u>132,860</u>	<u>652,865</u>
FUND BALANCES:					
Nonspendable	415,417	58,481	32,985	-	506,883
Restricted for:					
Parks	-	926,148	-	-	926,148
Debt service	-	-	-	986,637	986,637
Capital projects	-	-	-	610	610
Economic development	-	-	-	1,613,625	1,613,625
Downtown TIF	-	-	-	576,461	576,461
Sewer Lateral	-	-	-	1,297,973	1,297,973
Unassigned	3,865,102	-	(485,642)	-	3,379,460
TOTAL FUND BALANCES	<u>4,280,519</u>	<u>984,629</u>	<u>(452,657)</u>	<u>4,475,306</u>	<u>9,287,797</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,926,193</u>	<u>\$ 5,209,917</u>	<u>\$ 576,352</u>	<u>\$ 4,748,970</u>	<u>\$ 18,461,432</u>

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

CITY OF FERGUSON, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

Total fund balance per balance sheet	\$ 9,287,797
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	37,301,400
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	652,865
Certain items related to the pension plan are recorded as deferred inflows of resources and deferred outflows of resources in the statement of net position. They do not affect current financial resources and, therefore, are not reported in the fund statements.	1,076,884
Certain items related to the other post employment benefit plan are recorded as deferred outflows of resources in the statement of net position. They do not affect current financial resources and, therefore, are not reported in the fund statements.	12,440
Interest on long-term debt is accrued as a liability in the government-wide statements but is not recognized in the government funds until due.	(112,136)
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:	
Net pension liability	(1,092,117)
Net other post employment benefit obligation	(249,462)
Accrued compensated absences	(612,921)
Deferred items on refunding	7,681
Outstanding debt, including premiums	(13,331,068)
Net position of governmental activities	<u><u>\$ 32,941,363</u></u>

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

CITY OF FERGUSON, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Parks Fund	Capital Improvements Sales Tax Fund	Other Nonmajor Funds	Total
REVENUES					
Taxes	\$ 9,552,684	\$ 1,524,720	\$ 1,417,161	\$ 2,656,624	\$ 15,151,189
Intergovernmental	1,172,523	450,439	746,824	-	2,369,786
Licenses and permits	556,056	-	-	16,054	572,110
Charges for service	309,361	193,325	-	-	502,686
Fines and forfeitures	200,175	-	-	-	200,175
Investment income	157,216	64,790	8,934	37,196	268,136
Other income	41,616	4	-	-	41,620
TOTAL REVENUES	<u>11,989,631</u>	<u>2,233,278</u>	<u>2,172,919</u>	<u>2,709,874</u>	<u>19,105,702</u>
EXPENDITURES					
Current:					
General government	3,479,090	-	-	-	3,479,090
Public safety	7,871,523	-	-	-	7,871,523
Highways and streets	1,756,264	-	-	-	1,756,264
Community development	212,344	-	-	430,896	643,240
Culture and recreation	405,857	732,260	-	-	1,138,117
Capital outlays	36,924	610,689	2,110,818	-	2,758,431
Debt service:					
Principal, interest and fiscal charges	-	-	611,453	1,351,478	1,962,931
TOTAL EXPENDITURES	<u>13,762,002</u>	<u>1,342,949</u>	<u>2,722,271</u>	<u>1,782,374</u>	<u>19,609,596</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,772,371)</u>	<u>890,329</u>	<u>(549,352)</u>	<u>927,500</u>	<u>(503,894)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	978,063	(831,878)	(300,000)	153,815	-
Proceeds from the issuance of debt	-	-	556,420	-	556,420
Proceeds from the sale of capital assets	-	11,845	36,800	-	48,645
Insurance proceeds	11,828	-	50,716	-	62,544
TOTAL OTHER FINANCING SOURCES (USES)	<u>989,891</u>	<u>(820,033)</u>	<u>343,936</u>	<u>153,815</u>	<u>667,609</u>
CHANGE IN FUND BALANCE	<u>(782,480)</u>	<u>70,296</u>	<u>(205,416)</u>	<u>1,081,315</u>	<u>163,715</u>
FUND BALANCES - BEGINNING OF YEAR,	<u>5,062,999</u>	<u>914,333</u>	<u>(247,241)</u>	<u>3,393,991</u>	<u>9,124,082</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 4,280,519</u></u>	<u><u>\$ 984,629</u></u>	<u><u>\$ (452,657)</u></u>	<u><u>\$ 4,475,306</u></u>	<u><u>\$ 9,287,797</u></u>

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, 2020

Change in fund balance-total governmental funds	\$ 163,715
Revenues that do not provide current financial resources are not included in the fund financial statements.	(643,378)
Acquisition of capital assets requires the use of current financial resources, but has no effect on net position.	2,106,728
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities.	(2,096,892)
Net effect of transactions involving the disposal of capital assets.	(18,056)
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds:	
Compensated absences	(125,057)
Net other post-employment benefits obligation	(2,285)
Accrued interest	5,787
Amortization of deferred items related to debt	105
Pension expense	(662,202)
Proceeds from the issuance of debt is reflected as other financing sources in the fund statements, however it is an increase in liabilities in the statement of net position.	(556,420)
Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.	<u>1,537,026</u>
Change in net position of governmental activities	<u><u>\$ (290,929)</u></u>

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

CITY OF FERGUSON, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Pension Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 25,033
Investments:		
Common stock	2,765,469	-
Equity mutual funds	13,562,293	-
Municipal bonds	85,000	-
Government and agency securities	2,635,592	-
Corporate obligations	3,143,179	-
Fixed income funds	2,267,298	-
Other mutual funds	451,548	-
Money market funds	1,122,420	-
Interest receivable	53,544	-
TOTAL ASSETS	26,086,343	25,033
LIABILITIES		
Accounts payable	57,973	25,033
TOTAL LIABILITIES	57,973	25,033
NET POSITION		
Net position restricted for pension	\$ 26,028,369	\$ -

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

CITY OF FERGUSON, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension Trust Fund
ADDITIONS	
Investment income:	
Employer contribution	\$ 422,916
Interest and dividends	620,196
Net appreciation in fair value of investments	124,105
TOTAL ADDITIONS	<u>1,167,217</u>
DEDUCTIONS	
Benefits paid	1,774,927
Administrative fees	118,707
TOTAL DEDUCTIONS	<u>1,893,634</u>
CHANGE IN NET POSITION	(726,417)
NET POSITION - BEGINNING OF YEAR	<u>26,754,786</u>
NET POSITION - END OF YEAR	<u><u>\$ 26,028,369</u></u>

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

CITY OF FERGUSON, MISSOURI

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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 on 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 on 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 requirements 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 no component units.

Related Organizations

The City provides limited services to the Ferguson Municipal Public Library District (the “District”). In addition, the City Council appoints all of the members of the District's Board of Directors. The City's accountability for this entity does not extend beyond these responsibilities.

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 considered a related party. The FNIP Board of Directors is appointed by the City Council. The City's accountability for this entity does not extend beyond these responsibilities.

Neither organization is included as a component unit within the City's financial reporting entity.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activity has been removed from these statements.

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, 2) operating grants and contributions, and 3) capital grants and contributions. 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. All other governmental funds are reported in one column.

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 the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected 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.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures 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).

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 is also 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 were expended out of this fund.

Additionally, the City reports the following fiduciary 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.

Court Bond Agency Fund - The Agency Fund is used to account for monies received from private individuals for cash bonds.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

C. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

The City is authorized to invest in U.S. Treasury securities, U.S. Agency securities, repurchase agreements, collateralized bank certificates of deposit, bankers' acceptances issued by domestic commercial banks and commercial paper issued by domestic corporations. In addition, the Pension Trust Fund is authorized to invest in corporate bonds and stocks. Investments are recorded at fair value.

Investments are reported at fair value. The fair value for exchange traded securities is the price at which the security is traded. For non-exchange traded securities, the fair value is the estimated value of the assets. Prices are obtained from various pricing vendors are generally based on current market quotes, but when such quotes are not available the pricing vendors use a variety of techniques to estimate value.

D. RESTRICTED CASH AND INVESTMENTS

Cash and investments that are restricted for debt service payment and future capital expenditures 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.

E. CAPITAL ASSETS

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. In general, 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 if purchased or constructed. Infrastructure acquired prior to implementation of GASB 34 is not been reported in the financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are reported at acquisition value.

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

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (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 PREPAID ITEMS

Inventories consist of expendable supplies held for consumption and are recorded as assets when purchased and expended when consumed. These inventories are stated at cost using the first-in, first out method.

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. The City has adopted the consumption method of accounting for prepaid items. That is, the asset is recorded when the payments to vendors are made, and the expenses are amortized in the appropriate accounting period.

G. COMPENSATED ABSENCES

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. Compensatory time is available to all non-exempt employees at the rate of 1.5 hours for each overtime hour worked. Accrual of compensatory time is limited to a maximum of 240 hours, except that public safety, emergency response and seasonal employees are limited to a maximum of 480 hours. Upon termination, employees are paid for unused vacation and compensatory time. 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, is not reflected as a liability. Employees had accumulated earned vacation and compensatory time aggregating to \$612,921 at June 30, 2020, which has been recorded as a liability in the statement of net position.

H. DEFERRED REVENUE

Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. Certain grants received before eligibility criteria have been met and payments received in advance for recreational activities are reported as deferred revenue. In governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

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 position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Issuance costs are expensed when paid. Long-term debt is reported net of the applicable debt premium or discount and deferred amounts on refunding.

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. GOVERNMENTAL FUND BALANCES

In the governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable - This consists of the governmental fund balances that are not in spendable form or are legally or contractually required to be maintained intact. The City's nonspendable fund balances as of June 30, 2020 consist of prepaid items and inventory.

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Council, the City's highest level of decision-making authority.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes as authorized by the City Council or an official to which the City Council has delegated the authority to assign amounts for specific purposes.

Unassigned - This consists of the governmental fund balances which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

K. NET POSITION

In government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation, outstanding principal on related debt and unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors and laws and regulations of other governments). All other net position is considered unrestricted. 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.

L. INTERFUND TRANSACTIONS

Interfund transfers were used to 1) move revenues from the fund in which that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, or 2) reimburse other funds for debt service payments or services.

Activities between funds that are representative of short-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due (to) from other funds" in the governmental fund financial statements.

M. 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.

N. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Based on management's analysis, it believes all receivables at June 30, 2020 are collectible by the City.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

O. PENSION

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of The City of Ferguson Pension Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows related to the pension, post-employment benefits, change in fair value of hedging derivative, and deferred charges on debt refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Under the modified accrual basis of accounting, unavailable revenue is reported only in the governmental funds balance sheet. The City has deferred inflows in the governmental funds balance sheet related to property taxes, special assessments, grants, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows related to the pension in the statement of net position.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 consist of the following:

Type	Amount
General government:	
Deposits:	
Cash on hand	\$ 1,700
Demand deposits	6,250,106
	<u>6,252,106</u>
Investments:	
Negotiable certificates of deposit	<u>3,213,977</u>

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Pension Trust and Agency Fund:

Deposits:

Demand deposits	<u>25,033</u>
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Investments:

Common stock	2,765,469
Equity mutual funds	13,562,293
Money market mutual funds	1,122,420
Corporate obligations	3,143,179
Municipal bonds	85,000
U.S. government agency securities	145,596
U.S. Treasuries	2,489,996
Fixed income funds	2,267,298
Other mutual funds (REIT)	<u>451,548</u>
	<u>26,032,799</u>

Total Deposits and Investments	\$ <u>35,523,915</u>
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Reconciliation to the Financial Statements:

Statement of Net Position:

Cash and investments	\$ 9,366,103
Cash and investments - restricted	99,980

Statement of Fiduciary Net Position:

Cash and investments - Pension Trust Fund	26,032,799
Cash and investments - Agency Fund	<u>25,033</u>

Total Deposits and Investments	\$ <u>35,523,915</u>
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Investments Authorized by the City's Investment Policy

The table below identifies the investment types that are authorized by the City's investment policy. Debt proceeds held by bond trustees are invested in accordance with the provisions of the trust indentures. The City's investment policy does not apply to Pension Trust Fund investments.

<u>Authorized Investments</u>	<u>City Policy Legal Limit</u>
United States Treasury securities	None
United States Agency securities	60%
United States Agency callable securities	30%
Repurchase agreements	50%
Money market mutual funds	None
Certificates of deposit	None
Commercial paper	30%
Bankers' acceptances	30%

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Credit Risk

The City's investment policy states that the City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

1. Pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business.
2. Diversifying the portfolio so that potential losses on individual securities will be minimized.

The credit quality ratings, as established by nationally recognized statistical rating organizations (Standard and Poor's or Moody's), of the City's investments as of June 30, 2020, are provided in the table below.

Interest Rate Risk

The City's investment policy states that the City will minimize interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Investing operating funds primarily in shorter-term securities.

Maturities of investments held at June 30, 2020 are as follows:

	Fair Value	Less Than 1 year	1-3 Years	4-7 Years	7+ Years	Credit Rating
Governmental Activities:						
Negotiable certificates of deposit	\$ 3,213,977	\$ 795,304	\$ 1,514,583	\$ 904,090	\$ -	N/A
Pension Trust Fund:						
Common stock	\$ 2,765,469	\$ 2,765,469	\$ -	\$ -	\$ -	N/A
Equity mutual funds	13,562,293	13,562,293	-	-	-	N/A
Fixed income funds & ETFs	2,267,298	1,464,863	371,962	430,473	-	N/A
Other mutual funds (REIT)	451,548	451,548	-	-	-	N/A
Money market funds	1,122,420	1,122,420	-	-	-	N/A
U.S. Treasuries	2,489,996	-	-	-	2,489,996	N/A
Mortgage backed securities	145,595	1,668	-	64,671	79,256	N/A
Municipal bonds	85,000	85,000	-	-	-	A1
Corporate bonds	314,398	229,578	-	-	84,820	A2
Corporate bonds	986,269	160,692	289,373	244,364	291,840	A3
Corporate bonds	969,277	344,577	443,089	181,611	-	Baa2
Corporate bonds	369,594	-	-	369,594	-	Baa1
Corporate bonds	258,065	-	34,728	223,337	-	Baa3
Corporate bonds	245,576	-	-	245,576	-	Aaa
Total Pension Trust Fund	\$ 26,032,798	\$ 20,188,108	\$ 1,139,152	\$ 1,759,626	\$ 2,945,912	

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Custodial Credit Risk

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

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by the Securities Investor Protection Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution. The City's policy requires a depository contract with each safekeeping bank that complies with the Financial Institutions Reform, Recovery and Enforcement Act of 1989. This will ensure the City's security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed institution. As of June 30, 2020, all funds on deposit at financial institutions are insured or are covered by pledged collateral.

Concentration of Credit Risk

According to the City's investment policy, the City's investments will be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specified class of security. Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments). At June 30, 2020, neither the Pension Trust Fund nor the governmental activities have any investments subject to this disclosure.

3. FAIR VALUE MEASUREMENTS

The City of Ferguson, Missouri categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2020:

U.S. Treasury Securities, U.S. Government Agency Securities, Common Stock, Money Market funds, Exchange Traded Funds, Municipal Bonds, and Corporate Bonds are valued at quoted prices (Level 1).

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Negotiable certificates of deposit are valued based upon a matrix formula (Level 2).

Equity Mutual Funds, Fixed Income Mutual Funds, and Other Mutual Funds are valued using the net asset value at the close of business each day multiplied the number of shares held by the City at the close of business. (Level 1).

4. PROPERTY TAX

Property taxes are levied in November of each year based on the assessed value of all real and personal property located within the City's corporate boundaries, as of the previous January 1. Property taxes are due and collectible on December 31 and attach as an enforceable lien on property as of the following January 1. Assessed values are established by the St. Louis County Assessor, subject to review by the County's Board of Equalization and appeal to the State Tax Commission. The total assessed valuation of the City at January 1, 2019, upon which the 2019 tax levy was based, for real, personal, and public utility property was \$208,402,182. The 2019 tax levy is collected in the City's 2020 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.

In April 2011, the City's voters approved Proposition S. This proposition authorized the sale of general obligation bonds to provide funds for the construction of a replacement for the City's Firehouse No. 1 and the levy of an ad valorem tax for the retirement of these bonds. The 2019 tax rates per \$100 of assessed value are as follows:

<u>Property Type</u>	<u>General Fund</u>	<u>Parks Fund</u>	<u>GO Bond Fund</u>
Residential	\$ 0.7230	\$ 0.1730	\$ 0.2760
Agricultural	0.4430	0.1190	0.2760
Commercial	0.7630	0.1870	0.2760
Personal Property	0.8240	0.1980	0.2760

Property taxes are billed, collected, and remitted to the City by the St. Louis County Collector of Revenue.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

5. INTERFUND BALANCES

Due (to) from other funds as of June 30, 2020 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 3,063,288	\$ 33,511
Parks	-	4,139,680
Capital Improvements Sales Tax	-	862,129
Nonmajor	2,083,635	111,603

Most transactions are processed through the General Fund. This results in due to from between the General Fund and other funds until these amounts can be settled. As a result, the interfund balances do not relate to any specific transactions or purpose.

The following net transfers were made during the fiscal year ending June 30, 2020:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 978,063	\$ -
Parks	-	831,878
Capital Improvements Sales Tax	-	300,000
Nonmajor	153,815	-

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 goods and services provided by the recipient
Parks, Capital Improvements Sales Tax, and Downtown TIF	Certificates of Participation	Debt Service
Downtown TIF and General	Special Business District	Cost of goods and services provided by the recipient
Economic Development and Downtown TIF	Capital Improvements Sales Tax	Matching funds for improvements to the City
Economic Development	General	Costs of administrative services provided by the recipient

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

6. CAPITAL ASSETS

For the year ended June 30, 2020, capital asset activity was as follows:

	BALANCE, BEGINNING OF YEAR	ADDITIONS	DEDUCTIONS	BALANCE, END OF YEAR
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,979,552	\$ -	\$ -	\$ 3,979,552
Construction in process	1,252,289	339,217	1,540,944	50,562
Total capital assets Not Being Depreciated	5,231,841	339,217	1,540,944	4,030,114
Capital assets being depreciated:				
Buildings and improvements	34,049,484	116,443	-	34,165,927
Machinery and equipment	2,996,572	484,543	-	3,481,115
Motor Vehicles	6,471,307	1,166,525	549,322	7,088,510
Infrastructure	16,055,847	1,540,944	-	17,596,791
Total Capital Assets Being Depreciated	59,573,210	3,308,455	549,322	62,332,343
Less accumulated depreciation for:				
Buildings and improvements	14,212,661	1,189,949	-	15,402,610
Machinery and equipment	2,242,538	97,863	-	2,340,401
Motor Vehicles	4,297,189	368,928	531,266	4,134,851
Infrastructure	6,743,043	440,152	-	7,183,195
Total Accumulated Depreciation	27,495,431	2,096,892	531,266	29,061,057
Total Capital Assets Being Depreciated, Net	32,077,779	1,211,563	18,056	33,271,286
Total Governmental Activities	\$ 37,309,620	\$ 1,550,780	\$ 1,559,000	\$ 37,301,400

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

Governmental activities:	
General governments	\$ 148,776
Public safety	699,698
Highways and streets	700,456
Culture and recreation	547,962
Total depreciation expense - governmental activities	<u>\$ 2,096,892</u>

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

7. LONG-TERM DEBT

Changes in the City's long-term debt, for the year ended June 30, 2020, are as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Amounts Due Within One Year
Governmental Activities:					
Variable Rate Capital Improvement Bonds	\$ 714,950	\$ -	\$ (469,967)	\$ 244,983	\$ 244,983
Certificates of Participation, Series 2012	650,000	-	(215,000)	435,000	215,000
Series 2013	6,810,000	-	(410,000)	6,400,000	415,000
Series 2019	-	556,420	-	556,420	101,690
General Obligation Bonds	5,240,000	-	(375,000)	4,865,000	385,000
Issuance premiums, net	97,871	-	(7,783)	90,088	-
Total Bonds and Certificates	14,950,604	556,420	(1,477,750)	12,591,491	1,361,673
Capital leases payable	806,636	-	(67,059)	739,577	68,954
Compensated absences payable	487,864	241,748	(116,691)	612,921	117,000
Total Governmental Activities	<u>\$ 16,376,313</u>	<u>\$ 798,168</u>	<u>\$ (1,661,500)</u>	<u>\$ 13,943,989</u>	<u>\$ 1,547,627</u>

Debt Issue	Payer Fund
Variable Rate Capital Improvement Bonds and Capital Leases	Capital Improvement Sales Tax Fund
Certificates of Participation	Certificates of Participation Fund Series 2012 by Parks Fund Series 2013 by Downtown TIF and Capital Improvements Series 2019 by Capital Improvement Sales Tax Fund
General Obligations Bonds	General Obligations Bond Fund

Compensated absences are payable from the fund to which the employee is assigned; approximately 80% through the General Fund and 20% through the Parks Fund.

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. On September 1, 2006, the City issued \$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%. The bonds were paid off in September 2020 and the interest rate swap was considered worthless at June 30, 2020 and was no longer reported in the City's financial statements.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities required on these bonds as of June 30, are as follows:

	Principal	Interest	Total
2021	\$ 244,983	\$ 5,003	\$ 249,986

Certificates of Participation - Series 2012

On October 1, 2002, the City issued \$3,480,000 in Certificates of Participation - Series 2002, to finance the construction of its new aquatic facility, "Splash at Wabash." On April 4, 2012, the City issued \$2,065,000 in Certificates of Participation Bonds - Series 2012 to refund Series 2002. 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 Series 2002 bonds. As a result, the 2002 Certificates of Participation Bonds are considered 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 with principal paid annually on October 1. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds. Interest rates range from 0.70% to 2.45%.

Maturities required on outstanding certificates as of June 30, are as follows:

	Principal	Interest	Total
2021	\$ 215,000	\$ 7,809	\$ 222,809
2022	220,000	2,695	222,695
Total	\$ 435,000	\$ 10,504	\$ 445,504

General Obligation Bonds

On September 15, 2011, the City issued \$8,000,000 of general obligation bonds, Series 2011. The bonds were issued for the purpose of acquiring land and for constructing, furnishing, and equipping a new fire station which will serve as a replacement for its existing Firehouse No. 1. Interest rates range from 2.000% to 3.375%. Interest is paid semi-annually on March 1 and September 1 with principal paid annually on March 1. Debt service on the bonds is paid from an *ad valorem* tax levy and supported by the full faith and credit of the City.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities required on these bonds as of June 30, are as follows:

	Principal	Interest	Total
2021	\$ 385,000	\$ 140,738	\$ 525,738
2022	395,000	132,075	527,075
2023	405,000	122,200	527,200
2024	415,000	112,075	527,075
2025	425,000	101,700	526,700
2026	440,000	88,950	528,950
2027	450,000	75,750	525,750
2028	465,000	62,250	527,250
2029	480,000	48,300	528,300
2030	495,000	33,300	528,300
2031	510,000	17,213	527,213
Total	<u>\$ 4,865,000</u>	<u>\$ 934,551</u>	<u>\$ 5,799,551</u>

Certificates of Participation - Series 2013

On January 30, 2013, the City issued \$9,055,000 of certificates of participation bonds - Series 2013. The bonds were issued for the purpose of acquiring land and buildings for a new community center and the renovation of these buildings and for renovation and additions to the building currently housing the police department. Interest rates range from 2.000% to 3.125%. Interest is paid semi-annually on March 1 and September 1 with principal paid annually on March 1. Debt service on the bonds is paid from "earmarked" revenues of both the General and Downtown TIF Funds. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities required on these bonds as of June 30, are as follows:

	Principal	Interest	Total
2021	\$ 415,000	\$ 184,728	\$ 599,728
2022	425,000	175,390	600,390
2023	435,000	164,765	599,765
2024	450,000	153,346	603,346
2025	460,000	140,971	600,971
2026	475,000	127,746	602,746
2027	490,000	113,496	603,496
2028	500,000	98,796	598,796
2029	515,000	83,796	598,796
2030	535,000	68,346	603,346
2031	550,000	52,296	602,296
2032	565,000	35,796	600,796
2033	585,000	18,281	603,281
Total	<u>\$ 6,400,000</u>	<u>\$ 1,417,753</u>	<u>\$ 7,817,753</u>

Certificates of Participation - Series 2019

On September 1, 2019, the City signed a lease purchase agreement in the form of certificates of participation - Series 2019. The certificates of participation were for a total of \$1,016,400. The City received a disbursement of \$556,420 during fiscal year ending June 30, 2020 and a final disbursement of \$459,980 in August 2020. The bonds were issued for the purpose of acquiring a Rosenbauer Heavy Duty Pumper. The interest rate is 3.8%. Interest is paid semi-annually on March 1 and September 1 with principal paid annually on September 1. Debt service on the bonds is paid from the Capital Improvement Sales Tax Fund. The outstanding balance was \$556,420 at June 30, 2020.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities based on the full amount of these certificates of participation issued are as follows:

	Principal	Interest	Total
2021	\$ 101,690	\$ 29,661	\$ 131,351
2022	101,690	33,317	135,007
2023	101,690	29,399	131,089
2024	101,690	25,546	127,236
2025	101,690	21,564	123,254
2026	101,690	17,646	119,336
2027	101,690	13,728	115,418
2028	101,690	9,832	111,522
2029	101,690	5,892	107,582
2030	101,690	1,975	103,665
Total	\$ 1,016,900	\$ 188,560	\$ 1,205,460

Capital Lease

In September 2014, the City entered into a lease/purchase agreement with U.S. Bankcorp Government Leasing and Finance, Inc. (U.S. Bankcorp) to finance the purchase of certain energy efficiency improvements to City Hall, Police Station, and Fire Stations, as well as street lighting. The equipment was recorded as a capital asset in the Government Activities at a cost of \$1,086,316 and has accumulated depreciation of \$244,421 as of June 30, 2020. The lease is recorded in the government-wide statement of net position and is serviced by the Capital Improvement Sales Tax Fund. Payments are made semi-annually and include principal and interest.

The following is a summary of the City's capital lease agreements as of June 30, 2020:

Lessor	Interest Rate	Maturity	Annual Payment	Balance
CTS	2.79%	September 12, 2029	89,229	806,636

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

As of June 30, future minimum lease payments under the capital lease described above are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 89,229
2022	89,229
2023	89,229
2024	89,229
2025	89,229
Thereafter	356,916
Total minimum lease payments	803,061
Portion representing interest	(108,101)
Net present value	<u>\$ 739,577</u>

8. DEFERRED COMPENSATION PLAN

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 options 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.

9. 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 City Manager. UMB Bank NA provides investment advisory, investment safekeeping, and transactional support services. The Plan does not issue a separate stand-alone financial report. The Plan's financial information is included as a Pension Trust Fund in the City's financial statements and is accounted for on the accrual basis of accounting. Investments are reported at fair value. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Benefits Provided - Employees become eligible for full benefits under the Plan upon retirement following a) the participant's 60th birthday and completion of eight years of credited service with the City or b) the participant's 55th birthday and the sum of the participant's age and years of credited service with the City total at least 82 ½. The Plan permits early retirement when the employee has reached age 55 and completed eight years of credited service, with a benefit reduction of 0.25% for each month that the early retirement date precedes the normal retirement date, which is considered to be when the employee has reached age 60 and completed eight years of credit service. Unused sick leave is added to credited service. Participants are fully vested after eight years of credited service; the Plan does not provide for partial vesting.

Benefits under the Plan are established by ordinance. An employee eligible for full benefits is entitled to a monthly payment of 1.75% of his or her average monthly salary multiplied by the number of years and fractions thereof of credited service. Average monthly salary, for the purpose of computing benefits, is the employee's salary during any 60 out of the last 96 calendar months of employment prior to termination or retirement which yield the highest average. For hourly employees, average monthly salary is computed as the employee's regular hourly rate multiplied by the number of established regular work hours in a year divided by 12.

Effective July 1, 2016, the Plan added a provision that would allow participants with thirty or more years of credited service and is greater than age 55, to receive benefits equal to two (2%) percent of Average Monthly Compensation for each year of credited service until the participant reaches age 65.

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 in the same manner as pension benefits, with a minimum benefit of \$450 per month, payable until the earlier of death or recovery.

At July 1, 2019, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	105
Retired participants	102
Terminated vested participants	<u>41</u>
Total Plan Participants	<u>248</u>

Contributions - All contributions to the Plan are made by the City. The City contributes an amount equal to the actuarially determined rate, which is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Plan has no unfunded prior service cost required to be covered by the annual contribution. Administrative costs are paid with Plan assets. In the past, contributions to the Plan have come from the General and Parks Fund.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Annual contributions are computed using the entry age normal actuarial cost method, assuming 7.25% rate of return on Plan assets and 2.75% to 6.25% annual salary increases which includes service-based merit increases. Benefits are not increased for inflation.

Investment Policy - The primary objective of the portfolio is for capital appreciation, with a secondary objective of generating a modest level of income. The investment manager has full discretion to manage the assets of the Plan in accordance with this policy.

Net Pension Liability (Asset) - The City's net pension liability (asset) was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of July 1, 2019.

Actuarial Assumptions - The total pension liability in actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Rate	Rates of mortality for active and retired Participants are given by the Pub2010 General Mortality Table (Below Median) for males and females published by the Society of Actuaries projected on a generational basis using Scale SSA18. For pre-retirement deaths, 50% of these rates are assumed. For Disabled members, Pub2010 General Disability Mortality tables with projections for Males and Females were used.
Investment Rate of Return	7.25%
Projected Salary Increases	2.75% to 6.25% (includes merit component)
Inflation	3.25%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of actuarial experience analysis during the 2014 to 2019 time period.

Assumption Changes – As a result of the experience analysis in 2019, the Plan changed some of the actuarial assumptions. The assumed rate of return was decreased from 7.50% to 7.25%. Assumed salary increases were decreased from 3.25% to 2.75% per year. The mortality table was updated from the RP2000 Mortality Tables, with Blue Collar adjustments to the Pub2010 General Mortality Table.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. This is then modified through the Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return:

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Asset Class	Assumed Allocation		Long-Term Expected Real Return	
Domestic Equity	67	%	5.95	%
Fixed Income - U.S.	28		1.65	
Real Estate	2		4.90	
Cash Equivalents	3		0.40	
Total Weighted Average Return	100	%	4.54	
Inflation			2.75	
Risk adjustment			(0.06)	
Total Expected Return			7.25	%

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. Implicit in the projection of cash flows used to determine the discount rate is the assumption that the City's contributions will continue to be made based on the actuarially determined contributions, and that no future gains or losses will occur (i.e., all experience will be as expected). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2019	\$ 25,559,586	\$ 26,754,786	\$ (1,195,200)
Changes for the year:			
Service cost	521,332	-	521,332
Interest	1,890,712	-	1,890,712
Change in benefit terms	-	-	-
Differences between expected and actual experience	(236,553)	-	(236,553)
Changes in assumptions	1,160,336	-	1,160,336
Contributions - employer	-	422,916	(422,916)
Net investment income	-	744,301	(744,301)
Benefit payments, including refunds	(1,774,927)	(1,774,927)	-
Administrative expense	-	(118,707)	118,707
Net Changes	1,560,900	(726,417)	2,287,317
Balances as of June 30, 2020	\$ 27,120,486	\$ 26,028,369	\$ 1,092,117

Plan fiduciary net position as a percentage of the total pension liability is 95.5%.

Sensitivity Of The Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability (asset)	\$ 4,105,063	\$ 1,092,117	\$ (1,449,949)

Pension Expense And Deferred Outflows of Resources and Deferred Inflows Of Resources Related to the Pension

For the year-ended June 30, 2020, the City recognized pension expense of \$1,085,118. At June 30, 2020, the City reported deferred outflow of resources and deferred inflows of resources related to the Plan from the following:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 43,368	\$ 836,148
Changes in assumptions	938,890	-
Net difference between projected and actual earnings on pension plan investments	930,774	-
Total	\$ <u>1,913,032</u>	\$ <u>836,148</u>

The deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 110,352
2022	464,762
2023	270,711
2024	231,059
	\$ <u>1,076,884</u>

Investment Policy - The following asset allocations serve as a guideline for the investment objective in the Plan:

Asset Class	Minimum	Maximum	Target Allocation
Equities	45%	70%	65%
Fixed income	30	50	30
Cash	1	5	2
Other	0	5	5

Concentration - The Pension Trust does not have any investments that makes up more than 5% of total assets in the trust.

Rate of Return - For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description and Provisions - The City of Ferguson Retiree Healthcare Plan (the “OPEB Plan”) 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 following their retirement or disability. The OPEB Plan does not issue a separate stand-alone financial report. Benefits under the OPEB 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 and are therefore not administered through a trust. Since other post-employment benefits are merely an implicit subsidy and not a direct expenditure of the City, funds used to pay for these benefits are paid out of any fund that incurs health insurance benefit costs. The most significant cost is out of the General Fund.

At June 30, 2020, the date of the last actuarial valuation, the OPEB Plan covered the following number of participants:

Active with coverage	98
Retired	<u>5</u>
Total OPEB Plan Participants	<u>103</u>

Valuations are performed using the Entry Age Normal Actuarial Cost Method with a 30-year amortization. Under the Entry Age Normal Cost method, the projected benefits of each active participant are allocated on a level basis over the earnings of the individual over the participant’s period of performance.

Actuarial Assumptions - The total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Mortality Rate	Rates of mortality for active and retired Participants are given by the Pub2010 General Mortality Table (Below Median) for males and females published by the Society of Actuaries projected on a generational basis using Scale SSA18. For pre-retirement deaths, 50% of these rates are assumed. For Disabled members, Pub2010 General Disability Mortality tables with projections for Males and Females were used.
Healthcare Inflation Rate	5.5% initially, grading down to 4.25% ultimate
Payroll Increases	2.75%, including inflation at 2.75%

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Changes to Actuarial Assumptions - Since the last actuarial valuation on June 30, 2018, the Plan has made changes to some of the actuarial assumptions. The discount rate was changed from 3.13% to 2.45%. The healthcare trend was decreased from 6.0% to 5.5%. Payroll increases were decreased from 3% to 2.75% and inflation was increased from 2.5% to 2.75%. The mortality table was changed from the RP2000 Mortality Table, with Blue Collar adjustments to the Pub2010 General Mortality Tables.

Discount Rate - The discount rate used to measure the total OPEB liability was 2.45%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2020.

Total OPEB Liability

OPEB liability as of June 30, 2019	\$ 240,665
Changes for the year:	
Service cost	10,618
Interest cost	7,599
Difference between expected and actual experience	(28,853)
Changes in assumptions	36,545
Benefit payments, including implicit subsidy	(17,112)
Net changes	8,797
OPEB liability as of June 30, 2020	\$ 249,462

The City does not fund the plan. The fiduciary net position at June 30, 2020 was \$-0-.

Actuarial methods - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial calculations reflect a long-term perspective.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and OPEB Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Sensitivity of the Total OPEB Liability

Discount Rate Sensitivity - The following presents the net OPEB liability of the City, calculated using the discount rate of 2.45%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.45%) or 1 percentage-point higher (3.45%) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
City's net OPEB liability	\$ 263,516	\$ 249,462	\$ 236,401

Healthcare Trend Rate Sensitivity - The following presents the net OPEB liability of the City, calculated using the healthcare trend rate of from 5.5% to an ultimate rate of 4.25%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.25%) or 1 percentage-point higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
City's net OPEB liability	\$ 233,012	\$ 249,462	\$ 268,303

Other Post Employment Benefit Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$19,397. At June 30, 2020, the City reported deferred outflows of resources related to the OPEB Plan for changes in actuarial assumptions in the amount of \$38,889 and deferred inflows of resources of \$26,449 for the difference between expected and actual experience.

Amounts reported as deferred outflows of resources related to the OPEB Plan will be recognized in pension expense as follows:

Year ended December 31:		
2021	\$	1,180
2022		1,180
2023		1,180
2024		1,180
2025		1,180
Subsequent		6,540
	\$	<u>12,440</u>

11. 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.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

The City, along with over 900 public entities, participates in an insurance trust general liability matters called Missouri Public Entity Risk Management Fund (MOPERM). The City also participates in an insurance trust for health and workers' compensation called St. Louis Area Insurance Trust (SLAIT). The purpose of MOPERM and SLAIT is to distribute the cost of self-insurance over similar entities. MOPERM and SLAIT requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of MOPERM and SLAIT have no legal interest in the assets, liabilities or fund balances of MOPERM and SLAIT. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by MOPERM should it cease operations at some future date.

The City purchases commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

12. COMMITMENTS AND CONTINGENCIES

- 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 are 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, 2020.
- B. **Litigation** - From time to time, the City is a party to various claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of the City, all such matters are adequately covered by insurance, or if not covered, the City believes they are either without substantial merit or would not have a material effect on the financial statements of the City

The City has also been named the defendant in an uncertified federal class action/ challenging a number of practices related to defendants appearing in the City's Municipal Court. One of the City's liability carriers is defending the suit subject to a reservation of rights. The City has coverage under two liability policies that total \$9.5 million. At this juncture, it is unclear of the exact amount of the City's exposure in this case. One of the insurance carriers has sued seeking a determination that there is no coverage, which prompted the City to file a countersuit for a favorable coverage determination.

The City strongly believes that the Court will enter a favorable summary judgment by determining that the City is entitled to a full defense and indemnity. The City intends to vigorously defend the class action suit and pursue full coverage under the policies.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

The City has settled several lawsuits during fiscal year ending June 30, 2020. The expense/expenditure related to these settlements has been recorded as of June 30, 2020, regardless of whether the payment had been made as of June 30, 2020.

- C. **Commitments** - The City has several construction projects in various stages of completion at June 30, 2020. The incomplete aggregate value of these contracts is approximately \$135,000. In addition, the City has several contracts with third parties for various administrative projects. The incomplete aggregate value of these signed contracts is approximately \$19,000.
- D. **Other Contingencies** - The City has entered into a consent decree (The Decree) agreement with the Civil Rights Division of the Department of Justice. The Decree requires the City over the next three years to implement various changes to the City's policing and court operations that will be subject to review by an oversight entity. The cost of implementing these changes will most likely be between \$400,000 and \$600,000 annually and will negatively impact the City's financial position for the foreseeable future. In all likelihood, the City will be subject to this agreement and incur the cost for four to seven years.

13. CONDUIT DEBT OBLIGATIONS

On June 16, 2015, the City issued Taxable Industrial Revenue Bonds Series 2015 totaling \$19,000,000 to provide financial assistance to a private-sector entity for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate principal maturities of outstanding bonds at June 30, 2020 were \$19,000,000.

14. TAX ABATEMENTS

As of June 30, 2020, the City provides tax abatements through two programs - the Chapter 353 Tax Abatement Program, Missouri Revised Statutes and the Industrial Development Financing under Chapter 100, Missouri Revised Statutes.

Chapter 353 tax abatement is an incentive to encourage the redevelopment of blighted areas by providing real property tax abatement. These abatements are under the authority of Chapter 353 of the Revised Statutes of Missouri (the "Urban Redevelopment Corporation Law"). To be eligible for tax abatement, either the City or a private entity must form an Urban Redevelopment Corporation organized for the purpose of clearance, re-planning, reconstruction, or rehabilitation of blighted areas.

Tax abatement is only extended to real property that has been found to be a "blighted area" by the City. Under Chapter 353, the City may grant tax abatements up to 100% of annual property taxes for the first 10 years for the increased assessed value over the base land value and up to 50% of annual property taxes for the next 15 years for a maximum 25-year abatement.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

The length of time abatements are permitted and the amount of abatement allowed is outlined within the guidelines developed for each area or project designated. For the year ended June 30, 2020, the City abated property taxes of 50 percent totaling \$5,815 under this program.

Industrial Development Financing under Chapter 100 of the Revised Statutes of Missouri authorize municipalities to issue revenue bonds to finance industrial development projects. Under this type of financing, the company passes title in the real or personal property involved to the City pursuant to a lease-purchase agreement. Because title to the property is held in the name of the City during the lease term, the property acquired with the bond proceeds is tax exempt, which effectively results in tax abatement for the company. For the year ended June 30, 2020, the City abated real estate and personal property taxes totaling \$66,979 under this program.

15. OPERATING LEASE – LEASOR

Effective December 1, 2016, the City initiated a lease to a tenant for the use of the former train station within the City. The lease is for 60 months at a rate of \$750 per month. The tenant will pay additional rent of 1 ½% of all gross sales over \$250,000 per year.

Effective October 1, 2016, the City initiated a lease to a tenant for the use of a portion of the City's Community Center building complex. The lease is for 10 years at a rate of \$1,750 per month.

16. RECENT ACCOUNTING PRONOUNCEMENTS

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

This report does not incorporate GASB Statement No. 84, *Fiduciary Activities*; GASB Statement No. 87, *Leases*; GASB Statement No. 88, *Certain Disclosures Related to Debt; including Direct Borrowings and Direct Placements*; GASB 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*; and GASB 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*; GASB Statement No. 93, *Replacement of Interbank Offered Rates*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*; and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment to GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The effects on the City's financial statements as a result of adoption of these new pronouncements are unknown. The City will adopt and implement these statements at the required time.

17. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

Required Supplementary Information

CITY OF FERGUSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 10,373,200	\$ 9,598,300	\$ 9,552,684	\$ (45,616)
Intergovernmental	1,096,300	870,800	1,172,523	301,723
Licenses and permits	729,700	542,700	556,056	13,356
Charges for service	285,200	278,800	309,361	30,561
Fines and forfeitures	310,700	208,200	200,175	(8,025)
Investment income	30,500	140,400	157,216	16,816
Other income	36,300	121,600	41,616	(79,984)
TOTAL REVENUES	12,861,900	11,760,800	11,989,631	228,831
EXPENDITURES				
Current:				
General government				
City council and clerk	175,000	151,300	145,272	6,028
City manager's office	302,200	364,600	350,530	14,070
Human resources	171,900	187,150	170,276	16,874
City-wide expenditures	1,091,600	1,895,600	1,895,080	520
Municipal building	330,220	303,200	285,319	17,881
Information technology	174,500	216,600	215,289	1,311
Finance	486,800	417,800	417,324	476
Public safety				
Municipal court	216,800	198,200	177,743	20,457
Code enforcement	449,900	380,600	380,575	25
Police	5,039,300	4,481,400	4,478,061	3,339
Fire	2,817,700	2,837,100	2,835,144	1,956
Highways and streets				
Streets	914,100	854,000	841,326	12,674
Municipal garage	748,870	757,400	756,612	788
Public works administration	151,700	160,900	158,326	2,574
Community development	241,700	216,500	212,344	4,156
Culture and recreation	490,300	453,700	405,857	47,843
Capital outlays	65,000	50,000	36,924	13,076
TOTAL EXPENDITURES	13,867,590	13,926,050	13,762,002	164,048
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,005,690)	(2,165,250)	(1,772,371)	392,879
OTHER FINANCING SOURCES (USES)				
Transfers	1,013,613	978,000	978,063	63
Insurance proceeds	-	-	11,828	11,828
TOTAL OTHER FINANCING SOURCES (USES)	1,013,613	978,000	989,891	11,891
CHANGE IN FUND BALANCE	<u>\$ 7,923</u>	<u>\$ (1,187,250)</u>	(782,480)	<u>\$ 404,770</u>
FUND BALANCES - BEGINNING OF YEAR			5,062,999	
FUND BALANCES - END OF YEAR			<u>\$ 4,280,519</u>	

CITY OF FERGUSON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - PARKS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,513,400	\$ 1,440,000	\$ 1,524,720	\$ 84,720
Intergovernmental	320,000	451,300	450,439	(861)
Charges for service	257,600	175,900	193,325	17,425
Investment income	40,600	66,500	64,790	(1,710)
Other income	-	-	4	4
TOTAL REVENUES	2,131,600	2,133,700	2,233,278	99,578
EXPENDITURES				
Current:				
Culture and recreation	1,131,740	777,492	732,260	45,232
Capital outlays	536,820	630,200	610,689	19,511
TOTAL EXPENDITURES	1,668,560	1,407,692	1,342,949	64,743
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	463,040	726,008	890,329	164,321
OTHER FINANCING SOURCES (USES)				
Transfers	(889,038)	(820,400)	(831,878)	(11,478)
Proceeds from the sale of capital assets	-	11,900	11,845	(55)
TOTAL OTHER FINANCING SOURCES (USES)	(889,038)	(808,500)	(820,033)	(11,533)
CHANGE IN FUND BALANCE	\$ (425,998)	\$ (94,392)	70,296	\$ 152,843
FUND BALANCES - BEGINNING OF YEAR			914,333	
FUND BALANCES - END OF YEAR			\$ 984,629	

CITY OF FERGUSON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET),
INVESTMENT RETURNS, AND RELATED RATIOS
JUNE 30,

	2020	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>							
Service cost	\$ 521,332	\$ 506,148	\$ 478,580	\$ 445,882	\$ 500,687	\$ 525,226	\$ 491,664
Interest	1,890,712	1,844,251	1,816,236	1,751,269	1,744,263	1,688,615	1,648,590
Changes in benefit terms	-	-	-	64,214	-	-	-
Difference between expected and actual experience	(236,553)	(343,343)	108,417	(776,858)	(734,177)	(429,228)	-
Changes in assumptions	1,160,336	-	-	-	578,658	-	-
Benefit payments, including refunds	(1,774,927)	(1,718,298)	(1,496,728)	(1,448,216)	(1,322,238)	(1,262,471)	(1,161,198)
Net change in total pension liability	1,560,900	288,758	906,505	36,291	767,193	522,142	979,056
Total pension liability - beginning of year	25,559,586	25,270,828	24,364,323	24,328,032	23,560,839	23,038,697	22,059,641
Total pension liability - end of year	<u>\$ 27,120,486</u>	<u>\$ 25,559,586</u>	<u>\$25,270,828</u>	<u>\$24,364,323</u>	<u>\$24,328,032</u>	<u>\$23,560,839</u>	<u>\$23,038,697</u>
<u>Plan Fiduciary Net Position</u>							
Contributions - employer	\$ 422,916	\$ 336,116	\$ 363,471	\$ 398,610	\$ 547,500	\$ 535,336	\$ 524,100
Net investment income	744,301	1,423,089	2,201,221	2,769,457	148,466	1,220,472	3,797,967
Benefit payments, including refunds	(1,774,927)	(1,718,298)	(1,496,728)	(1,448,216)	(1,322,238)	(1,262,471)	(1,161,198)
Administrative expenses	(118,707)	(101,390)	(90,143)	(83,462)	(84,728)	(83,145)	(71,848)
Net change in plan fiduciary net position	(726,417)	(60,483)	977,821	1,636,389	(711,000)	410,192	3,089,021
Plan fiduciary net position - beginning of year	26,754,786	26,815,269	25,837,448	24,201,059	24,912,059	24,501,867	21,412,846
Plan fiduciary net position - end of year	<u>\$ 26,028,369</u>	<u>\$ 26,754,786</u>	<u>\$26,815,269</u>	<u>\$25,837,448</u>	<u>\$24,201,059</u>	<u>\$24,912,059</u>	<u>\$24,501,867</u>
Net pension liability (asset) - end of year	<u>\$ 1,092,117</u>	<u>\$ (1,195,200)</u>	<u>\$ (1,544,441)</u>	<u>\$ (1,473,125)</u>	<u>\$ 126,973</u>	<u>\$ (1,351,220)</u>	<u>\$ (1,463,170)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>95.5%</u>	<u>104.7%</u>	<u>106.1%</u>	<u>106.0%</u>	<u>99.5%</u>	<u>105.7%</u>	<u>106.4%</u>
Covered payroll	<u>\$ 5,996,953</u>	<u>\$ 6,062,329</u>	<u>\$ 5,446,759</u>	<u>\$ 5,780,648</u>	<u>\$ 6,687,115</u>	<u>\$ 7,111,497</u>	<u>\$ 6,846,641</u>
Net pension liability as a percentage of covered payroll	<u>18.2%</u>	<u>-19.7%</u>	<u>-28.4%</u>	<u>-25.5%</u>	<u>1.9%</u>	<u>-19.0%</u>	<u>-21.4%</u>
Annual money-weighted rate of return, net of investment expense	2.8%	5.4%	8.7%	11.7%	0.6%	5.0%	17.9%

Note: The above information is not available for years prior to the implementation of GASB 67.

CITY OF FERGUSON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTIONS

<u>Year Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Employer Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contribution As A Percentage Of Covered Payroll</u>
2011	\$ 317,969	\$ 317,969	\$ -	\$ 5,997,883	5.3 %
2012	480,448	480,448	-	6,187,888	7.8
2013	489,851	489,851	-	6,517,439	7.5
2014	524,100	524,100	-	6,846,641	7.7
2015	535,336	535,336	-	7,111,497	7.5
2016	547,500	547,500	-	6,687,115	8.2
2017	398,610	398,610	-	5,780,648	6.9
2018	363,471	363,471	-	5,446,759	6.7
2019	335,853	336,116	263	6,062,329	5.5
2020	422,916	422,916	-	5,996,953	7.1

Notes to Schedule

Valuation Date: July 1, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal
Amortization method	level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	5 year smoothed market
Inflation	3.25%
Salary increases	2.75% to 6.75%, based on service (prior rate was 3.25%)
Investment return	7.25%, net of investment expense and including inflation (prior rate was 7.5%)
Retirement age	60 years of age and 8 years of credited service
Mortality	Unreduced benefit available at 55 if age and service are greater than 82 1/2 Rates of mortality for active and retired Participants are given by the Pub2010 General Mortality Table (Below Median) for males and females published by the Society of Actuaries projected on a generational basis using Scale SSA18. For pre-retirement deaths, 50% of these rates are assumed. For Disabled members, Pub2010 General Disability Mortality tables with projections for Males and Females were used.

CITY OF FERGUSON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS AS OF JUNE 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total Other Post-Employment Benefit Liability</u>			
Service cost	\$ 10,618	\$ 10,334	\$ 10,033
Interest	7,599	8,501	8,573
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(28,853)	-	-
Changes in assumptions	36,545	6,467	-
Benefit payments, including refunds	(17,112)	(18,103)	(23,647)
Net change in total Other Post-Employment Benefit Liability	8,797	7,199	(5,041)
Total Other Post-Employment Benefit Liability - beginning of year	240,665	233,466	238,507
Total Other Post-Employment Benefit Liability - end of year	<u>\$ 249,462</u>	<u>\$ 240,665</u>	<u>\$ 233,466</u>
 Covered employee payroll	 <u>\$ 5,585,157</u>	 <u>\$ 5,755,573</u>	 <u>\$ 5,955,692</u>
 Total Other Post-Employment Benefit Liability as a percentage of covered employee payroll	 <u>4.5%</u>	 <u>4.2%</u>	 <u>3.9%</u>

Notes to Schedule

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Inflation	2.75% (prior year 2.5%)
Healthcare Trend	5.5% initially, grading down to 4.25% ultimate (prior year (6.5%))
Salary increases	2.75%, including inflation (prior year 3.0%)
Discount rate	2.45% (prior year 3.13%)
Retirement age	60 with 8 years of service
Mortality	Rates of mortality for active and retired Participants are given by the Pub2010 General Mortality Table (Below Median) for males and females published by the Society of Actuaries projected on a generational basis using Scale SSA18. For pre-retirement deaths, 50% of these rates are assumed. For Disabled members, Pub2010 General Disability Mortality tables with projections for Males and Females were used.

Note: The above information is not available for years prior to the implementation of GASB 75. Also, there are no assets in a trust compliant with GASB codification P22.101 or P52.101.

CITY OF FERGUSON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
NOTE TO BUDGETARY COMPARISON INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets are prepared on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Park, Capital Improvements Sales Tax Capital Projects Funds, Special Business District, Farmers Market, Sewer Lateral Special Revenue, Economic Development Sales Tax, Downtown TIF Redevelopment, Certificates of Participation Bonds, and General Obligation Bonds Funds. The City does not prepare a budget for the North Park Redevelopment TIF Fund.

Prior to March 1st 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 30th of each year, the Council adopts by resolution the budget, as revised, for the fiscal year beginning the following July 1st.

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.

Other Supplementary Information

CITY OF FERGUSON, MISSOURI
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds					Capital Project Fund	Debt Service Funds		Total Non-major Governmental Funds
	Special Business District	Farmers Market	Sewer Lateral	Economic Development Fund	Downtown TIF Redevelopment	North Park Redevelopment TIF	Certificates of Participation Bonds	General Obligation Bonds	
ASSETS									
Cash and investments	\$ -	\$ 100	\$ 1,197,375	\$ -	\$ -	\$ -	\$ -	\$ 1,042,580	\$ 2,240,055
Taxes receivable:									
Sales	-	-	-	196,163	63,536	-	-	-	259,699
Property	-	-	5,877	-	37,519	-	-	122,185	165,581
Due from other funds	68,217	30,001	94,721	1,339,020	530,699	610	20,367	-	2,083,635
TOTAL ASSETS	<u>\$ 68,217</u>	<u>\$ 30,101</u>	<u>\$ 1,297,973</u>	<u>\$ 1,535,183</u>	<u>\$ 631,754</u>	<u>\$ 610</u>	<u>\$ 20,367</u>	<u>\$ 1,164,765</u>	<u>\$ 4,748,970</u>
LIABILITIES									
Accounts payable	\$ -	\$ 2,500	\$ -	\$ -	\$ 26,701	\$ -	\$ -	\$ -	\$ 29,201
Due to other funds	-	17,376	-	-	-	-	-	94,227	111,603
TOTAL LIABILITIES	<u>-</u>	<u>19,876</u>	<u>-</u>	<u>-</u>	<u>26,701</u>	<u>-</u>	<u>-</u>	<u>94,227</u>	<u>140,804</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue:									
Property taxes	-	-	-	-	28,592	-	-	104,268	132,860
FUND BALANCES:									
Restricted for:									
Debt service	-	-	-	-	-	-	20,367	966,270	986,637
Capital project	-	-	-	-	-	610	-	-	610
Economic development	68,217	10,225	-	1,535,183	-	-	-	-	1,613,625
Downtown TIF	-	-	-	-	576,461	-	-	-	576,461
Sewer Lateral	-	-	1,297,973	-	-	-	-	-	1,297,973
TOTAL FUND BALANCES	<u>68,217</u>	<u>10,225</u>	<u>1,297,973</u>	<u>1,535,183</u>	<u>576,461</u>	<u>610</u>	<u>20,367</u>	<u>966,270</u>	<u>4,475,306</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 68,217</u>	<u>\$ 30,101</u>	<u>\$ 1,297,973</u>	<u>\$ 1,535,183</u>	<u>\$ 631,754</u>	<u>\$ 610</u>	<u>\$ 20,367</u>	<u>\$ 1,164,765</u>	<u>\$ 4,748,970</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, 2020

	Special Revenue Funds					Capital Project Fund	Debt Service Funds		Total Non-major Governmental Funds
	Special Business District	Farmers Market	Sewer Lateral	Economic Development Fund	Downtown TIF Redevelopment	North Park Redevelopment TIF	Certificates of Participation Bonds	General Obligation Bonds	
REVENUES									
Taxes	\$ -	\$ -	\$ 188,111	\$ 1,162,702	\$ 746,568	\$ -	\$ -	\$ 559,243	\$ 2,656,624
Licenses and permits	16,054	-	-	-	-	-	-	-	16,054
Investment income	-	-	32,153	2,201	276	-	-	2,566	37,196
TOTAL REVENUES	<u>16,054</u>	<u>-</u>	<u>220,264</u>	<u>1,164,903</u>	<u>746,844</u>	<u>-</u>	<u>-</u>	<u>561,809</u>	<u>2,709,874</u>
EXPENDITURES									
Current:									
Community development	5,630	33,000	160,060	134,073	98,133	-	-	-	430,896
Debt services:									
Principal, interest and fiscal charges	-	-	-	-	-	-	827,090	524,388	1,351,478
TOTAL EXPENDITURES	<u>5,630</u>	<u>33,000</u>	<u>160,060</u>	<u>134,073</u>	<u>98,133</u>	<u>-</u>	<u>827,090</u>	<u>524,388</u>	<u>1,782,374</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,424	(33,000)	60,204	1,030,830	648,711	-	(827,090)	37,421	927,500
OTHER FINANCING SOURCES (USES)									
Transfers	28,500	30,000	(21,000)	(397,063)	(317,500)	-	830,878	-	153,815
CHANGE IN FUND BALANCE	38,924	(3,000)	39,204	633,767	331,211	-	3,788	37,421	1,081,315
FUND BALANCES - BEGINNING OF YEAR	29,293	13,225	1,258,769	901,416	245,250	610	16,579	928,849	3,393,991
FUND BALANCES - END OF YEAR	<u>\$ 68,217</u>	<u>\$ 10,225</u>	<u>\$ 1,297,973</u>	<u>\$ 1,535,183</u>	<u>\$ 576,461</u>	<u>\$ 610</u>	<u>\$ 20,367</u>	<u>\$ 966,270</u>	<u>\$ 4,475,306</u>

CITY OF FERGUSON, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,559,700	\$ 1,400,600	\$ 1,417,161	\$ 16,561
Intergovernmental	261,600	601,200	746,824	145,624
Investment income	3,000	-	8,934	8,934
TOTAL REVENUES	<u>1,824,300</u>	<u>2,001,800</u>	<u>2,172,919</u>	<u>171,119</u>
EXPENDITURES				
Capital outlay	2,425,718	4,979,642	2,110,818	2,868,824
Debt service:				
Principal, interest and fiscal charges	494,294	604,700	611,453	(6,753)
TOTAL EXPENDITURES	<u>2,920,012</u>	<u>5,584,342</u>	<u>2,722,271</u>	<u>2,862,071</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,095,712)</u>	<u>(3,582,542)</u>	<u>(549,352)</u>	<u>3,033,190</u>
OTHER FINANCING SOURCES				
Transfers	131,660	(223,400)	(300,000)	(76,600)
Proceeds from the issuance of debt	1,000,000	1,000,000	556,420	(443,580)
Proceeds from the sale of capital assets	-	100	36,800	36,700
Insurance proceeds	-	40,200	50,716	10,516
TOTAL OTHER FINANCING SOURCES	<u>1,131,660</u>	<u>816,900</u>	<u>343,936</u>	<u>(472,964)</u>
CHANGE IN FUND BALANCE	<u>\$ 35,948</u>	<u>\$ (2,765,642)</u>	<u>(205,416)</u>	<u>\$ 2,560,226</u>
FUND BALANCES - BEGINNING OF YEAR			<u>(247,241)</u>	
FUND BALANCES - END OF YEAR			<u>\$ (452,657)</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, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Licenses and permits	\$ 20,000	\$ 10,000	\$ 16,054	\$ 6,054
TOTAL REVENUES	<u>20,000</u>	<u>10,000</u>	<u>16,054</u>	<u>6,054</u>
EXPENDITURES				
Community development	<u>28,500</u>	<u>16,060</u>	<u>5,630</u>	<u>10,430</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,500)	(6,060)	10,424	16,484
OTHER FINANCING SOURCES				
Transfers	<u>8,500</u>	<u>8,500</u>	<u>28,500</u>	<u>20,000</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 2,440</u>	38,924	<u>\$ 36,484</u>
FUND BALANCES - BEGINNING OF YEAR			<u>29,293</u>	
FUND BALANCES - END OF YEAR			<u>\$ 68,217</u>	

CITY OF FERGUSON, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FARMERS MARKET SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Other income	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Community development	30,000	33,000	33,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,000)	(33,000)	(33,000)	-
OTHER FINANCING SOURCES				
Transfers	30,000	30,000	30,000	-
CHANGE IN FUND BALANCE	\$ -	\$ (3,000)	(3,000)	\$ -
FUND BALANCES - BEGINNING OF YEAR			13,225	
FUND BALANCES - END OF YEAR			\$ 10,225	

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, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 190,900	\$ 190,000	\$ 188,111	\$ (1,889)
Investment income	16,000	22,000	32,153	10,153
TOTAL REVENUES	<u>206,900</u>	<u>212,000</u>	<u>220,264</u>	<u>8,264</u>
EXPENDITURES				
Community development	<u>140,000</u>	<u>190,000</u>	<u>160,060</u>	<u>29,940</u>
EXCESS OF REVENUES OVER EXPENDITURES	66,900	22,000	60,204	38,204
OTHER FINANCING USES				
Transfers	<u>(21,000)</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ 45,900</u>	<u>\$ 1,000</u>	39,204	<u>\$ 38,204</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,258,769</u>	
FUND BALANCES - END OF YEAR			<u>\$ 1,297,973</u>	

CITY OF FERGUSON, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SALES TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,183,300	\$ 979,300	\$ 1,162,702	\$ 183,402
Investment income	-	2,200	2,201	1
TOTAL REVENUES	<u>1,183,300</u>	<u>981,500</u>	<u>1,164,903</u>	<u>183,403</u>
EXPENDITURES				
Current:				
Community development	489,250	459,300	134,073	325,227
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>489,250</u>	<u>459,300</u>	<u>134,073</u>	<u>325,227</u>
EXCESS OF REVENUES OVER EXPENDITURES	694,050	522,200	1,030,830	(141,824)
OTHER FINANCING USES				
Transfers	(833,113)	(493,100)	(397,063)	96,037
CHANGE IN FUND BALANCE	<u>\$ (139,063)</u>	<u>\$ 29,100</u>	633,767	<u>\$ (45,787)</u>
FUND BALANCES - BEGINNING OF YEAR			<u>901,416</u>	
FUND BALANCES - END OF YEAR			<u>\$ 1,535,183</u>	

CITY OF FERGUSON, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DOWNTOWN TIF REDEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 629,100	\$ 581,800	\$ 746,568	\$ 164,768
Investment income	-	300	276	(24)
TOTAL REVENUES	<u>629,100</u>	<u>582,100</u>	<u>746,844</u>	<u>164,744</u>
EXPENDITURES				
Community development	<u>239,000</u>	<u>98,200</u>	<u>98,133</u>	<u>67</u>
EXCESS OF REVENUES OVER EXPENDITURES	390,100	483,600	648,711	165,111
OTHER FINANCING USES				
Transfers	<u>(210,928)</u>	<u>(289,000)</u>	<u>(317,500)</u>	<u>(28,500)</u>
CHANGE IN FUND BALANCE	<u>\$ 179,172</u>	<u>\$ 194,600</u>	331,211	<u>\$ 136,611</u>
FUND BALANCES - BEGINNING OF YEAR			<u>245,250</u>	
FUND BALANCES - END OF YEAR			<u>\$ 576,461</u>	

CITY OF FERGUSON, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	835,098	830,600	827,090	3,510
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(835,098)	(830,600)	(827,090)	3,510
OTHER FINANCING SOURCES				
Transfers	830,306	830,328	830,878	550
CHANGE IN FUND BALANCE	<u>\$ (4,792)</u>	<u>\$ (272)</u>	3,788	<u>\$ 4,060</u>
FUND BALANCES - BEGINNING OF YEAR			16,579	
FUND BALANCES - END OF YEAR			<u>\$ 20,367</u>	

CITY OF FERGUSON, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 521,100	\$ 521,100	\$ 559,243	\$ 38,143
Investment income	2,400	2,400	2,566	166
TOTAL REVENUES	<u>523,500</u>	<u>523,500</u>	<u>561,809</u>	<u>38,309</u>
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	<u>525,175</u>	<u>524,400</u>	<u>524,388</u>	<u>12</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ (1,675)</u>	<u>\$ (900)</u>	37,421	<u>\$ 38,321</u>
FUND BALANCES - BEGINNING OF YEAR			<u>928,849</u>	
FUND BALANCES - END OF YEAR			<u>\$ 966,270</u>	

CITY OF FERGUSON, MISSOURI
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>BALANCE</u> <u>JULY 1, 2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
ASSETS				
Cash	<u>\$ 14,017</u>	<u>\$ 8,623</u>	<u>\$ 16,170</u>	<u>\$ 25,033</u>
LIABILITIES				
Accounts Payable	<u>\$ 14,017</u>	<u>\$ 8,623</u>	<u>\$ 16,170</u>	<u>\$ 25,033</u>

Statistical Section

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 sources.

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 this section is derived from the comprehensive annual financial reports for the relevant year.

CITY OF FERGUSON, MISSOURI

**NET POSITION
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:										
Net investment in capital										
assets	\$ 24,070,312	\$ 23,089,137	\$ 20,933,233	\$ 19,131,652	\$ 17,532,442	\$ 17,034,039	\$ 12,890,682	\$ 10,525,807	\$ 7,962,476	\$ 9,019,903
Restricted	5,596,267	4,713,962	5,164,498	4,627,013	4,487,602	5,889,626	5,560,201	7,376,914	9,566,443	6,629,112
Unrestricted	<u>3,274,784</u>	<u>5,429,292</u>	<u>5,148,345</u>	<u>4,780,861</u>	<u>4,534,529</u>	<u>6,653,065</u>	<u>11,712,807</u>	<u>10,558,847</u>	<u>8,830,630</u>	<u>8,445,015</u>
Total governmental										
activities net position	<u>\$ 32,941,363</u>	<u>\$ 33,232,391</u>	<u>\$ 31,246,076</u>	<u>\$ 28,539,526</u>	<u>\$ 26,554,573</u>	<u>\$ 29,576,730</u>	<u>\$ 30,163,690</u>	<u>\$ 28,461,568</u>	<u>\$ 26,359,549</u>	<u>\$ 24,094,030</u>

(1) In fiscal year 2018, a prior period adjustment was made which decreased the net position by \$155,972.

CITY OF FERGUSON
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Administrative	\$ 3,831,945	\$ 3,012,594	\$ 3,189,143	\$ 2,584,627	\$ 2,499,916	\$ 2,464,983	\$ 1,958,240	\$ 1,657,963	\$ 1,490,297	\$ 1,447,325
Police department	9,276,253	8,658,537	8,685,010	8,030,996	9,338,056	9,733,218	9,209,729	8,454,328	8,068,845	7,956,853
Highway and streets	2,895,814	3,384,530	3,087,702	2,398,632	2,965,678	3,109,989	3,057,233	3,472,835	2,783,537	3,238,956
Community development	657,072	908,975	489,319	533,199	833,146	556,838	921,645	1,032,783	539,542	575,041
Culture and recreation	1,771,500	1,881,122	1,897,060	1,870,978	1,887,419	1,848,805	1,663,656	1,669,835	1,604,340	1,436,866
Interest and fiscal charges	420,013	436,435	472,328	514,614	587,505	638,257	946,140	795,834	679,492	587,564
Total governmental activities expenses	18,852,597	18,282,193	17,820,562	15,933,046	18,111,720	17,756,643	17,083,578	15,166,053	15,242,605	15,242,605
PROGRAM REVENUE										
Charges for services:										
General government	439,092	625,286	729,298	724,452	410,456	819,487	905,815	772,859	617,251	667,595
Public safety	238,595	355,272	381,972	342,372	647,273	1,105,232	2,148,944	2,619,331	2,339,013	1,653,964
Highway and streets	280,404	329,381	264,290	290,717	347,849	477,016	336,230	231,883	507,977	288,168
Community development	-	-	-	-	-	-	-	-	-	-
Culture and recreation	193,325	333,030	377,433	442,057	338,258	356,342	324,954	310,937	362,054	361,689
Operating grants	30,656	18,199	68,014	40,232	36,362	47,023	152,707	170,831	195,787	-
Capital grants	1,813,344	2,951,827	3,020,349	2,446,058	2,018,451	1,388,140	2,665,152	1,800,834	303,202	860,404
Total governmental activities program revenue	2,995,416	4,612,995	4,841,356	4,285,888	3,798,649	4,193,240	5,906,675	4,325,284	3,831,820	3,831,820
NET EXPENSES	<u>(15,857,181)</u>	<u>(13,669,198)</u>	<u>(12,979,206)</u>	<u>(11,647,158)</u>	<u>(14,313,071)</u>	<u>(13,563,403)</u>	<u>(11,176,903)</u>	<u>(10,840,769)</u>	<u>(11,410,785)</u>	<u>(11,410,785)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Sales	9,573,316	9,719,188	9,749,612	8,399,501	6,457,803	6,507,636	6,657,826	7,483,584	6,583,419	6,441,170
Utility	2,680,938	2,938,849	3,080,174	2,732,867	2,213,738	2,406,507	2,459,500	2,453,095	2,349,542	2,783,666
Property	2,879,465	2,626,819	2,842,024	2,438,120	2,346,301	2,912,473	3,327,974	3,421,789	2,837,325	1,983,472
Other	-	-	-	-	-	-	55,024	57,851	1,047,469	1,129,883
Investment income	268,136	261,853	76,796	6,962	170,645	172,514	227,521	(66,290)	245,779	140,273
Other miscellaneous revenue	164,397	108,705	93,122	54,661	102,427	109,587	197,118	124,487	42,757	121,109
Total governmental activities	15,566,252	15,655,414	15,841,728	13,632,111	11,290,914	12,108,717	13,474,516	13,106,291	12,599,573	12,599,573
CHANGES IN NET POSITION	<u>\$ (290,929)</u>	<u>\$ 1,986,216</u>	<u>\$ 2,862,522</u>	<u>\$ 1,984,953</u>	<u>\$ (3,022,157)</u>	<u>\$ (1,454,686)</u>	<u>\$ 2,297,613</u>	<u>\$ 2,265,522</u>	<u>\$ 1,188,788</u>	<u>\$ 1,188,788</u>

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

	2020	2019 (3)	2019	2018	2017	2016	2015	2013 (2)	2013	2011 (1)
General Fund:										
Nonspendable	\$ 415,417	\$ 276,602	\$ 290,068	\$ 404,855	\$ 386,491	\$ 113,016	\$ 290,999	\$ 191,348	\$ 232,408	\$ 424,799
Assigned	-	-	-	-	-	-	-	-	105,200	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Unassigned	3,865,102	4,786,397	4,330,348	3,377,331	3,206,711	5,778,621	7,907,704	10,308,718	9,324,324	8,445,015
Total general fund	<u>\$ 4,280,519</u>	<u>\$ 5,062,999</u>	<u>\$ 4,620,416</u>	<u>\$ 3,782,186</u>	<u>\$ 3,593,202</u>	<u>\$ 5,891,637</u>	<u>\$ 8,198,703</u>	<u>\$ 10,500,066</u>	<u>\$ 9,661,932</u>	<u>\$ 8,869,814</u>
All Other Governmental Funds:										
Nonspendable	\$ 91,466	\$ 76,016	\$ 68,834	\$ 40,385	\$ 13,758	\$ 108,624	\$ 1,148	\$ -	\$ -	\$ 57,009
Restricted	5,401,454	4,261,493	5,054,923	4,722,327	4,728,210	6,674,724	10,973,895	14,843,865	10,837,846	5,737,366
Assigned (2)	-	-	-	-	-	-	-	1,072	212,305	409,938
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unassigned	(485,642)	(276,426)	(6,260)	(6,262)	-	(5,963)	(78)	-	-	-
Total all other governmental funds	<u>\$ 5,007,278</u>	<u>\$ 4,061,083</u>	<u>\$ 5,117,497</u>	<u>\$ 4,756,450</u>	<u>\$ 4,741,968</u>	<u>\$ 6,777,385</u>	<u>\$ 10,974,965</u>	<u>\$ 14,844,937</u>	<u>\$ 11,050,151</u>	<u>\$ 6,204,313</u>

Note: The City implemented the requirements of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions in 2011.

- (1) In fiscal year 2011, a prior period adjustment was made which increased the fund balance of capital projects funds by \$385,405.
- (2) In fiscal year 2013, the City reached the conclusion that its Parks Fund's fund balance is not assigned but, instead, is restricted by statute and, accordingly, was previously incorrectly classified. Restatement of restricted fund balances for the two fiscal years ended June 30, 2012 and 2011 has been made. Those amount are \$1,227,163 (2012) and \$1,110,458 (2011), respectively.
- (3) In fiscal year 2019, a prior period adjustment was made which decreased the fund balance by \$243,303.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes (1)	\$ 15,151,189	\$ 15,311,076	\$ 15,664,795	\$ 13,559,457	\$ 10,984,200	\$ 11,787,058	\$ 13,506,530	\$ 13,349,317	\$ 12,728,871	\$ 12,457,272
Intergovernmental (1)	2,369,786	2,560,131	3,088,363	2,486,290	2,054,813	1,435,163	-	-	-	-
Licenses and permits	572,110	800,923	783,388	811,919	827,835	900,632	739,497	679,240	730,581	681,085
Charges for service	502,686	647,299	635,251	705,905	607,927	746,329	780,373	684,580	774,429	770,213
Fines and forfeitures	200,175	312,499	338,154	296,026	598,038	1,050,276	2,096,617	2,571,190	2,227,648	1,520,118
Investment income	268,136	261,853	76,796	6,962	170,645	172,514	227,521	(66,290)	245,779	140,273
Other income	41,620	14,541	48,122	21,629	37,598	58,273	1,846,096	2,045,489	542,463	1,096,053
Total Revenues	<u>19,105,702</u>	<u>19,908,322</u>	<u>20,634,869</u>	<u>17,888,188</u>	<u>15,281,056</u>	<u>19,196,634</u>	<u>19,263,526</u>	<u>17,249,771</u>	<u>16,665,014</u>	<u>16,665,014</u>
Expenditures										
General government	3,479,090	2,675,423	2,573,992	2,357,530	2,219,034	2,240,144	1,731,979	1,443,858	1,281,211	1,367,131
Public safety	7,871,523	7,768,100	7,769,815	7,186,097	8,275,249	9,028,104	8,561,370	8,066,962	7,756,871	7,640,050
Highways and streets	1,756,264	1,815,838	1,671,316	1,635,416	1,878,212	2,033,071	2,247,913	2,386,624	1,975,865	1,978,700
Community development	643,240	912,504	484,884	560,799	842,876	505,593	662,424	639,587	536,152	559,858
Culture and recreation	1,138,117	1,329,178	1,335,610	1,329,732	1,318,853	1,394,516	1,290,963	1,311,007	1,242,896	1,122,730
Capital outlay	2,758,431	3,876,004	3,635,327	2,544,368	2,234,082	6,276,447	8,068,753	7,453,234	4,196,885	2,334,697
Debt service:										
Issuance cost	-	-	-	-	-	-	-	102,473	155,534	-
Interest and fiscal charges	425,905	448,630	484,741	525,859	590,423	636,993	741,444	522,421	926,894	518,757
Principal	1,537,026	1,495,217	1,524,907	1,577,953	2,321,008	1,677,656	2,202,467	1,854,869	1,435,000	1,389,740
Total Expenditures	<u>19,609,596</u>	<u>20,320,894</u>	<u>19,480,592</u>	<u>17,717,754</u>	<u>19,679,737</u>	<u>25,507,313</u>	<u>23,781,035</u>	<u>19,507,308</u>	<u>16,911,663</u>	<u>16,911,663</u>
Excess of Revenues Over (Under) Expenditures	<u>(503,894)</u>	<u>(412,572)</u>	<u>1,154,277</u>	<u>170,434</u>	<u>(4,398,681)</u>	<u>(6,310,679)</u>	<u>(4,517,509)</u>	<u>(2,257,537)</u>	<u>(246,649)</u>	<u>(246,649)</u>
Other Financing Sources (Uses)										
Proceeds from issuance of debt	556,420	-	-	-	-	1,086,316	-	9,055,000	10,065,000	-
Insurance proceeds	62,544	42,044	45,000	7,699	64,829	51,314	132,757	50,663	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	(2,280,400)	-
Premium (discount) on bond issue	-	-	-	-	-	-	-	44,764	110,895	-
Sales of capital assets	48,645	-	-	25,333	-	-	6,587	-	-	-
Total Other Financing Sources (Uses)	<u>667,609</u>	<u>42,044</u>	<u>45,000</u>	<u>33,032</u>	<u>64,829</u>	<u>1,137,630</u>	<u>139,344</u>	<u>9,150,427</u>	<u>7,895,495</u>	<u>-</u>
Change in Fund Balances	<u>\$ 163,715</u>	<u>\$ (370,528)</u>	<u>\$ 1,199,277</u>	<u>\$ 203,466</u>	<u>\$ (4,333,852)</u>	<u>\$ (5,173,049)</u>	<u>\$ (4,378,165)</u>	<u>\$ 6,892,890</u>	<u>\$ 7,648,846</u>	<u>\$ (246,649)</u>
Debt service as a percentage of noncapital expenditures	11.2%	11.1%	11.8%	13.7%	16.1%	12.7%	16.3%	13.7%	15.2%	12.7%

(1) Beginning in 2015, the City included motor fuel sales, cigarette receipts, road and bridge taxes, and grants as intergovernmental.

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Assessed Value</u>	<u>Total Direct Residential Tax Rate</u>	<u>Estimated Actual Value</u>
2011	\$ 169,400,220	\$ 35,806,960	\$ 205,207,180	\$ 0.648	\$ 911,715,925
2012	151,979,090	32,755,000	184,734,090	1.020	817,106,475
2013	152,097,950	33,584,140	185,682,090	1.356	820,046,200
2014	134,734,400	33,379,110	168,113,510	1.414	730,894,435
2015	135,374,200	35,128,880	170,503,080	1.367	765,548,050
2016	127,848,280	33,545,570	161,393,850	1.324	706,674,500
2017	138,570,019	34,569,126	173,139,145	1.324	758,102,113
2018	151,483,676	32,462,249	183,945,925	1.384	765,341,843
2019	149,476,066	33,874,641	183,350,707	1.298	742,392,315
2020	174,994,521	33,407,661	208,402,182	1.172	737,837,960

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

NOTE: State law prohibits the disclosure of specific taxpayer information. As a result, property tax information is provided instead.

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

<u>Fiscal Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
City										
General	\$ 0.7230	\$ 0.8240	\$ 0.8120	\$ 0.8000	\$ 0.8000	\$ 0.8000	\$ 0.8000	\$ 0.8000	\$ 0.4500	\$ 0.4500
Parks	0.1730	0.1980	0.1950	0.2000	0.2000	0.2000	0.1980	0.1920	0.1900	0.2000
Debt Service	<u>0.2760</u>	<u>0.3060</u>	<u>0.3770</u>	<u>0.3240</u>	<u>0.3240</u>	<u>0.3670</u>	<u>0.4160</u>	<u>0.3640</u>	<u>0.3800</u>	<u>-</u>
Total	<u>1.1720</u>	<u>1.3280</u>	<u>1.3840</u>	<u>1.3240</u>	<u>1.3240</u>	<u>1.3670</u>	<u>1.4140</u>	<u>1.3560</u>	<u>1.0200</u>	<u>0.6500</u>
School District	4.9025	5.5400	5.4333	5.5400	5.5400	5.5400	5.0400	5.0400	5.0200	5.0200
County	0.5180	0.5230	0.4890	0.5150	0.5150	0.5230	0.5230	0.5230	0.5230	0.5200
State	0.0300	0.0300	0.0300	0.0300	0.0300	0.3000	0.0300	0.0300	0.3000	0.3000
Other	<u>2.0264</u>	<u>2.1669</u>	<u>2.0867</u>	<u>2.1665</u>	<u>2.2297</u>	<u>1.9885</u>	<u>2.2361</u>	<u>1.9682</u>	<u>1.7174</u>	<u>1.6900</u>
Total	<u><u>\$ 8.6489</u></u>	<u><u>\$ 9.5879</u></u>	<u><u>\$ 9.4230</u></u>	<u><u>\$ 9.5755</u></u>	<u><u>\$ 9.6387</u></u>	<u><u>\$ 9.7185</u></u>	<u><u>\$ 9.2431</u></u>	<u><u>\$ 8.9172</u></u>	<u><u>\$ 8.5804</u></u>	<u><u>\$ 8.1800</u></u>

Residential real property tax rates per \$100 assessed value

Taxing district: 111AK

Source: St. Louis County Assessor

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

Property Taxpayer	Type of Business	2020		2011	
		Assessed Value	Percent of Total Assessment	Assessed Value	Percent of Total Assessment
Emerson Electric	Manufacturing	\$ 10,693,830	5.1 %	\$ 12,351,000	6.4 %
Crossings at Halls Ferry LLC	Shopping Center	3,108,830	1.5	3,616,000	1.9
Walmart/Sam's Club	Retail Sales	4,258,240	2.0	4,224,000	2.2
A & O Investments	Real Estate Holding Co.	2,245,150	1.1		
Northwinds Apartments LLP	Apartment Rental	2,224,950	1.1	1,895,000	1.0
Walgreens	Retail Sales	975,840	0.5		
NCF LLC	Real Estate Holding Co.	1,712,450	0.8	1,851,000	0.8
Park Ridge Appts/Gannon Ptrship	Apartment Rental			1,691,000	0.9
MIMG XL VI Knolls LLC	Apartment Rental	1,449,870	0.7		
Lipton Properties	Apartment Rental			1,969,000	1.0
US Bancorp-Allen Technologies	Equipment Leasing			2,130,000	1.1
Afshari Enterprises Inc.	Real Estate Holding Co.			1,935,000	1.0
Michael Palmer	Development	1,779,990	0.9		
Home Depot USA, Inc.	Retail Sales	1,856,000	0.9	1,824,000	0.9
Totals		<u>\$ 30,305,150</u>	<u>14.5 %</u>	<u>\$ 33,486,000</u>	<u>17.2 %</u>

Source: St. Louis County Assessor

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

Fiscal Year	Original Tax Levy	Current Tax Collections	Percent Collected As Current	Total Tax Collections	Total Collections As Percent of Levy
2011	\$ 1,226,175	\$ 970,929	89.6 %	\$ 1,225,535	99.9 %
2012	1,193,729	937,925	78.6	1,188,891	99.6
2013	1,190,246	960,575	80.7	1,185,339	99.6
2014	1,858,710	1,482,937	79.8	1,857,755	99.9
2015	1,733,657	1,345,991	77.6	1,732,390	99.9
2016	1,680,467	1,392,551	82.9	1,680,467	100.0
2017	1,613,246	1,285,718	79.7	1,613,246	100.0
2018	2,537,976	1,739,230	68.5	2,535,821	99.9
2019	2,414,992	1,742,248	72.1	2,411,381	99.9
2020	2,517,327	1,765,890	70.1	NA	NA

(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
SALES TAX RATES AND TAXABLE SALES
LAST EIGHT FISCAL YEARS

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>St. Louis County</u>	<u>State of Missouri</u>	<u>Direct and Overlapping</u>	<u>Sales Tax Revenues</u>	<u>Taxable Sales</u>
2013	2.57 %	2.88 %	4.225 %	9.675 %	\$ 7,483,584	\$ 291,190,039
2014	2.57	2.88	4.225	9.675	6,657,826	259,059,377
2015	2.57	2.88	4.225	9.675	6,507,636	253,215,409
2016	2.57	2.88	4.225	9.675	6,457,803	251,276,381
2017	3.07	2.88	4.225	10.175	8,399,501	273,599,381
2018	3.07	2.88	4.225	10.175	9,749,612	317,576,938
2019	3.07	2.88	4.225	10.175	9,719,188	316,585,928
2020	3.07	2.88	4.225	10.175	9,573,316	311,834,397

Note: State Law prohibits the disclosure of specific taxpayer information.

Note: The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

Note: The City's direct rate is made up of the following:

- General sales tax
- Capital improvements sales tax
- Parks and stormwater sales tax
- 1/4 Fire sales tax
- 1/4 Local sales tax
- Economic development sales tax effective October 2016
- Public Safety tax effective October 2017 (Prop P)

Note: Information prior to 2013 was not currently available.

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

Governmental Activities									
Fiscal Year	Tax Increment Revenue Bonds (2)	Certificates of Participation (3)	Variable Rate Capital Improvement Bonds (4)	Capital Leases (5)	General Obligation Bonds (6)	Total Primary Government	Percentage of Personal Income (7)	Per Capita	
2011	\$ 3,305	\$ 2,385	\$ 3,895	\$ 1,115	\$ -	\$ 10,700	1.37 %	\$	505
2012	2,545	2,065	3,550	893	7,670	16,723	2.11		789
2013	1,810	10,925	3,190	663	7,345	23,933	3.08		1,129
2014	1,015	10,405	2,820	480	7,010	21,730	2.74		1,029
2015	782	9,875	2,430	1,406	6,759	21,252	2.61		1,008
2016	-	9,260	2,025	1,210	6,446	18,941	2.21		899
2017	-	8,773	1,605	1,007	5,970	17,355	1.93		823
2018	-	8,171	1,170	872	5,610	15,823	1.84		763
2019	-	7,558	715	807	5,240	14,320	1.67		691
2020	-	7,391	245	740	4,955	13,331	1.77		650

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, 2005, 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.
On January 30, 2013, the City issued certificates of participation of \$9,055,000 for acquiring land and constructing a new community center and renovations to other
On September 1, 2019, the City issued certificates of participation of \$1,016,400 for the purchase of a new pumper truck.
- (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 various lessors for fire trucks and infrastructure improvements.
- (6) In September 2011, the City issued \$8,000,000 in general obligation bonds. The purpose of the bonds is to finance the cost of acquiring, constructing, and equipping
- (7) See table entitled "Demographic and Economic Statistics" for personal income and population data.
- (8) On January 30, 2013, the City issued \$9,055,000 of certificates of participation bonds - Series 2013. The bonds were issued for the purpose of acquiring land and buildings for a new community center and the renovation of these buildings and for renovation and additions to the building currently housing the police department.
- (9) All amounts rounded to the nearest \$1,000, except for percent and per capita.

CITY OF FERGUSON, MISSOURI
SCHEDULE OF RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST 10 YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Amounts Available For Debt Service</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capital (2)</u>
2011	\$ -	\$ -	\$ -	- %	\$ -
2012	7,670	250	-	-	-
2013	7,345	414	-	-	-
2014	7,010	601	6,409	0.88	304
2015	6,759	738	6,021	0.79	286
2016	6,446	751	5,695	0.81	270
2017	5,970	765	5,205	0.69	247
2018	5,610	904	4,706	0.61	227
2019	5,240	929	4,311	0.58	208
2020	4,955	966	3,989	0.55	194

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Actual property values can be found on the schedule of assessed and estimated actual value of taxable property - General Fund

(2) Population values can be found on the Schedule of Demographic And Economic Statistics

CITY OF FERGUSON, MISSOURI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT -
GENERAL OBLIGATION BONDED DEBT
JUNE 30, 2020

Name Of Governmental Unit	Debt Outstanding (1)	Percentage Applicable to City of Ferguson (2)	Amount Applicable to City of Ferguson
Direct:			
Certificates of Participation	\$ 7,391,420	100.00 %	\$ 7,391,420
Variable Rate Capital Improvement Bonds	244,983	100.00	244,983
General Obligation Bonds	4,955,088	100.00	4,955,088
Capital Leases	739,577	100.00	739,577
Total Direct Debt	<u>\$ 13,331,068</u>		<u>\$ 13,331,068</u>
Overlapping:			
St. Louis County	\$ 82,330,000	0.83	\$ 683,339
Hazelwood School District	195,062,541	1.16	2,262,725
Riverview Gardens School	23,490,000	6.58	1,545,642
Jennings School District	11,575,000	6.74	780,155
Ferguson Reorganized School District	41,385,000	14.88	6,158,088
Total Overlapping Debt	<u>\$ 353,842,541</u>		<u>11,429,949</u>
Total Direct And Overlapping Debt			<u><u>\$ 24,761,017</u></u>

(1) Excludes lease obligations of overlapping taxing districts and St. Louis County's Neighborhood Improvement District Bonds that are a general obligation of St. Louis County but are expected to be paid from special assessments and for which St. Louis County may not levy a general property tax.

(2) Estimate based on 2013 real and personal property assessed valuation.

Source: Bond amounts were provided by the respective taxing districts and other sources believed to be reliable. Assessments were provided by the Office of the County Assessor.

CITY OF FERGUSON, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed Value at December 30, 2019	\$ 208,402,182	\$ 183,350,707	\$ 183,945,925	\$ 173,139,145	\$ 161,393,850	\$ 170,503,080	\$ 168,113,510	\$ 185,682,090	\$ 184,734,090	\$ 205,207,180
Debt Limit (10% of assessed value)	20,840,218	18,335,071	18,394,593	17,313,915	16,139,385	17,050,308	16,811,351	18,568,209	18,473,409	20,520,718
Amount of Debt Subject to Limit										
Total Bonded Debt	4,955,000	5,240,000	5,610,000	5,970,000	6,446,000	6,759,000	7,010,000	7,345,000	7,670,000	-
Less - Amounts Available in Debt Service Fund	966,270	926,136	787,520	775,169	1,586,999	1,721,728	1,475,907	1,323,485	-	-
Total Amount of Debt Applicable to Debt Limit	3,988,730	4,313,864	4,822,480	5,194,831	4,859,001	5,037,272	5,534,093	6,021,515	7,670,000	-
Legal Debt Margin	<u>\$ 16,851,488</u>	<u>\$ 14,021,207</u>	<u>\$ 13,572,113</u>	<u>\$ 12,119,084</u>	<u>\$ 11,280,384</u>	<u>\$ 12,013,036</u>	<u>\$ 11,277,258</u>	<u>\$ 12,546,694</u>	<u>\$ 10,803,409</u>	<u>\$ 20,520,718</u>
Total net debt applicable to the limit as a percentage of debt limit	19.1%	23.5%	26.2%	30.0%	30.1%	29.5%	32.9%	32.4%	41.5%	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 TEN FISCAL YEARS

TIF Refunding and Improvement Bonds (1)							
Fiscal Year	TIF Sales Tax	TIF Property Tax	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2011	\$ 464,446	\$ 397,236	\$ -	\$ 861,682	\$ 695,000	\$ 188,500	0.98 %
2012	487,813	386,350	-	874,163	760,000	159,150	0.95
2013	471,134	397,159	-	868,293	735,000	125,570	1.01
2014	490,268	449,361	-	939,629	795,000	91,383	1.06
2015 (2)	-	6,673	-	6,673	215,000	45,375	0.03
2016	-	-	-	-	800,000	20,000	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-

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 debt service is paid backed by sales and property taxes collected in the Halls Ferry TIF district.

(2) In 2015, the City collected enough tax revenue to pay all outstanding principal and interest.

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>Median Household Income</u>	<u>Unemployment Rate</u>
2011	\$ 21,203	\$ 782,984	\$ 36,928	8.6 %
2012	21,203	790,808	37,297	8.2
2013	21,203	776,984	36,645	8.6
2014	21,111	792,021	37,517	6.9
2015	21,086	815,712	38,685	5.5
2016	21,059	856,259	40,660	4.6
2017	21,086	901,173	42,738	3.7
2018	20,728	861,704	41,572	3.1
2019	20,730	857,579	41,369	3.4
2020	20,525	752,139	36,645	7.8

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

<u>Employer</u>	<u>2020 Fiscal Year</u>			<u>2011 Fiscal Year</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ferguson-Florissant School District	1,511	1	39.8%	*		
Emerson Electric	766	2	20.2%	675	1	5.6%
St. Louis Community College	579	3	15.2%	*		
Walmart	284	4	7.5%	300	2	2.5%
Sam's Club	187	5	4.9%	170	3	1.4%
Home Depot	127	6	3.3%	154	5	1.3%
Negwar Materials	124	7	3.3%	120	6	1.0%
Cracker Barrel	89	8	2.3%	120	7	1.0%
McDonalds Restaurant	64	9	1.1%		8	
Schnucks	40	10	2.0%	65		0.5%
Shop N Save - 2 stores				190	4	1.5%
McDonalds Restaurant				60	9	0.5%
Walgreens - 1 store	29			101	10	0.8%

* Information was unavailable

Source: Business License database from Finance Department

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

Function/Program	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
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	3	3	2	2	2	2	2	3
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	1	1	2	2	2	2	2	2	2	2
Finance Department	3	3	4	4	4	3	4	4	5	4
Public Works Administration	2	2	2	2	2	2	1	-	-	1
Community Development:										
Planning and Development	4	4	1	1	2	1	1	1	1	2
Public Safety:										
Municipal Court	3	3	3	3	3	2	2	2	2	3
Police Department:										
Commissioned officers	54	54	54	54	55	45	51	51	50	50
Civilians	9	9	11	11	11	7	6	6	9	9
Fire Department	27	27	27	27	27	21	24	24	25	25
Code Enforcement	6	6	6	6	6	4	5	6	6	5
Highways and Streets:										
Municipal Services (Streets)	16	16	11	11	11	9	9	9	9	9
Municipal Garage	3	3	3	3	3	3	3	3	3	3
Parks and Recreation	4	4	5	5	5	9	9	10	8	8
Total	<u>143</u>	<u>143</u>	<u>141</u>	<u>141</u>	<u>142</u>	<u>119</u>	<u>128</u>	<u>129</u>	<u>131</u>	<u>133</u>

Source: City of Ferguson, Missouri budget.

CITY OF FERGUSON, MISSOURI
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police Department										
Crimes reported	1,132	1,338	1,358	2,336	1,431	1,302	1,467	1,509	1,335	1,235
Traffic accidents	730	833	693	741	676	539	558	555	348	417
Tickets issued	2,922	4,089	2,668	3,360	2,197	8,444	14,590	14,421	13,412	15,000
Camera Enforcement Tickets	-	-	-	-	-	-	11,867	5,318	-	-
Dispatched Calls	33,233	26,238	20,773	21,061	22,819	22,343	22,980	24,520	24,900	20,933
Fire Department										
Fires	272	268	317	250	122	147	105	151	122	122
Emergency medical services	2,034	1,973	1,736	1,817	1,426	1,477	1,715	1,748	1,808	1,923
Assists to other departments	820	725	714	651	734	611	527	480	566	603
Non-specific calls	782	1,334	1,068	669	668	568	473	482	457	561
Total calls responded to	3,804	3,589	3,121	3,387	2,950	2,803	2,820	2,861	2,947	3,209
Assists from other departments	251	472	460	487	434	503	295	352	259	274
Courts										
Number of cases initiated	3,062	4,205	4,433	3,329	3,415	18,372	23,925	24,054	21,425	13,225
Parks and recreation:										
Program participation	2,329	2,343	2,375	2,125	1,859	2,518	3,654	3,576	3,180	3,147
Shuttle passengers	1,187	4,273	4,354	4,180	4,338	3,688	3,332	3,171	3,161	3,067
Splash at Wabash	8,278	16,758	17,527	16,456	15,717	18,928	20,869	22,487	23,289	25,668
Sports Complex at Forestwood	24,500	36,500	36,500	39,500	39,500	35,230	61,805	64,421	67,026	68,433
Community Center	12,108	38,131	-	-	-	-	-	-	-	-
Public Works										
Occupancy permits	1,026	1,051	1,046	1,430	1,309	1,330	1,467	1,583	1,201	1,313
Inspections completed	19,551	11,806	13,250	15,106	14,611	13,033	12,923	13,867	14,206	13,726
Abatements made	1,298	3,228	2,317	2,567	2,435	2,132	2,114	2,181	1,837	1,931

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

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

		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Highways/Streets:											
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	1,117	1,117	1,117
Fire protection:											
Number of stations		2	2	2	2	2	2	2	2	2	2
Fire hydrants		601	598	598	598	598	598	598	598	597	597
Vehicles:											
Pumpers		3	3	3	3	3	3	3	3	2	2
Ladder truck		-	-	-	-	-	-	-	-	1	1
Pumper/Telesquirt		-	1	1	1	1	1	1	1	-	-
Rescue trucks		-	1	1	1	1	1	1	1	1	1
Foam truck		-	1	1	1	1	1	1	1	-	-
Command vehicles		2	2	2	2	2	2	2	2	2	2
ATV with pump		1	1	1	1	1	1	1	1	1	1
Police protection:											
Number of stations		1	1	1	1	1	1	1	1	1	1
Parks and recreation:											
Acres of parks		117	108	108	108	108	108	108	108	108	108
Number of parks		12	12	12	11	11	11	11	11	11	11

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