

**CITY OF FERGUSON, MISSOURI**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2022**



*Report prepared and submitted by the  
Department of Finance*

**CITY OF FERGUSON, MISSOURI**  
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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of Ferguson, Missouri  
Ferguson, Missouri

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the City of Ferguson, Missouri's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ferguson, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As disclosed in Note 1, City of Ferguson, Missouri implemented the provisions of Governmental Accounting Standards Board Statement No. 87 – Leases. The Standard requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ferguson, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Ferguson, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Ferguson, Missouri's ability to continue as a going concern for a reasonable period of time.

Honorable Mayor and Members of the City Council  
City of Ferguson, Missouri

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ferguson, Missouri's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, combining nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
August 21, 2023

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

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, 2022. 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 \$36,523,839 . This represents a decrease of \$ (146,395) from operations for the fiscal year ending June 30, 2022.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 14,314,484 . This represents an increase of \$ 1,572,811 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 supplementary information, other supplementary 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 (UNAUDITED)**  
**JUNE 30, 2022**

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 nonmajor 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 (UNAUDITED)**  
**JUNE 30, 2022**

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 Supplementary Information* – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information.
- *Other Supplementary Information* – The combining and individual fund statements referred to earlier in connection with nonmajor 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 \$36,523,839 as of June 30, 2022.

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 (UNAUDITED)**  
**JUNE 30, 2022**

**Governmental Activities**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
<b>ASSETS</b>			
Current and Other Assets	\$ 19,177,431	\$ 17,977,903	\$ 1,199,528
Capital Assets	<u>34,581,560</u>	<u>35,930,497</u>	<u>(1,348,937)</u>
Total Assets	<u>53,758,991</u>	<u>53,908,400</u>	<u>(149,409)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	2,179,286	696,532	1,482,754
<b>LIABILITIES</b>			
Current and Other Liabilities	17,305,408	1,119,618	16,185,790
Long-Term Liabilities	<u>11,962,982</u>	<u>13,235,300</u>	<u>(1,272,318)</u>
Total Liabilities	<u>29,268,390</u>	<u>14,354,918</u>	<u>14,913,472</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>2,109,030</u>	<u>3,579,780</u>	<u>(1,470,750)</u>
<b>NET POSITION</b>			
Investment in Capital Assets	23,319,259	23,577,360	(258,101)
Restricted	9,173,578	5,481,175	3,692,403
Unrestricted	<u>4,031,002</u>	<u>7,611,699</u>	<u>(3,580,697)</u>
Total Net Position	<u><u>\$ 36,523,839</u></u>	<u><u>\$ 36,670,234</u></u>	<u><u>\$ (146,395)</u></u>

**Governmental Activities**

On a government-wide basis, governmental activities resulted in the City's net position decreasing by \$(146,395).

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 decrease in net position as a result of governmental activities, as shown on the following table.

- Overall, charges for services increased about \$(40,000). As COVID-19 restrictions eased, and vaccines became available, the City was able to increase services available to residents, allowing for a modest increase over the prior year. This figure is about 14% below Fiscal Year 2019 figures.
- Grants and contributions decreased by about \$(1,120,000). In the prior year, the City was a recipient of funding from the Aid, Relief, and Economic Security Act (CARES Act) Municipal Relief Program. The City spent down those funds to reimburse expenses incurred in response to the COVID-19 Pandemic during Fiscal Year 2021, leading to the decrease for Fiscal Year 2022.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

- Overall, sales tax receipts increased about \$150,000 as the economy began to rebound from the pandemic. Sales taxes from the Saint Louis County sales tax (POOL) saw a slightly larger increase than point of sale (POS) due to the easing of COVID-19 restrictions County-wide. The City does receive both POOL and point of sale (POS) tax revenue, this has allowed the city to see a smoother impact to Sales Tax Revenue – both POOL and POS taxes are up.
- The City had an increase of about \$60,000 in interest income due to an increase in interest rates during Fiscal Year 2022. The City continues to invest funds as available to maximize returns.
- The decrease of about \$(770,000) in miscellaneous income was due mostly to the retirement and disposal of various capital assets, specifically the CTS Energy Enhancement, during Fiscal Year 2022.
- In total, General Government expenditures increased about \$190,000 or about 7% in Fiscal Year 2022. Public Safety expenses increased about \$1,470,000 in Fiscal Year 2022. These are due in large part to an increase in pension expense. The Pension Fund had significant losses during Fiscal Year 2022 due to general macroeconomic factors, which increases the amount of pension expense recognized in the government wide statements.
- Highway and Streets costs decreased by about \$(250,000) in Fiscal Year 2022. This is due in large part to a decrease in capital outlay recognized in the Street Fund of about \$430,000, which is being offset by an increase in pension expense of about \$150,000. The balance of the decrease can be attributed to routine fluctuations in salaries, labor, equipment, and other expenditures related to Highways and Streets.
- Community Development costs increased about \$210,000 in Fiscal Year 2022. The increase is primarily attributable to various capital projects which commenced or were ongoing in Fiscal Year 2022, specifically the North End W. Floriss Streetscape Improvements in the amount of about \$226,000.
- Culture and Recreation costs increased about \$620,000 in Fiscal Year 2022. Pandemic restrictions eased during the entirety of the year, whereas in Fiscal Year 2021 the first nine months saw little to no activity at the Community Center and Parks. This had a direct effect on most accounts including Part-time salaries, Reimbursable Programs, 4th of July (as it was cancelled), public reporting as well as utilities. Because of the public nature of its programs and activities, as the COVID-19 pandemic winds down, this functional area experienced the most significant increase in activities and revenues in the entire City.
- Overall, Interest and Fiscal Charges decreased about \$(80,000) for Fiscal Year 2022. While relatively small, this decrease is resultant of the overall decrease in debt burden of the City. As indicated, total debt decreased by \$1,177,888 in Fiscal Year 2022. This is not a percentage point for percentage point decrease between debt and interest mostly because by the nature of municipal debt, older issuances of debt bear interest at a higher rate.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

**Governmental Activities**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 1,418,039	\$ 1,459,448	\$ (41,409)
Grants and Contributions	2,159,074	3,275,359	(1,116,285)
General Revenues:			
Taxes	15,751,846	15,606,545	145,301
Interest Income	67,561	4,457	63,104
Miscellaneous	(502,173)	264,811	(766,984)
Total Revenues	<u>18,894,347</u>	<u>20,610,620</u>	<u>(1,716,273)</u>
<b>EXPENSES</b>			
General Government	3,054,852	2,862,322	192,530
Public Safety	9,663,441	8,198,070	1,465,371
Highway and Streets	2,377,093	2,623,068	(245,975)
Community Development	1,386,478	1,176,598	209,880
Culture and Recreation	2,238,567	1,620,090	618,477
Interest and Fiscal Charges	320,311	401,601	(81,290)
Total Expenses	<u>19,040,742</u>	<u>16,881,749</u>	<u>2,158,993</u>
<b>CHANGES IN NET POSITION</b>	(146,395)	3,728,871	(3,875,266)
Net Position - Beginning of Year	<u>36,670,234</u>	<u>32,941,363</u>	<u>3,728,871</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 36,523,839</u></u>	<u><u>\$ 36,670,234</u></u>	<u><u>\$ (146,395)</u></u>

**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, 2022, the unassigned fund balance of the General Fund was \$ 5,699,516 and the total fund balance was \$ 6,085,451 . The difference of \$ 385,935 represents nonspendable 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 43.0% of total General Fund expenditures of \$ 13,267,880 as compared to 46.3% in Fiscal Year 2021.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

The General Fund's fund balance decreased by \$ (223,414) in Fiscal Year 2022. There were several factors that influenced the decrease in fund balance. Overall, revenues did not decrease as significantly as anticipated with the COVID-19 Pandemic. Due to the City's mix between both POOL and POS for sales taxes, the City did not see as significant an eroding of tax revenues after the Count-wide shut down was over as other municipalities. However, expenses for the year increased significantly due to various factors such as the approval and completion of 11 street repair projects, outsourcing of the City's landscaping services, and significant repairs and maintenance related to the Splash at Wabash Aquatic Complex.

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

- With respect to the Parks Special Revenue Fund, while there was an increase in programming and events due the COVID-19 Pandemic winding down, there was an offsetting decrease in expenditures due to completion of Phase 1 of the Forestwood Ballfield Renovations. As a result, revenues and expenditures overall remained relatively consistent year over year, which created an overall increase in Fund Balance of about \$ 780,000 .
- With respect to the Capital Improvements Sales Tax Fund, while revenues remained relatively consistent year over year, there was a significant increase in expenditures, specifically in capital outlay for projects such as North End W. Floriss Streetscape Improvements and Frost Surface Transportation Program Project, which created an overall decrease in fund balance of about \$ 340,000 . There was also a significant decrease in transfers from the Economic Development Sales Tax fund for City match of Surface Transportation Projects as compared to the amount that had been recognized in the previous year.
- With respect to the Economic Development Sales Tax (EDST) Fund, fund balance increased by about \$ \$1,170,000 as a result of Fiscal Year 2022 operations. Transfers decreased by about \$1,300,000, which represents a reversal of the Fiscal Year 2021 one-year increase due to City match for Surface Transpiration Programs not having been recognized.
- With respect to the Downtown TIF Special Revenue Fund, fund balance increased by about \$840,000 as a result of Fiscal Year 2022 operations. There was a reduction in expenditures due to the completion of the redevelopment grant recorded in this fund in Fiscal Year 2021 and no corresponding expenditures in Fiscal Year 2022, and increased tax revenues.
- With respect to the Certificated of Participation Debt Service Fund, fund balance decreased by about \$(830,000). This decrease was the result of principal payments on outstanding debt, however there was no corresponding decrease in liabilities as the amount was paid from other funds, causing an increase in Due to Other Funds. See Note 5 for more information.
- With respect to the General Obligation Bonds Debt Service Fund, fund balance decreased by about \$(430,000). This decrease is the result of required debt service payments exceeding tax collections.

**Fiduciary Funds**

The City maintains trust and custodial funds to account for monies received and held for the benefit of others for the following purposes:

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

- 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 \$34,581,560 , net of depreciation, in a broad range of capital assets as of June 30, 2022. This investment in capital assets is summarized as follows.

**Capital Assets, Net of Depreciation**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Land	\$ 3,979,552	\$ 3,979,552	\$ -
Construction in Progress	692,425	156,135	536,290
Buildings and Improvements	15,913,684	17,638,793	(1,725,109)
Machinery and Equipment	1,521,299	1,615,356	(94,057)
Motor Vehicles	2,559,774	2,592,899	(33,125)
Infrastructure	9,914,826	9,947,762	(32,936)
<b>Total</b>	<b><u>\$ 34,581,560</u></b>	<b><u>\$ 35,930,497</u></b>	<b><u>\$ (1,348,937)</u></b>

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

**Long-Term Debt**

The City's outstanding long-term debt obligations for governmental activities decreased by \$1,177,888 to \$11,783,341 at June 30, 2022. The net decrease in the City's long-term debt obligations is the result of debt service payments offset by debt issued.

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

The following summarizes the City's governmental activities debt:

<b>Governmental Activities</b>			
	<b>2022</b>	<b>2021</b>	<b>Variance</b>
Certificates of Participant, Series 2012	\$ -	\$ 220,000	\$ (220,000)
Certificates of Participant, Series 2013	5,560,000	5,985,000	(425,000)
Certificates of Participant, Series 2019	813,520	915,210	(101,690)
General Obligation Refunding Bonds, Series 2021	4,065,000	4,480,000	(415,000)
Issuance Premiums, Net	74,727	82,305	(7,578)
Financing Lease	599,718	670,622	(70,904)
Compensated Absenced Payable	670,376	608,092	62,284
<b>Total Governmental Activities</b>	<b><u>\$ 11,783,341</u></b>	<b><u>\$ 12,961,229</u></b>	<b><u>\$ (1,240,172)</u></b>

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

**CITY OF FERGUSON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2022**

**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 \$15,240,800 in the General Fund for Fiscal Year 2022, the City has had to estimate sales tax revenues amid the pandemic. The City has forecasted that there will continue to be little growth due to pandemic. The City has added some items back to the budget that were excluded in the prior year due to COVID-19 concerns leading to an anticipated increase in expenditures. This increase in expenditures leads the City to believe that there will be a negative change in Fund Balance at year end of about \$(1,450,000).

**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, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 14,233,082
Taxes Receivable:	
Property	358,231
Sales	1,900,628
Other	420,392
Accounts Receivable, Net	890,284
Prepaid Items	189,544
Lease Receivable	988,879
Inventory	196,391
Capital Assets - Net	34,581,560
Total Assets	<u>53,758,991</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Bond Refunding	-
Pension Related Deferred Outflows	2,142,579
Other Postemployment Benefits Related Deferred Outflows	36,707
Total Deferred Outflows of Resources	<u>2,179,286</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	775,990
Wages and Benefits Payable	287,092
Other Liabilities	183,934
Accrued Interest Payable	81,837
Unearned Revenue	2,313,599
Current Maturities on Long-term Obligations	1,699,974
Noncurrent Liabilities:	
Long-term Obligations	10,083,367
Net Pension Liability	1,630,194
Other Postemployment Benefits Liability	249,421
Total Liabilities	<u>17,305,408</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Deferred Inflows	1,116,143
Other Postemployment Benefits Related Deferred Inflows	28,235
Leases	964,652
Total Deferred Inflows of Resources	<u>2,109,030</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	23,319,259
Restricted for:	
Parks	2,068,801
Debt Service	625,987
Capital Projects	1,434,009
Economic Development	2,275,224
Downtown TIF	1,590,256
Sewer Lateral	1,179,301
Unrestricted	4,031,002
Total Net Position	<u>\$ 36,523,839</u>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenue				Net Revenues (Expenses) and Changes In Net Position Governmental Activities
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 3,054,852	\$ 737,104	\$ -	\$ 359,381	\$ (1,958,367)
Public Safety	9,663,441	126,447	-	5,100	(9,531,894)
Highway and Streets	2,377,093	294,500	-	1,767,514	(315,079)
Community Development	1,386,478	-	-	-	(1,386,478)
Culture and Recreation	2,238,567	259,988	24,979	2,100	(1,951,500)
Interest and fiscal charges	320,311	-	-	-	(320,311)
Total Governmental Activities	<u>\$ 19,040,742</u>	<u>\$ 1,418,039</u>	<u>\$ 24,979</u>	<u>\$ 2,134,095</u>	<u>\$ (15,463,629)</u>
<b>GENERAL REVENUE</b>					
Taxes:					
Sales					10,684,956
Utility					2,832,640
Property					2,234,250
Investment Income					67,561
Loss on Disposal of Capital Asset					(689,954)
Other Revenue					187,781
Total General Revenue					<u>15,317,234</u>
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					<u>(146,395)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 36,523,839</u>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General Fund	Parks Fund	Capital Improvement Sales Tax Fund	Other Nonmajor Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 7,706,238	\$ 4,173,877	\$ 100,124	\$ 2,252,843	\$ 14,233,082
Taxes Receivable:					
Sales	1,009,857	243,087	292,826	354,857	1,900,627
Property	246,561	60,316	-	51,353	358,230
Other	419,988	-	-	404	420,392
Accounts Receivable, Net	94,783	-	795,501	-	890,284
Lease Receivable	936,420	52,459	-	-	988,879
Due from Other Funds	2,419,995	559,368	930,614	3,464,679	7,374,656
Prepaid Items	189,544	-	-	-	189,544
Inventory	196,391	-	-	-	196,391
<b>Total Assets</b>	<b>\$ 13,219,777</b>	<b>\$ 5,089,107</b>	<b>\$ 2,119,065</b>	<b>\$ 6,124,136</b>	<b>\$ 26,552,085</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 189,088	\$ 122,836	\$ 444,037	\$ 20,026	\$ 775,987
Due to Other Funds	3,067,194	2,796,098	241,019	1,270,346	7,374,657
Wages and Benefits Payable	252,600	34,492	-	-	287,092
Other Liabilities	183,934	-	-	-	183,934
Unearned Revenue	2,301,500	12,099	-	-	2,313,599
<b>Total Liabilities</b>	<b>5,994,316</b>	<b>2,965,525</b>	<b>685,056</b>	<b>1,290,372</b>	<b>10,935,269</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Property Taxes	230,139	56,187	-	51,354	337,680
Leases	909,871	54,781	-	-	964,652
<b>Total Deferred Inflows of Resources</b>	<b>1,140,010</b>	<b>110,968</b>	<b>-</b>	<b>51,354</b>	<b>1,302,332</b>
<b>FUND BALANCES</b>					
Nonspendable	385,935	-	-	-	385,935
Restricted for:					
Parks	-	2,012,614	-	-	2,012,614
Debt Service	-	-	-	574,633	574,633
Capital Projects	-	-	1,434,009	637	1,434,646
Economic Development	-	-	-	2,322,712	2,322,712
Downtown TIF	-	-	-	1,542,131	1,542,131
Sewer Lateral	-	-	-	1,179,301	1,179,301
Unassigned	5,699,516	-	-	(837,004)	4,862,512
<b>Total Fund Balances</b>	<b>6,085,451</b>	<b>2,012,614</b>	<b>1,434,009</b>	<b>4,782,410</b>	<b>14,314,484</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,219,777</b>	<b>\$ 5,089,107</b>	<b>\$ 2,119,065</b>	<b>\$ 6,124,136</b>	<b>\$ 26,552,085</b>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

Total Fund Balances - Governmental Funds	\$ 14,314,484
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,581,560
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	337,680
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.	1,026,436
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.	8,472
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.	(81,837)
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 (Asset)	(1,630,194)
Net Other Postemployment Benefit Obligation	(249,421)
Deferred Items on Refunding	-
Outstanding Debt, Including Premiums, and Compensated Absences	<u>(11,783,341)</u>
Net Position of Governmental Activities	<u>\$ 36,523,839</u>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General Fund	Parks Fund	Capital Improvement Sales Tax Fund	Other Nonmajor Funds	Total
<b>REVENUES</b>					
Taxes	\$ 10,088,903	\$ 1,689,283	\$ 1,619,055	\$ 2,435,094	\$ 15,832,335
Intergovernmental	1,531,871	1,946	886,472	-	2,420,289
Licenses and Permits	877,732	-	-	-	877,732
Charges for Service	173,380	259,988	-	-	433,368
Fines and Forfeitures	106,939	-	-	-	106,939
Investment Income	95,146	8,176	350	(36,112)	67,560
Other	151,776	17,286	-	-	169,062
Total Revenues	13,025,747	1,976,679	2,505,877	2,398,982	19,907,285
<b>EXPENDITURES</b>					
Current:					
General Government	2,731,944	-	-	-	2,731,944
Public Safety	8,041,561	-	-	-	8,041,561
Highways and Streets	1,596,595	-	-	-	1,596,595
Community Development	206,540	-	-	401,470	608,010
Culture and Recreation	511,657	1,097,825	-	-	1,609,482
Capital Outlay	179,583	100,323	1,943,023	-	2,222,929
Debt Service					
Principal	-	-	172,594	1,060,000	1,232,594
Interest	-	-	53,643	256,435	310,078
Total Expenditures	13,267,880	1,198,148	2,169,260	1,717,905	18,353,193
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	(242,133)	778,531	336,617	681,077	1,554,092
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance Proceeds	18,719	-	-	-	18,719
Total Other Financing Sources (Uses)	18,719	-	-	-	18,719
<b>CHANGE IN FUND BALANCES</b>					
Fund Balances - Beginning of Year	6,308,865	1,234,083	1,097,392	4,101,333	12,741,673
<b>FUND BALANCES - END OF YEAR</b>					
	\$ 6,085,451	\$ 2,012,614	\$ 1,434,009	\$ 4,782,410	\$ 14,314,484

See accompanying Notes to 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**  
**YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$ 1,572,811
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets requires the use of current financial resources, but has no effect on net position.	1,447,713
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities.	(2,106,696)
Loss on the disposal of capital is reported as a loss in the period the asset is disposed	(689,954)
Revenues that do not provide current financial resources are not included in the fund financial statements.	(341,703)
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds:	
Compensated Absences	17,811
Accrued Interest	(10,233)
Net Pension Expense	(1,188,643)
Deferred Items on Refunding	(7,578)
Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.	1,160,077
Change in Net Position of Governmental Activities	<u>\$ (146,395)</u>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF CHANGES IN NET POSITION –**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	Pension Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 12,774
Investments:		
Common Stock	2,571,899	-
Equity Mutual Funds	15,185,287	-
Government and Agency Securities	2,214,231	-
Corporate Obligations	3,071,263	-
Fixed Income Funds	2,049,708	-
Other Mutual Funds	930,997	-
Money Market Funds	903,590	-
Interest Receivable	56,228	-
Total Assets	<u>26,983,203</u>	<u>12,774</u>
<b>NET POSITION</b>		
Restricted:		
Pension Benefits	26,983,203	-
Individuals	<u>-</u>	<u>12,774</u>
Total Net Position	<u><u>\$ 26,983,203</u></u>	<u><u>\$ 12,774</u></u>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**STATEMENT OF CHANGES IN NET POSITION –**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
<b>ADDITIONS</b>		
Investment Income:		
Employer Contributions	\$ 560,927	\$ -
Interest and Dividends	1,093,321	-
Unrealized Loss on Investments	(4,140,435)	-
Court Bonds Collected	-	9,600
Total Additions	<u>(2,486,187)</u>	<u>9,600</u>
<b>DEDUCTIONS</b>		
Benefits Paid	1,853,607	-
Administrative Fees	120,593	-
Court Bonds Refunded	-	9,800
Total Deductions	<u>1,974,200</u>	<u>9,800</u>
<b>CHANGE IN NET POSITION</b>	<b>(4,460,387)</b>	<b>(200)</b>
Net Position - Beginning of Year	<u>31,443,590</u>	<u>12,974</u>
<b>NET POSITION - END OF YEAR</b>	<b><u>\$ 26,983,203</u></b>	<b><u>\$ 12,774</u></b>

See accompanying Notes to Financial Statements.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 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 nonprofit 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 THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (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 nonfiduciary 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 THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Court Bond Custodial Fund**

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

**C. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand and nonnegotiable 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 nonexchange 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 has 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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Capital Assets (Continued)**

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.

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

Buildings	20 to 40 Years
Improvements Other Than Buildings	10 to 15 Years
Machinery and Equipment	5 to 10 Years
Motor Vehicles	3 to 20 Years
Infrastructure	15 to 30 Years

**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 nonexempt 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 \$ 670,376 at June 30, 2022, which has been recorded as a liability in the statement of net position.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2022, 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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Governmental Fund Balances (Continued)**

*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.

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.

**CITY OF FERGUSON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Allowance for Uncollectible Accounts**

Based on management's analysis, it believes all receivables at June 30, 2022, are collectible by the City.

**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, postemployment benefits, 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, leases, 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.

**S. Adoption of New Accounting Standards**

**GASB Statement No. 87, Leases**

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Adoption of New Accounting Standards (Continued)**

Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

**T. Leases**

The Entity determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Entity's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Entity has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Entity has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

Significant lease terms are disclosed in Note 15.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2022, consist of the following:

Type	Amount
<b>General Government:</b>	
<b>Deposits:</b>	
Cash on Hand	\$ 1,695
Demand Deposits	<u>11,772,025</u>
Total General Government Deposits	<u>11,773,720</u>
<b>Investments:</b>	
Negotiable Certificates of Deposit	2,459,362
<b>Pension Trust and Custodial Fund:</b>	
<b>Deposits:</b>	
Demand Deposits	12,774
<b>Investments:</b>	
Common Stock	2,571,900
Equity Mutual Funds	15,185,285
Money Market Mutual Funds	903,590
Corporate Obligations	3,071,264
U.S. Government Agency Securities	43,432
U.S. Treasuries	2,214,232
Fixed Income Funds	2,006,276
Other Mutual Funds (REIT)	<u>930,997</u>
Total Pension Trust and Custodial Fund Investments	<u>26,926,976</u>
Total Deposits and Investments	<u><u>\$ 41,172,832</u></u>
<b>Reconciliation of the Financial Statements:</b>	
<b>Statement of Net Position:</b>	
Cash and Investments	\$ 14,233,082
Cash and Investments - Restricted	-
<b>Statement of Fiduciary Net Position:</b>	
Cash and Investments - Pension Trust Fund	26,926,976
Cash and Investments - Custodial Fund	<u>12,774</u>
Total Deposits and Investments	<u><u>\$ 41,172,832</u></u>

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**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.

Authorized Investments	City Policy Legal Limit
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

**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, 2022, 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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

Maturities of investments held at June 30, 2022, are as follows:

	Fair Value	Investment Maturities (In Years)				Credit Rating
		Less Than 1	1 - 3	4 - 6	More Than 6	
Governmental Activities:						
Negotiable Certificates of Deposit	\$ 2,459,362	\$ -	\$ 2,459,362	\$ -	\$ -	N/A
Pension Trust Fund:						
Common Stock	\$ 2,571,900	\$ 2,571,900	\$ -	\$ -	\$ -	N/A
Equity Mutual Funds	15,185,285	15,185,285	-	-	-	N/A
Fixed Income Funds and ETFs	2,006,276	2,006,276	-	-	-	N/A
Other Mutual Funds (REIT)	930,997	930,997	-	-	-	N/A
Money Market Funds	903,590	903,590	-	-	-	N/A
U.S. Treasuries	2,214,232	-	-	602,491	1,611,741	N/A
Mortgage-Backed Securities	43,432	-	22,330	15,553	5,549	N/A
Corporate Bonds	615,200	-	-	615,200	-	A1
Corporate Bonds	77,384	-	-	-	77,384	Aa2
Corporate Bonds	914,919	270,859	-	439,468	204,592	A2
Corporate Bonds	357,172	-	216,315	140,857	-	A3
Corporate Bonds	585,609	59,711	256,349	143,596	125,953	Baa2
Corporate Bonds	84,518	-	84,518	-	-	Baa1
Corporate Bonds	220,221	-	220,221	-	-	Baa3
Corporate Bonds	216,241	-	-	216,241	-	Aaa
Total Pension Trust Fund	\$ 26,926,976	\$ 21,928,618	\$ 799,733	\$ 2,173,406	\$ 2,025,219	

**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, 2022, all funds on deposit at financial institutions are insured or are covered by pledged collateral.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**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, 2022, neither the Pension Trust Fund nor the governmental activities have any investments subject to this disclosure.

**NOTE 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, 2022:

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).

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).

Negotiable Certificates of Deposit are valued based upon a matrix formula (Level 2).

Alternative Investments are valued based on factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation (Level 3).

**NOTE 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, 2021, upon which the 2021 tax levy was based, for real, personal, and public utility property was \$211,755,270. The 2021 tax levy is collected in the City's 2022 fiscal year.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 4 PROPERTY TAX (CONTINUED)**

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 2021 tax rates per \$100 of assessed value are as follows:

Property Type	General Fund	Parks Fund	Debt Service Fund
Residential	\$ 0.6320	\$ 0.1580	\$ -
Agricultural	0.4390	0.1040	-
Commercial	0.7060	0.1780	-
Personal Property	0.8000	0.1980	-

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

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5 CAPITAL ASSETS**

For the year ended June 30, 2022, capital asset activity was as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,979,552	\$ -	\$ -	3,979,552
Construction in Progress	<u>156,135</u>	<u>545,295</u>	<u>9,005</u>	<u>692,425</u>
Total Capital Assets, Not Being Depreciated	4,135,687	545,295	9,005	4,671,977
Capital Assets Being Depreciated:				
Buildings and Improvements	34,200,300	71,905	1,086,316	33,185,889
Machinery and Equipment	3,516,948	80,593	3,400	3,594,141
Motor Vehicles	7,103,846	318,690	153,798	7,268,738
Infrastructure	<u>17,596,791</u>	<u>440,235</u>	<u>-</u>	<u>18,037,026</u>
Total Capital Assets Being Depreciated	62,417,885	911,423	1,243,514	62,085,794
Less: Accumulated Depreciation for:				
Buildings and Improvements	16,561,507	1,118,067	407,369	17,272,205
Machinery and Equipment	1,901,592	174,650	3,400	2,072,842
Motor Vehicles	4,510,947	340,808	142,791	4,708,964
Infrastructure	<u>7,649,029</u>	<u>473,171</u>	<u>-</u>	<u>8,122,200</u>
Total Accumulated Depreciation	<u>30,623,075</u>	<u>2,106,696</u>	<u>553,560</u>	<u>32,176,211</u>
Total Capital Assets Being Depreciated, Net	<u>31,794,810</u>	<u>(1,195,273)</u>	<u>689,954</u>	<u>29,909,583</u>
Total Governmental Activities	<u>\$ 35,930,497</u>	<u>\$ (649,978)</u>	<u>\$ 698,959</u>	<u>\$ 34,581,560</u>

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

Governmental Activities:	
General Governments	\$ 157,425
Public Safety	751,126
Highways and Streets	667,703
Culture and Recreation	<u>530,442</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,106,696</u>

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 LONG-TERM DEBT**

Changes in the City's long-term debt, for the year ended June 30, 2022, are as follows:

	Balance, Beginning of Year		Additions	Reductions	Balance, End of Year	Amounts Due Within One Year
<b>Governmental Activities:</b>						
Certificates of Participation:						
Series 2012	\$ 220,000	\$ -	\$ 220,000	\$ -	\$ -	\$ -
Series 2013	5,985,000	-	425,000.00	5,560,000	435,000	
Series 2019	915,210	-	101,690.00	813,520	101,690	
General Obligation Bonds	4,480,000	-	415,000.00	4,065,000	420,000	
Issuance Premiums, Net	82,305	-	7,578.00	74,727	-	
Total Bonds and Certificates	11,682,515	-	1,169,268	10,513,247	956,690	
Financed Purchase	670,622	-	70,904.00	599,718	72,908	
Compensated Absences Payable	608,092	670,376	608,092	670,376	670,376	
Total Governmental Activities	<u>\$ 12,961,229</u>	<u>\$ 670,376</u>	<u>\$ 1,848,264</u>	<u>\$ 11,783,341</u>	<u>\$ 1,699,974</u>	

Debt Issue	Payer Fund
Variable Rate Capital Improvement Bonds and Financed Purchase of Capital Assets	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.

**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 semi-annually 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%. This Certificates of Participation was paid off in 2022.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds**

On April 5, 2021, the City issued \$4,480,000 General Obligation Refunding Bonds Series 2021 to refund of General Obligation Bonds, Series 2011. The bonds were originally 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. The interest rate on the new debt is 1.86%. 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.

Maturities required on these bonds as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 420,000	\$ 75,610	\$ 495,610
2024	425,000	67,796	492,796
2025	435,000	59,892	494,892
2026	445,000	51,800	496,800
2027	450,000	43,524	493,524
2028	460,000	35,154	495,154
2029	470,000	26,598	496,598
2030	475,000	17,856	492,856
2031	485,000	9,020	494,020
<b>Total</b>	<b>\$ 4,065,000</b>	<b>\$ 387,250</b>	<b>\$ 4,452,250</b>

**Advance refunding**

The City issued \$4,480,000 of General Obligation Refunding Bonds to provide resources along with a cash contribution of \$53,586 from the Debt Service Fund for the purchase of investments that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$4,480,000 of outstanding general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The refunding was undertaken to take advantage of favorable interest rates in an effort to reduce total future debt service payments by \$331,102 and resulted in an economic gain of \$301,599.

**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 THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Certificates of Participation - Series 2013 (Continued)**

Maturities required on these bonds as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
<b>Total</b>	<b>\$ 5,560,000</b>	<b>\$ 1,057,635</b>	<b>\$ 6,617,635</b>

**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 \$1,016,900. The City received a disbursement of \$556,420 during fiscal year ending June 30, 2020, and a final disbursement of \$460,480 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.

Maturities based on the full amount of these certificates of participation issued as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
<b>Total</b>	<b>\$ 813,520</b>	<b>\$ 125,582</b>	<b>\$ 939,102</b>

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7 LONG-TERM DEBT (CONTINUED)**

**Financed Purchase of Capital Assets**

In September 2014, the City entered into a financed 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 had accumulated depreciation of \$407,369 as of June 30, 2022. The asset was retired on June 30, 2022 leading to a loss on disposal which is reflected in the government-wide statement of activities. The financed purchase 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 financed purchase agreements as of June 30, 2022:

Lessor	Interest Rate	Maturity	Annual Payment	Balance
CTS	2.79%	September 12, 2029	\$ 89,229	\$ 599,718

As of June 30, 2022, future minimum payments under the financed purchase described above are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 89,229
2024	89,229
2025	89,229
2026	89,229
2027	89,229
Thereafter	223,078
Total Minimum Payments	<u>669,223</u>
Portion Representing Interest	<u>(69,505)</u>
Net Present Value	<u>\$ 599,718</u>

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7 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.

**NOTE 8 EMPLOYEE RETIREMENT PLAN**

**Plan Description and Provisions**

The City of Ferguson Pension Plan (the Plan) is a single employer, defined benefit retirement and disability plan covering all regular, full-time employees of the City, except the City Manager and Assistant 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.

**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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Benefits Provided (Continued)**

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 30 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, 2021, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active Participants	104
Retired Participants	104
Terminated Vested Participants	44
Total Plan Participants	<u><u>252</u></u>

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**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.

Annual contributions are computed using the entry age normal actuarial cost method, assuming 6.75% rate of return on Plan assets, and 3.25% 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, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of July 1, 2021.

**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 Tables (Below Median) for males and females published by the Society of Actuaries projected on a generational basis using Scale SSA. 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	6.75%
Projected Salary Increases	3.25% to 6.75% (includes merit component)
Inflation	3.25%

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of actuarial experience analysis during the 2014 to 2019 time period.

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 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 by 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:

Asset Class	Assumed Allocation	Long-Term Expected Real Return
Domestic Equity	67 %	5.95 %
Fixed Income - U.S.	28	1.50
Real Estate	2	4.95
Cash Equivalents	3	0.20
Total Weighted Average Return	<u>100 %</u>	4.51
Inflation		2.75
Risk Adjustment		(0.51)
Total Expected Return		<u>6.75 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability was 1,630,194 . 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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Changes in Net Pension Liability (Asset)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances - June 30, 2021	\$ 27,934,757	\$ 31,443,590	\$ (3,508,833)
Changes for the Year:			
Service Cost	444,126	-	444,126
Interest	1,993,130	-	1,993,130
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(1,396,635)	-	(1,396,635)
Changes in Assumptions	1,491,626	-	1,491,626
Contributions - Employer		560,927	(560,927)
Net Investment Income		(3,047,114)	3,047,114
Benefit Payments, Including Refunds	(1,853,607)	(1,853,607)	-
Administrative Expenses	-	(120,593)	120,593
Net Change	<u>678,640</u>	<u>(4,460,387)</u>	<u>5,139,027</u>
Balances - June 30, 2022	<u>\$ 28,613,397</u>	<u>\$ 26,983,203</u>	<u>\$ 1,630,194</u>

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

**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 1,630,194 , 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 ( 4,710,567 ) or 1 percentage-point higher ( (1,028,506) ) than the current rate:

	1% Decrease 5.75%	Current Discount Rates 6.75%	1% Increase 7.75%
City's Net Pension Liability (Asset)	4,710,567	1,630,194	(1,028,506)

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension**

For the year-ended June 30, 2022, the City recognized a pension expense of \$789,688. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 919,819	\$ -
Changes in Assumptions	104,041	(1,116,143)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,118,719	-
Total	<u><u>\$ 2,142,579</u></u>	<u><u>\$ (1,116,143)</u></u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 180,978
2024	141,125
2025	(141,754)
2026	846,084
Total	<u><u>\$ 1,026,433</u></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	60 %	70 %	65 %
Fixed Income	25	35	30
Cash	1	5	2
Other	-	5	3

**Concentration**

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

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Rate of Return**

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 6.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Provisions**

The City of Ferguson Retiree Healthcare Plan (the OPEB Plan) is a single-employer other postemployment 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 postemployment 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 postemployment 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	107
Retired	5
Total OPEB Plan Participants	<u><u>112</u></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.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Discount Rate	3.69%
Mortality Rate	Rates of mortality for active and retired Participants are given by the Pub2010G (Below Median) tables for males and females projected on a generational basis using Scale SSA(2018). For pre-retirement deaths, 50% of these rates are assumed. For Disabled members, the Pub2010G Disability tables for males and females projected on a generational basis using scale SSA(2018).
Healthcare Inflation Rate	5.5% initially, grading down to an ultimate rate of 4.25%
Payroll Increases	2.75%, Including Inflation at 2.75%

*Changes to Actuarial Assumptions* - The discount rate used in calculating the OPEB liability for the fiscal year ended June 30, 2022, was changed from 1.92% to 3.69%, based on an updated bond index rate.

*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.69%. 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, 2022.

**Total OPEB Liability**

OPEB Liability - June 30, 2021	\$ 274,071
<b>Changes for the Year:</b>	
Service Cost	9,448
Interest Cost	5,326
Difference Between Expected and Actual Experience	-
Changes in Assumptions	(22,973)
Benefit Payments, Including Implicit Subsidy	(16,451)
<b>Net Changes</b>	<b><u>(24,650)</u></b>
OPEB Liability - June 30, 2022	<u>\$ 249,421</u>

The City does not fund the plan. The fiduciary net position at June 30, 2022, was \$-0-.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Total OPEB Liability (Continued)**

*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.

**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 3.69%, 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 (2.69%) or 1 percentage-point higher (4.69%) than the current rate:

	1% Decrease 2.69%	Current Discount Rates 3.69%	1% Increase 4.69%
City's Net OPEB Liability	\$ 265,636	\$ 249,421	\$ 238,303

*Healthcare Trend Rate Sensitivity* - The following presents the net OPEB liability of the City, calculated using the healthcare trend rate of 5.5% initially, grading down 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 Rates 4.25%	1% Increase 5.25%
City's Net OPEB Liability	\$ 234,887	\$ 249,421	\$ 270,462

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Other Postemployment Benefit Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB**

For the year ended June 30, 2022, the City recognized OPEB expense of \$18,499. At June 30, 2022, the City reported deferred outflows of resources related to the OPEB Plan for changes in actuarial assumptions in the amount of \$ 36,707 and deferred inflows of resources of \$ 1,116,143 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:

<u>Year Ending December 31.</u>	<u>Amount</u>
2023	\$ 1,677
2024	1,677
2025	1,677
2026	1,677
2027	1,677
Subsequent	87
Total	<u><u>\$ 8,472</u></u>

**NOTE 10 RISK MANAGEMENT**

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

The City, along with 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.

**CITY OF FERGUSON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 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, 2022.

**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's believes that the likelihood of a negative outcome is probable but an estimated liability cannot be determined.

**C. 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 two 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 five years.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12 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.

**NOTE 13 TAX ABATEMENTS**

As of June 30, 2022, 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.

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, 2022, the City abated property taxes of 50% totaling \$15,400 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, 2022, the City abated real estate and personal property taxes totaling \$15,400 under this program.

**CITY OF FERGUSON, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 14 LEASES**

The Entity, acting as lessor, leases a telecommunications tower site under a long-term, non-cancelable lease agreement. The lease expires during Fiscal Year 2031. During the year ended December 31, 2022, the Entity recognized \$89,004 and \$36,582 in lease revenue and interest revenue, respectively, pursuant to this contract.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Governmental Activities</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 83,737	\$ 35,755	\$ 119,492
2024	87,920	32,498	120,418
2025	92,284	29,078	121,362
2026	81,818	25,787	107,605
2027	70,343	22,782	93,125
2027 - 2032	227,977	81,797	309,774
2032 - 2037	77,532	58,289	135,821
2037 - 2042	109,293	40,664	149,957
2042 - 2047	149,308	16,256	165,564
2047 - 2052	<u>8,667</u>	<u>27</u>	<u>8,694</u>
Total	<u>\$ 988,879</u>	<u>\$ 342,933</u>	<u>\$ 1,331,812</u>

Lease Receivable Change

2021 Lease Receivable	-
Additions to Lease Receivable	\$ 1,067,072
Deductions to Lease Receivable	<u>(78,193)</u>
2022 Lease Receivable	<u><u>\$ 988,879</u></u>

**NOTE 15 SUBSEQUENT EVENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF FERGUSON, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 9,427,600	\$ 9,856,500	\$ 10,088,903	\$ 232,403
Intergovernmental	1,001,400	1,080,800	1,531,871	451,071
Licenses and Permits	638,800	582,900	877,732	294,832
Charges for Service	-	-	173,380	173,380
Fines and Forfeitures	427,100	520,700	106,939	(413,761)
Investment Income	-	-	95,146	95,146
Other	<u>3,744,300</u>	<u>2,227,600</u>	<u>151,776</u>	<u>(2,075,824)</u>
Total Revenues	15,239,200	14,268,500	13,025,747	(1,242,753)
<b>EXPENDITURES</b>				
Current:				
General Government	3,510,700	3,861,800	2,731,944	(1,129,856)
Public Safety	8,209,500	9,387,400	8,041,561	(1,345,839)
Highways and Streets	954,400	1,073,100	1,596,595	523,495
Community Development	211,500	222,700	206,540	(16,160)
Culture and Recreation	496,300	620,700	511,657	(109,043)
Capital Outlay	-	-	179,583	179,583
Total Expenditures	13,382,400	15,165,700	13,267,880	(1,897,820)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,856,800	(897,200)	(242,133)	655,067
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	1,015,800	890,300	-	(890,300)
Issuance of Debt	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Insurance Proceeds	-	-	18,719	18,719
Total Other Financing Sources (Uses)	<u>1,015,800</u>	<u>890,300</u>	<u>18,719</u>	<u>(871,581)</u>
<b>CHANGE IN FUND BALANCES</b>	<u>2,872,600</u>	<u>(6,900)</u>	<u>(223,414)</u>	<u>(2,408,040)</u>
Fund Balances - Beginning of Year	6,308,865	6,308,865	6,308,865	1,165,287
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 9,181,465</u>	<u>\$ 6,301,965</u>	<u>\$ 6,085,451</u>	<u>\$ (1,242,753)</u>

**CITY OF FERGUSON, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE -**  
**PARKS FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	\$	\$	\$	
<b>REVENUES</b>				
Taxes	\$ 1,473,700	\$ 1,556,800	\$ 1,689,283	\$ 132,483
Intergovernmental	-	-	1,946	1,946
Licenses and Permits	-	-	-	-
Charges for Service	64,400	204,100	259,988	55,888
Fines and Forfeitures	-	-	-	-
Investment Income	-	-	8,176	8,176
Other	480,100	910,300	17,286	(893,014)
<b>Total Revenues</b>	<b>2,018,200</b>	<b>2,671,200</b>	<b>1,976,679</b>	<b>(694,521)</b>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	1,062,700	2,089,600	1,097,825	(991,775)
Capital Outlay	86,700	212,300	100,323	(111,977)
<b>Total Expenditures</b>	<b>1,149,400</b>	<b>2,301,900</b>	<b>1,198,148</b>	<b>(1,103,752)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>868,800</b>	<b>369,300</b>	<b>778,531</b>	<b>409,231</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	(864,900)	(926,300)	-	926,300
Issuance of Debt	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Insurance Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(864,900)</b>	<b>(926,300)</b>	<b>-</b>	<b>926,300</b>
<b>CHANGE IN FUND BALANCES</b>	<b>3,900</b>	<b>(557,000)</b>	<b>778,531</b>	<b>54,327</b>
Fund Balances - Beginning of Year	1,234,083	1,234,083	1,234,083	(748,848)
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 1,237,983</b>	<b>\$ 677,083</b>	<b>\$ 2,012,614</b>	<b>\$ (694,521)</b>

**CITY OF FERGUSON, MISSOURI**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET),**  
**INVESTMENT RETURNS, AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>									
Service Cost	\$ 444,126	\$ 397,237	\$ 521,332	\$ 506,148	\$ 478,580	\$ 445,882	\$ 500,687	\$ 525,226	\$ 491,664
Interest	1,993,131	1,997,954	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	(1,396,635)	208,083	(236,553)	(343,343)	108,417	(776,858)	(734,177)	(429,228)	-
Changes of Assumptions	1,491,625	-	1,160,336	-	-	-	578,658	-	-
Benefit Payments, Including Refunds	(1,853,607)	(1,789,003)	(1,774,927)	(1,718,298)	(1,496,728)	(1,448,216)	(1,322,238)	(1,262,471)	(1,161,198)
<b>Net Change in Total Pension Liability</b>	<b>678,640</b>	<b>814,271</b>	<b>1,560,900</b>	<b>288,758</b>	<b>906,505</b>	<b>36,291</b>	<b>767,193</b>	<b>522,142</b>	<b>979,056</b>
<b>Total Pension Liability - Beginning of Year</b>	<b>27,934,757</b>	<b>27,120,486</b>	<b>25,559,586</b>	<b>25,270,828</b>	<b>24,364,323</b>	<b>24,328,032</b>	<b>23,560,839</b>	<b>23,038,697</b>	<b>22,059,641</b>
<b>Total Pension Liability - End of Year</b>	<b>28,613,397</b>	<b>27,934,757</b>	<b>27,120,486</b>	<b>25,559,586</b>	<b>25,270,828</b>	<b>24,364,323</b>	<b>24,328,032</b>	<b>23,560,839</b>	<b>23,038,697</b>
<b>Plan Fiduciary Net Position:</b>									
Contributions - Employer	560,927	377,983	422,916	336,116	363,471	398,610	547,500	535,336	524,100
Net Investment Income	(3,047,114)	6,902,048	744,301	1,423,089	2,201,221	2,769,457	148,466	1,220,472	3,797,967
Benefit Payments, Including Refunds	(1,853,607)	(1,789,003)	(1,774,927)	(1,718,298)	(1,496,728)	(1,448,216)	(1,322,238)	(1,262,471)	(1,161,198)
Administrative Expenses	(120,593)	(75,807)	(118,707)	(101,390)	(90,143)	(83,462)	(84,728)	(83,145)	(71,848)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(4,460,387)</b>	<b>5,415,221</b>	<b>(726,417)</b>	<b>(60,483)</b>	<b>977,821</b>	<b>1,636,389</b>	<b>(711,000)</b>	<b>410,192</b>	<b>3,089,021</b>
<b>Plan Fiduciary Net Position - Beginning of Year</b>	<b>31,443,590</b>	<b>26,028,369</b>	<b>26,754,786</b>	<b>26,815,269</b>	<b>25,837,448</b>	<b>24,201,059</b>	<b>24,912,059</b>	<b>24,501,867</b>	<b>21,412,846</b>
<b>Plan Fiduciary Net Position - End of Year</b>	<b>26,983,203</b>	<b>31,443,590</b>	<b>26,028,369</b>	<b>26,754,786</b>	<b>26,815,269</b>	<b>25,837,448</b>	<b>24,201,059</b>	<b>24,912,059</b>	<b>24,501,867</b>
<b>Net Pension Liability (Asset) - End of Year</b>	<b>\$ 1,630,194</b>	<b>\$ (3,508,833)</b>	<b>\$ 1,092,117</b>	<b>\$ (1,195,200)</b>	<b>\$ (1,544,441)</b>	<b>\$ (1,473,125)</b>	<b>\$ 126,973</b>	<b>\$ (1,351,220)</b>	<b>\$ (1,463,170)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	97.5%	112.6%	95.5%	107.7%	106.1%	106.0%	99.5%	105.7%	106.4%
<b>Covered Payroll</b>	\$ 5,871,358	\$ 6,144,544	\$ 5,996,953	\$ 6,062,329	\$ 5,446,759	\$ 5,780,648	\$ 6,687,115	\$ 7,111,497	\$ 6,846,641
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	12.4%	-57.1%	18.2%	-19.7%	-28.4%	-25.5%	1.9%	-19.0%	-21.4%
<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>	-6.9%	27.1%	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. Once available, this schedule will provide 10 years of information.

**CITY OF FERGUSON, MISSOURI**  
**SCHEDULE OF ACTUARILY DETERMINED CONTRIBUTIONS**

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contribution as a Percentage of Covered Payroll
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
2021	377,983	377,983	-	6,144,544	6.2
2022	505,467	505,467	-	5,871,358	8.6

**Notes to Schedule:**

Valuation Date:	July 1, 2021
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry age Normal
Amortization Method	Level Percentage of Payroll, Over a Rolling 10-Year Period
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.25%
Salary Increases	3.25% to 6.75%
Investment Return	6.75%, net of investment expense and including inflation
Retirement Age	60 Years of Age and 8 Years of Credited Service Unreduced Benefit Available at 55 if Age and Service are Greater than 82 1/2
Mortality	Rates of mortality for active and retired Participants are given by the Pub2010 General Mortality Tables (Below Median) for males and females published by the Society of Actuaries projected on a generational basis using Scale SSA. 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**  
**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT**  
**LIABILITY AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:					
Service Cost	\$ 9,448	\$ 10,350	\$ 10,618	\$ 10,334	\$ 10,033
Interest	5,326	6,594	7,599	8,501	8,573
Changes in Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	-	-	(10,799)	-	-
Changes of Assumptions	(22,973)	7,906	37,244	6,467	-
Benefit Payments, Including Refunds	(16,451)	(18,994)	(17,112)	(18,103)	(23,647)
Net Change in Total OPEB Liability	<u>(24,650)</u>	<u>5,856</u>	<u>27,550</u>	<u>7,199</u>	<u>(5,041)</u>
Total OPEB Liability - Beginning of Year	<u>274,071</u>	<u>268,215</u>	<u>240,665</u>	<u>233,466</u>	<u>238,507</u>
Total OPEB Liability - End of Year	<u>\$ 249,421</u>	<u>\$ 274,071</u>	<u>\$ 268,215</u>	<u>\$ 240,665</u>	<u>\$ 233,466</u>
Covered Employee Payroll	\$ 5,576,935	\$ 5,585,157	\$ 5,585,157	\$ 5,755,573	\$ 5,955,692
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.5%	4.9%	4.8%	4.2%	3.9%

**Notes to Schedule:**

Valuation Date: July 1, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age, individual level percentage of pay
Inflation	2.75%
Healthcare Trend	5.5% Initially, Grading Down to 4.25% Ultimate
Salary Increases	2.75%, Including Inflation (Prior Year 2.75%)
Discount Rate	3.69%
Retirement Age	60 with 8 Years of Service
Mortality	Rates of mortality for active and retired Participants are given by the Pub2010 (Below Median) tables for males and females projected on a generational basis using Scale SSA(2018). For pre-retirement deaths, 50% of these rates are assumed. For Disabled members, the Pub2010 Disability tables for Males and Females projected on a generational basis using scale SSA(2018).

Note: The above information is not available for years prior to the implementation of GASB 75. Once available, this schedule will provide 10 years of information. Also, there are no assets in a trust compliant with GASB codification P22.101 or P52.101.

**CITY OF FERGUSON, MISSOURI**  
**NOTE TO BUDGETARY COMPARISON INFORMATION**  
**JUNE 30, 2022**

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

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

Legal budgetary control is at the departmental level. Any transfers of budgeted amounts from one department to another require the approval of the City Council. Funds are appropriated in the General Fund budget for general contingencies in an amount not to exceed 5% 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 –**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	Special Revenue Funds						Capital Project Fund		Debt Service Funds		Total Nonmajor Governmental Funds
	Special Business District Fund	Farmers Market Fund	Sewer Lateral	Economic Development Fund	Downtown TIF Redevelopment	North Park Redevelopment TIF	Certificates of Participation	General Obligation			
<b>ASSETS</b>											
Cash and Investments	\$ -	\$ 101	\$ 1,142,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109,958	\$ 2,252,843	
Taxes Receivable:											
Sales	-	-	-	242,729	112,128	-	-	-	-	354,857	
Property	-	-	(1)	-	-	-	-	-	51,354	51,353	
Other	-	-	404	-	-	-	-	-	-	404	
Due from Other Funds	-	49,776	48,564	2,039,221	1,718,003	637	56,479	(448,001)		3,464,679	
Total Assets	\$ -	\$ 49,877	\$ 1,191,751	\$ 2,281,950	\$ 1,830,131	\$ 637	\$ 56,479	\$ 713,311		\$ 6,124,136	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts Payable	\$ 850	\$ -	\$ 12,450	\$ 6,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,026	
Due to Other Funds	(48,338)	80,007	-	-	288,000	-	863,353	87,324	87,324	1,270,346	
Total Liabilities	(47,488)	80,007	12,450	6,726	288,000	-	863,353	87,324	87,324	1,290,372	
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable Revenue:											
Property Taxes	-	-	-	-	-	-	-	-	51,354	51,354	
<b>FUND BALANCES</b>											
Restricted for:											
Debt Service	-	-	-	-	-	-	-	-	574,633	574,633	
Capital Project	-	-	-	-	-	-	-	-	-	637	
Economic Development	47,488	-	-	2,275,224	-	-	-	-	-	2,322,712	
Downtown TIF	-	-	-	-	1,542,131	-	-	-	-	1,542,131	
Sewer Lateral	-	-	1,179,301	-	-	-	-	-	-	1,179,301	
Unassigned	-	(30,130)	-	-	-	-	(806,874)	-	-	(837,004)	
Total Fund Balances	47,488	(30,130)	1,179,301	2,275,224	1,542,131	637	(806,874)	574,633	574,633	4,782,410	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 49,877	\$ 1,191,751	\$ 2,281,950	\$ 1,830,131	\$ 637	\$ 56,479	\$ 713,311	\$ 713,311	\$ 6,124,136	

**CITY OF FERGUSON, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	Special Revenue Funds						Capital Project Fund		Debt Service Funds			Total Nonmajor Governmental Funds
	Special Business District Fund	Farmers Market Fund	Sewer Lateral	Economic Development Fund	Downtown TIF Redevelopment	North Park Redevelopment TIF	Certificates of Participation	General Obligation				
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ 189,276	\$ 1,324,465	\$ 866,366	\$ 26	\$ -	\$ 54,961	\$ 2,435,094			
Licenses and Permits	-	-	-	-	-	-	-	-	-			
Investment Income	-	-	(37,168)	-	-	-	-	-	1,056	(36,112)		
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>152,108</b>	<b>1,324,465</b>	<b>866,366</b>	<b>26</b>	<b>-</b>	<b>56,017</b>	<b>2,398,982</b>			
<b>EXPENDITURES</b>												
Current:												
Community Development	6,403	32,630	181,733	155,596	25,108	-	-	-	-	401,470		
Debt Service:												
Principal, Interest, and Fiscal Charges	-	-	-	-	-	-	825,977	490,458	1,316,435			
<b>Total Expenditures</b>	<b>6,403</b>	<b>32,630</b>	<b>181,733</b>	<b>155,596</b>	<b>25,108</b>	<b>-</b>	<b>825,977</b>	<b>490,458</b>	<b>1,717,905</b>			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,403)</b>	<b>(32,630)</b>	<b>(29,625)</b>	<b>1,168,869</b>	<b>841,258</b>	<b>26</b>	<b>(825,977)</b>	<b>(434,441)</b>	<b>681,077</b>			
<b>OTHER FINANCING SOURCES (USES)</b>												
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-	
Payments to Escrow Agent	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>CHANGE IN FUND BALANCES</b>	<b>(6,403)</b>	<b>(32,630)</b>	<b>(29,625)</b>	<b>1,168,869</b>	<b>841,258</b>	<b>26</b>	<b>(825,977)</b>	<b>(434,441)</b>	<b>681,077</b>			
Fund Balances - Beginning of Year	53,891	2,500	1,208,926	1,106,355	700,873	611	19,103	1,009,074	4,101,333			
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 47,488</b>	<b>\$ (30,130)</b>	<b>\$ 1,179,301</b>	<b>\$ 2,275,224</b>	<b>\$ 1,542,131</b>	<b>\$ 637</b>	<b>\$ (806,874)</b>	<b>\$ 574,633</b>	<b>\$ 4,782,410</b>			



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