
***CITY OF FERGUSON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012***



*Report prepared and submitted by the
Department of Finance*

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Contents

	Page
Part I - Introductory Section:	
Principal City Officials	i
Organizational Chart	ii
GFOA Certificate of Achievement	iii
Letter of Transmittal	iv - viii
Part II - Financial Section:	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 11
Basic Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Net Assets - Fiduciary Funds	18
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	19
Notes to Financial Statements	20 - 47
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	48
Budgetary Comparison Schedule - Parks Fund	49
Schedule of Funding Status and Progress	
Pension Trust Fund	50
Other Post-Employment Benefits	51
Note to Budgetary Comparison Information	52

Contents

	Page
Other Supplementary Information:	
Combining Balance Sheet - Non Major Governmental Funds	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non Major Governmental Funds	54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Capital Improvement Sales Tax Capital Projects Fund	55
Special Business District Special Revenue Fund	56
Downtown TIF Redevelopment Special Revenue Fund	57
Sewer Lateral Special Revenue Fund	58
Local Improvement Capital Projects Fund	59
Halls Ferry TIF Debt Service Fund	60
Certificates of Participation Debt Service Fund	61
General Obligation Bonds Debt Service Fund	62
Statement of Changes in Assets and Liability - Agency Fund	63
Part III - Statistical Section:	
Net Assets	64
Changes in Net Assets	65
Fund Balances, Governmental Funds	66
Changes in Fund Balances, Governmental Funds	67
Assessed and Estimated Actual Value of Taxable Property	68
Property Tax Rates - Direct and Overlapping Governments	69
Principal Property Taxpayers	70
Property Tax Levies and Collections	71
Special Assessment Collections	72
Ratio of Outstanding Debt by Type	73
Computation of Direct and Overlapping Debt - General Obligation Bonded Debt	74
Legal Debt Margin Information	75
Pledged Revenue Coverage	76
Demographic and Economic Statistics	77
Principal Employers	78
Full-Time Equivalent City Government Employees by Function/Program	79
Operating Indicators by Function	80
Capital Asset Statistics by Function/Program	81

Introductory Section

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PRINCIPAL OFFICIALS

MAYOR

James W. Knowles III

COUNCIL MEMBERS

Mark Byrne

Kim Tihen

Dwayne T. James

Timothy A. Larson

Michael Salant

David Conway

CITY MANAGER

John Shaw

ASSISTANT TO THE CITY MANAGER

Pamela Hylton

DIRECTOR OF FINANCE

Jeffrey Blume

DIRECTOR OF PARKS & RECREATION

Stan Kreidler

DIRECTOR OF PLANNING AND DEVELOPMENT

Rosalind Williams

DIRECTOR OF PUBLIC SAFETY

Thomas Jackson

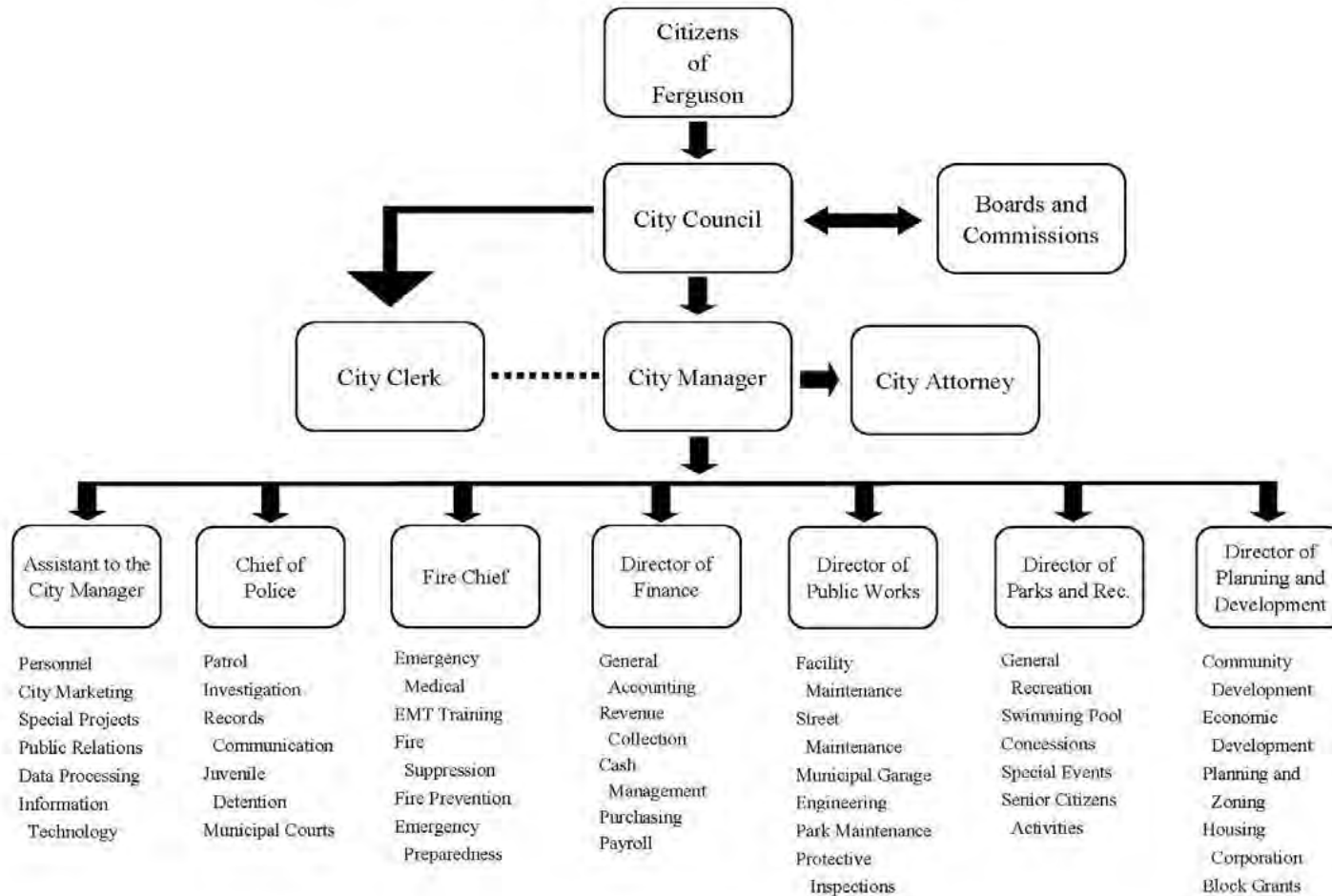
INTERIM DIRECTOR OF PUBLIC WORKS

Pamela Hylton

CITY CLERK

Megan Asikainen

Administrative Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ferguson
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Christopher P. Moine

President

Jeffrey R. Emer

Executive Director

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CITY OF FERGUSON

MISSOURI 63135

November 30, 2012

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

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Ferguson, Missouri for the fiscal year ended June 30, 2012. This year's comprehensive annual financial report (CAFR) is the ninth year that the City has presented its financial statements under the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The format and the purpose of these changes are addressed in Management's Discussion and Analysis (MD&A).

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

The City of Ferguson, Missouri's financial statements have been audited by Schowalter & Jabouri, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Ferguson, Missouri, for the year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Ferguson, Missouri's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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(314) 524-5264
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POLICE
DEPARTMENT
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DEPARTMENT
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RECREATION
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GARAGE
901 Ferguson Ave.
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THE FINANCIAL REPORTING ENTITY

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

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

The Ferguson Special Business District (FSBD) is a political subdivision created by ordinance to maintain and improve the City's downtown business district and is included as a special revenue fund. The Ferguson Neighborhood Improvement Program (FNIP) is a not-for-profit corporation. It was established to assist in the rehabilitation and restoration of housing and residential properties in the City. The FNIP Board of Directors is appointed by the City Council. However, the City cannot "impose its will" on FNIP. It is not a component unit. Complete financial statements of FNIP may be obtained from their administrative offices at 110 Church Street, Ferguson, Missouri 63135.

ECONOMIC CONDITION AND OUTLOOK

The City of Ferguson, Missouri, occupies a land area of about 7 square miles and serves a population of 21,203 residents, who are ideally located to commute to employment in downtown St. Louis or to any of the many nearby commercial areas. The world headquarters of Emerson Electric is located within the City.

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

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

Efforts are well underway to redevelop the City's historic downtown business district. A pay-as-you-go Tax Increment Financing (TIF) district was established in September, 2002 to assist with redevelopment of the downtown business district. TIF assistance may be useful in attracting

major development as well as assisting local business owners with improvements to new or existing businesses.

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

FINANCIAL CONTROLS

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

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

The annual operating budget serves as the foundation for the City of Ferguson, Missouri's financial planning and control. All departments of the City of Ferguson are required to submit requests for appropriation to the Director of Finance each year. The Director of Finance uses these requests as the starting point for development of a proposed budget. After review, the City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30th, the close of the City of Ferguson's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council.

All governmental funds are appropriated. The single exception to this statement is the North Park Redevelopment TIF Fund (North Park) which earns less than \$1,000 per year in revenue and has no expenditures. Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund and Parks Fund, this comparison is presented as required supplementary information. For all other governmental funds, except North Park, budget-to-actual comparisons are found in other supplementary information. Budgets are prepared on a basis consistent with GAAP.

Single Audit - As a recipient of federal, state and county financial assistance, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by the City's management and staff. The City is required to undergo an audit in conformity with the provisions of the Single Audit Act as amended in 1996 and the United States Office of Management and Budget Circular A-133. For the fiscal year ended June 30, 2012, the City did not meet the minimum threshold of the Single Audit Act. Accordingly, no audit was performed.

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

OTHER INFORMATION

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

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

Debt Administration - At year end, the City had four debt issues outstanding. These issues and original issue amounts include (1) \$2,960,000 in certificates of participation related to the City's capital lease obligation for the construction of the Splash at Wabash aquatic facility, which were defeased in April 2012 and refinanced in the amount of \$2,065,000 (2) \$6,185,000 in TIF revenue bonds related to the Crossings at Halls Ferry redevelopment project, (3) \$5,000,000 in variable rate bonds for infrastructure improvements, and (4) \$8,000,000 in general obligation bonds related to land purchase and construction of a replacement of Firehouse #1. In addition, at year end, the City had two capital lease obligations outstanding. The first of these is for the lease of two fire trucks with an original issue cost of \$1,172,000. The second is for the lease of certain lighting equipment, with an original issue cost of \$507,000. Under the terms of each lease agreement, it is the City's intent to purchase the leased assets at the end of the lease.

Pension - The City of Ferguson sponsors a single-employer defined benefit pension plan (the Plan) for all full-time employees. Plan governance is the responsibility of an independent Pension Board. Each year, an independent actuary, engaged by the Pension Board, calculates the amount of the annual contribution the City must make to the pension plan to ensure the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary. In each of the last five fiscal years, the City has made its actuarially required payments.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City of Ferguson, Missouri for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the twenty-sixth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

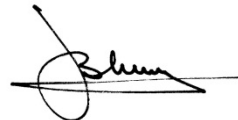
A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we will submit it for GFOA certification.

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

Respectfully submitted,



John Shaw
City Manager



Jeffrey B. Blume
Director of Finance

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Financial Section

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ferguson, Missouri, as of June 30, 2012, and the respective changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding status and progress on pages 3 through 11 and 48 through 52, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management

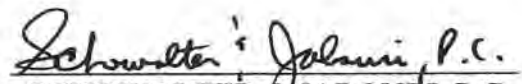
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about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ferguson, Missouri's financial statements as a whole. The introductory section, other supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
November 30, 2012

CITY OF FERGUSON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

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, 2012. 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 exceeded its liabilities by \$26,359,549. This represents an increase of \$2,265,522.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,712,083. This represents an increase of \$5,637,958 in comparison to the prior year.
- The City's long-term debt increased by \$6,023,687 (net) during the current fiscal year to \$16,723,237. This increase is due to the issue of \$8,000,000 of general obligation debt offset by repayments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplemental information, other supplemental information, and statistical information in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

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

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

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

Fund Financial Statements

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

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

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

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

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

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Required supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*.

Other Supplemental Information

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

Government-Wide Financial Analysis - Financial Analysis of the City as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$26,359,549 at June 30, 2012.

The third largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Statement of Net Assets	
	Governmental Activities	
	2012	2011
Assets		
Current and other assets	\$ 23,602,841	\$ 17,253,529
Capital assets, net	21,813,253	19,288,417
Total Assets	45,416,094	36,541,946
Liabilities		
Other liabilities	2,258,258	1,364,690
Long-term liabilities	16,798,287	11,083,229
Total Liabilities	19,056,545	12,447,919
Net Assets		
Invested in capital assets, net of related debt	7,962,476	9,026,636
Restricted	9,566,443	4,508,823
Unrestricted	8,830,630	10,558,568
Total Net Assets	\$ 26,359,549	\$ 24,094,027

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

Governmental Activities

As a result of continued challenging economic circumstances, the City strongly attempts to budget and spend at a “break-even” or on a “balanced budget” basis at the governmental fund level, as evidenced by its fund balance statements on page 16 and its published budget. As previously described, on a government-wide basis, the City’s governmental activities include its transactions treated in a manner similar to a private sector business. A listing of these items is included on page 17.

On a government-wide basis, governmental activities resulted in the City’s net assets increasing by \$2,265,522. This increase arises principally from the recognition of repayment of debt principal as a reduction in long term assets.

On the whole, on a government-wide basis, the increase in net assets from governmental activities of \$2,265,522 for the fiscal year ended June 30, 2012 strongly exceeded that of the prior fiscal year of \$1,188,788 by \$1,076,734. This increase occurred largely as a result of revenues increasing by \$1,000,182 from 2011 to 2012, while expenses decreased modestly by \$76,552.

The table on the following page and the following narrative illustrate key elements of this increase in net assets as a result of governmental activities.

- The increase in total revenues of \$1,000,182 is due largely to two factors: property taxes and charges for services.
 - Fiscal Year 2012 was the first year for property tax levies related to the City’s general obligations bonds issued in September 2011. These collections were approximately \$670,000.
 - The City’s fines and forfeitures increased over \$700,000, in part, as a result of the installation of “red light cameras” in three locations.
 - Investment income rose in part as a result of strong mark-to-market performance.
 - Capital grants fell as a result of the absence of disaster relief grants in the current year.
- Expenses decreased about \$80,000. In particular:
 - Full-time salary costs decreased slightly during the year as a result of unfilled positions remaining open for extended periods of time.
 - Pension costs increased about \$160,000 in the current year.
 - Highways and streets expenses fell in part due to the absence of storm damage related expenditures in the current year and storm related damage remediation tasks displacing repetitive maintenance activities.
 - Interest cost increased as a result of debt issuance during the year.

**Statement of Net Assets
Governmental Activities**

	2012	2011	Difference
Revenues			
Program revenues:			
Charges for services	\$ 3,826,295	\$ 2,971,416	\$ 854,879
Capital and operating grants	498,989	860,404	(361,415)
General revenues:			
Taxes	12,817,755	12,338,191	479,564
Investment income	245,779	140,273	105,506
Other revenue	42,757	121,109	(78,352)
Total Revenues	17,431,575	16,431,393	1,000,182
Expenses			
General government	1,490,297	1,447,325	42,972
Public safety	8,068,845	7,956,853	111,992
Highways and streets	2,783,537	3,238,956	(455,419)
Community development	539,542	575,041	(35,499)
Culture and recreation	1,604,340	1,436,866	167,474
Interest on long-term debt	679,492	587,564	91,928
Total Expenses	15,166,053	15,242,605	(76,552)
Change in net assets	2,265,522	1,188,788	1,076,734
Net assets, beginning of year, as previously stated	24,094,027	22,674,916	1,419,111
Correction for prior period adjustments	-	230,323	(230,323)
Net assets, beginning of year, as restated	24,094,027	22,905,239	1,188,788
Total Net Assets	\$ 26,359,549	\$ 24,094,027	\$ 2,265,522

Significant Changes in Net Assets

The majority of the \$1,076,734 increase in net assets is attributable to increases in revenue of \$1,000,182.

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

The General Fund is the main operating fund of the City. At June 30, 2012, the unassigned fund balance of the General Fund was \$9,324,324, and the total fund balance was \$9,661,932. The difference of \$337,608 represents non-spendable fund balance (prepaid items and inventory) and an assignment for subsequent year's budgeted deficit. 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 79%, 76% in Fiscal Year 2011, of total General Fund expenditures of \$11,777,540.

As a result of the City's operations, the total fund balance of the City's General Fund increased by \$792,118 or 8.9%, from 2011 to 2012. This change in the current year's fund balance is mainly attributable to:

- Strong revenue growth, in particular charges for services
- Strong expenditure containment, as expenditures lagged budget by over \$500,000 and final budget by over \$200,000.

Changes in fund balances for other governmental funds are described as follows:

- The total fund balance of the Capital Improvements Sales Tax Fund increased over \$4.6 million entirely as a result of unspent bond issue proceeds. This outcome will reverse in the next fiscal year as construction of the new firehouse is completed.
- Likewise, the fund balance of the general obligation Bond Fund increased as a result of tax collections timing anomaly. Property tax collection result from November billings which will be used for debt service in the following March and September.
- The Certificates of Participation Fund's fund balance decreased as a result of use of previously contractually required cash reserves being used for debt defeasement.

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

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

Capital Assets

The City has invested \$21,813,253 net of depreciation in a broad range of capital assets as of June 30, 2012. This investment in capital assets is summarized as follows.

	Capital Assets, Net of Depreciation	
	2012	2011
Land	\$ 2,668,542	\$ 2,190,954
Construction in progress	2,569,374	742,193
Buildings and other improvements	8,051,237	7,298,482
Machinery and equipment	657,380	680,829
Motor vehicles	2,233,157	2,364,277
Infrastructure	5,633,563	6,011,682
Total	\$ 21,813,253	\$ 19,288,417

Additional information regarding the City's capital assets may be found in Note 5 of the Notes to Financial Statements.

Long-Term Debt

The City's outstanding long-term debt obligations for governmental activities increased by slightly more than \$6 million to \$16,723,237 at June 30, 2012 compared to \$10,699,550 in 2011. The net increase in the City's long-term debt obligations is the result of the City's issuance of \$8,000,000 of general obligation debt in September 2011 offset by principal payments.

The following summarizes the City's governmental activities debt:

	Outstanding Long-Term Debt Obligations	
	2012	2011
Tax Increment Revenue Bonds, Series 2005	\$ 2,545,000	\$ 3,305,000
Variable Rate Capital Improvement Bonds 2005	3,549,950	3,894,950
Certificates of Participation, Series 2002	2,065,000	2,385,000
General Obligation Bonds, Series 2011	7,670,000	-
Capital leases	893,287	1,114,600
Total	\$ 16,723,237	\$ 10,699,550

Additional information regarding the City's long-term debt may be found in Note 6 of the Notes to Financial Statements.

Significant Variances between Budgets and Actual Results

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

- Other income increased over budget as a result of recognition of storm related and police department grants.
- Fire department expenditures lagged behind budget substantially as a result of holding open unfilled positions.
- City-wide expenditures benefited from an infrequent general liability insurance premium rebate.

In the Capital Improvements Sales Tax Fund, capital outlay expenditures lagged budget only as a timing difference.

Economic Factors and Next Year's Budget

Reviewing fiscal year 2011-2012, while looking ahead to the current 2011-2012 fiscal year, the City of Ferguson has continued to strengthen its position with conservative budgeting, a heightened focus on necessary capital improvements to the City's physical infrastructure and efforts to modernize critical City equipment and processes. These efforts have been and continue to be done, while maintaining a constant focus on economic development and the benefits it brings to the City. The financial condition of the City of Ferguson continues to be extremely strong and presently stable. This will prove helpful as the country and local economy continue to suffer from an extremely slow and anemic economic recovery.

The theme of the proposed fiscal year 2012-2013 budget can best be described as *continued strategic action*. This strategic action is built upon extensive efforts by the City Council and City administration to fully review the City's operations and to develop departmental action plans that will be implemented throughout this and future fiscal years. Expenditures, efforts and investments are being focused on areas deemed most important to the current and long term operational and fiscal health of the City and its residents. These strategic investments will call upon focused, open and communicative financial management efforts by all City departments and officials.

These efforts will focus on development, while simultaneously maintaining personnel and, accordingly, service levels. In the face of static revenue sources, these efforts will undoubtedly result in some reserve consumption.

As a postscript, in August 2012, after adoption of the Fiscal Year 2013 Budget, the City's voters approved Proposition C. This proposition authorizes an increase in the City's general property tax levies. In the long term, revenues resulting from the tax levy increase will be used

CITY OF FERGUSON, MISSOURI

Management's Discussion and Analysis (continued)

principally for debt service and operating costs related to the City's Community Center project. The City is in the process of assessing the impact of this and associated events on its Fiscal Year 2013 Forecast.

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.

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Basic Financial Statements

CITY OF FERGUSON, MISSOURI

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Governmental Activities
ASSETS	
Cash and investments	\$ 18,943,134
Taxes receivable:	
Sales taxes	965,816
Other taxes	377,985
Property Taxes	368,224
Accounts receivables	1,164,259
Prepaid expenses	65,399
Inventories	167,009
Bond issue costs	195,595
Cash and investments - restricted	952,910
Deferred outflows - interest rate swap	402,510
Capital assets - net:	
Nondepreciable	5,237,916
Depreciable	16,575,337
TOTAL ASSETS	45,416,094
LIABILITIES	
Accounts payable	954,162
Wages and benefits payable	803,055
Other liabilities	147,242
Accrued interest payable	156,630
Unearned revenue	197,169
Noncurrent liabilities:	
Due within one year	1,695,237
Due in more than one year	14,700,540
Derivative instruments liability - interest rate swap	402,510
TOTAL LIABILITIES	19,056,545
NET ASSETS	
Invested in capital assets, net of related debt	7,962,476
Restricted for:	
Capital Projects	6,432,967
Debt Service	1,220,199
Downtown TIF	1,094,436
Sewer Lateral	818,841
Unrestricted	8,830,630
TOTAL NET ASSETS	\$ 26,359,549

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contribu- tions	Capital Grants and Contribu- tions	Govern- mental Activities
Functions/Programs					
Governmental Activities					
General government	\$ 1,490,297	\$ 617,251	\$ -	\$ 99,798	\$ (773,248)
Public safety	8,068,845	2,339,013	48,358	-	(5,681,474)
Highway and streets	2,783,537	507,977	-	124,839	(2,150,721)
Community development	539,542	-	-	-	(539,542)
Culture and recreation	1,604,340	362,054	147,429	78,565	(1,016,292)
Interest and fiscal charges	679,492	-	-	-	(679,492)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 15,166,053	\$ 3,826,295	\$ 195,787	\$ 303,202	\$ (10,840,769)
Taxes:					
					6,583,419
					2,349,542
					2,837,325
					1,047,469
					245,779
					42,757
					13,106,291
					2,265,522
					24,094,027
					\$ 26,359,549

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>Major Funds</u>			<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Parks Fund</u>	<u>Capital Improvements Sales Tax Fund</u>	<u>Other Governmental Funds</u>	
ASSETS					
Cash and investments	\$ 6,398,651	\$ 1,412,137	\$ 9,942,646	\$ 1,189,700	\$ 18,943,134
Taxes receivable:					
Sales	577,219	185,822	174,163	28,612	965,816
Property	165,899	69,169	-	133,156	368,224
Other	377,985	-	-	-	377,985
Accounts receivable	879,117	144,062	28,408	112,672	1,164,259
Due from (to) other funds	2,281,008	(318,487)	(3,062,334)	1,099,813	-
Prepaid items	65,399	-	-	-	65,399
Inventory	167,009	-	-	-	167,009
Restricted:					
Cash and investments	-	-	-	952,910	952,910
TOTAL ASSETS	<u>\$ 10,912,287</u>	<u>\$ 1,492,703</u>	<u>\$ 7,082,883</u>	<u>\$ 3,516,863</u>	<u>\$ 23,004,736</u>
LIABILITIES					
Accounts payable	\$ 254,671	\$ 96,554	\$ 588,485	\$ 14,452	\$ 954,162
Wages and benefits payable	267,164	25,579	-	-	292,743
Other liabilities	147,242	-	-	-	147,242
Deferred revenue	581,278	143,417	61,431	112,380	898,506
TOTAL LIABILITIES	<u>1,250,355</u>	<u>265,550</u>	<u>649,916</u>	<u>126,832</u>	<u>2,292,653</u>
FUND BALANCES:					
Nonspendable	232,408	-	-	-	232,408
Restricted for:					
Capital Projects	-	-	6,432,967	-	6,432,967
Debt Service	-	-	-	1,323,498	1,323,498
Downtown TIF	-	-	-	1,035,387	1,035,387
Sewer Lateral	-	-	-	818,841	818,841
Assigned to:					
Subsequent Year's Budget	105,200	-	-	-	105,200
Parks	-	1,227,153	-	-	1,227,153
Special Business District	-	-	-	9,871	9,871
Capital projects	-	-	-	202,434	202,434
Unassigned	9,324,324	-	-	-	9,324,324
TOTAL FUND BALANCES	<u>9,661,932</u>	<u>1,227,153</u>	<u>6,432,967</u>	<u>3,390,031</u>	<u>20,712,083</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,912,287</u>	<u>\$ 1,492,703</u>	<u>\$ 7,082,883</u>	<u>\$ 3,516,863</u>	<u>\$ 23,004,736</u>

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total Fund Balance - Governmental Funds \$ 20,712,083

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds. 21,813,253

Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds. 701,337

Costs associated with the issuance of debt are expenditures in the governmental funds; however these costs are recorded as an asset in the statement of net assets and amortized over the life of the debt. 195,595

Interest on long-term debt is accrued as a liability in the government-wide statement, but is not recognized in the governmental funds until due. (156,630)

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 consisted of:

Net other post-employment benefit obligation (33,502)

Accrued compensated absences (476,810)

Outstanding debt (16,395,777)

Total Net Assets - Governmental Activities \$ 26,359,549

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Major Funds</u>			<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Parks Fund</u>	<u>Improve- ments Sales Tax Fund</u>	<u>Other Govern- mental Funds</u>	
REVENUES					
Taxes	\$7,905,132	\$1,515,079	\$1,108,112	\$2,200,548	\$12,728,871
Licenses and permits	699,892	-	-	30,689	730,581
Charges for services	412,375	362,054	-	-	774,429
Fines and forfeitures	2,227,648	-	-	-	2,227,648
Investment income	161,552	1,068	58,514	24,645	245,779
Other income	183,564	225,994	124,839	8,066	542,463
TOTAL REVENUES	<u>11,590,163</u>	<u>2,104,195</u>	<u>1,291,465</u>	<u>2,263,948</u>	<u>17,249,771</u>
EXPENDITURES					
Current:					
General government	1,281,211	-	-	-	1,281,211
Public safety	7,756,871	-	-	-	7,756,871
Highways and street	1,975,865	-	-	-	1,975,865
Community development	267,204	-	-	268,948	536,152
Culture and recreation	429,933	812,963	-	-	1,242,896
Capital outlay	66,456	196,382	3,862,454	71,593	4,196,885
Debt service:					
Principal, interest and fiscal charges	-	-	862,677	1,654,751	2,517,428
TOTAL EXPENDITURES	<u>11,777,540</u>	<u>1,009,345</u>	<u>4,725,131</u>	<u>1,995,292</u>	<u>19,507,308</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(187,377)</u>	<u>1,094,850</u>	<u>(3,433,666)</u>	<u>268,656</u>	<u>(2,257,537)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	979,495	(978,155)	(25,603)	24,263	-
Issuance of debt	-	-	8,000,000	2,065,000	10,065,000
Bond Premium	-	-	110,895	-	110,895
Payment to Escrow Agent	-	-	-	(2,280,400)	(2,280,400)
CHANGE IN FUND BALANCES	792,118	116,695	4,651,626	77,519	5,637,958
FUND BALANCES					
BEGINNING OF YEAR	<u>8,869,814</u>	<u>1,110,458</u>	<u>1,781,341</u>	<u>3,312,512</u>	<u>15,074,125</u>
END OF YEAR	<u>\$9,661,932</u>	<u>\$1,227,153</u>	<u>\$6,432,967</u>	<u>\$3,390,031</u>	<u>\$20,712,083</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change in Fund Balances - Governmental Funds \$ 5,637,958

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

Revenues that do not provide current financial resources are not included in the fund financial statements. 182,518

Acquisition of capital assets requires the use of current financial resources but has no effect on net assets. 3,944,957

The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation in the statement of activities. (1,420,121)

Governmental funds report cost of debt issuance, premiums and discounts. These amounts are deferred and amortized in the statement of activities. (52,824)

Some expenses will not be satisfied using current financial resources and, therefore, are not recorded as expenditures in the fund statements.

Net other post-employment benefits obligations	(6,110)
Accrued interest	(31,448)
Accrued compensated absences	(16,121)

Repayment of principal on bonds and capital leases are expenditures in the governmental funds and reduce long-term liabilities in the statement of net assets.

Principal paid on debt and capitalized leases	1,811,313
Payment to refunding escrow agent	2,280,400

Government funds report, proceeds from issuance of debt as other financing source. However, in the statement of net assets, these amounts are included as long-term liabilities. (10,065,000)

Change in Net Assets - Governmental Activities \$ 2,265,522

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2012

	Pension Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 38,143	\$ 129,392
Investments:		
Common Stock	8,887,301	-
Equity mutual funds	3,560,157	-
Money market mutual funds	407,218	-
Corporate obligations	3,771,866	-
U. S. Agency securities	2,672,140	-
U. S. Treasury notes	505,083	-
TOTAL ASSETS	19,841,908	129,392
LIABILITIES		
Accounts payable	12,764	129,392
NET ASSETS		
Held in trust for pension benefits	\$ 19,829,144	\$ -

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Pension Trust Fund
ADDITIONS	
Contributions	\$ 480,448
Interest and dividends	497,691
Net Appreciation in fair value of investments	(214,767)
TOTAL ADDITIONS	763,372
 DEDUCTIONS	
Benefits paid	1,195,838
Administrative fees	69,354
TOTAL DEDUCTIONS	1,265,192
 CHANGE IN NET ASSETS	 (501,820)
 NET ASSETS HELD IN TRUST FOR BENEFITS - BEGINNING OF YEAR	 20,330,964
 END OF YEAR	 \$ 19,829,144

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The City defines its financial reporting entity in accordance with provisions established by GASB. GASB requirements for inclusion of component units are primarily based upon whether the City's governing body has any significant amount of financial accountability for potential component units (PCU). The City is financially accountable if it appoints a voting majority of a PCU's governing body and is able to impose its will on that PCU, or there is a potential for the PCU to provide specific financial benefits to, or impose specific financial burdens on, the City. Based on these criteria, the City has determined that its financial reporting entity consists of the City (the primary government) and no component units.

Related Organizations

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

The Ferguson Neighborhood Improvement Program (“FNIP”), a not-for-profit corporation established to assist in the rehabilitation and restoration of housing and residential properties in the City, is considered a related party. The FNIP Board of Directors is appointed by the City Council. The City's accountability for this entity does not extend beyond these responsibilities.

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

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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).

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

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 1/2 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 1/2 cent capital improvements sales tax approved by voters in 1994. In addition, the City issued Variable Rate Capital Improvement Bonds to fund various capital improvements throughout the City. The funds received from these bonds have and will be expended out of this fund.

Additionally, the City reports the following fund types:

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

Agency 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 non-negotiable time deposits, as well as short-term investments with a maturity date within three months of the date acquired.

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

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

D. RESTRICTED CASH AND INVESTMENTS

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

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. Donated capital assets are recorded at the estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 has not been reported in the financial statements.

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 are not capitalized.

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

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

F. INVENTORIES AND PREPAIDS

Inventories 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.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

G. COMPENSATED ABSENCES

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue on January 1 of each year and must be taken within the same year as accrued. Compensatory time is available to all non-exempt employees at the rate of 1.5 hours for each overtime hour worked. Accrual of compensatory time is limited to a maximum of 240 hours, except that public safety, emergency response and seasonal employees are limited to a maximum of 480 hours. Upon termination, employees are paid for unused vacation and compensatory time. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of accrued sick leave is payable to the employee upon termination and, therefore, is not reflected as a liability. Employees had accumulated earned vacation and compensatory time aggregating \$476,810 at June 30, 2012, which has been recorded as a liability in the statement of net assets. Based on City policies, it is assumed this balance will be liquidated within 12 months and any un-liquidated balance beyond that date will not misstate long-term liabilities.

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 assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable debt premium or discount and deferred amounts on refunding. Debt issuance costs are reported as deferred charges.

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.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

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, 2012 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. At June 30, 2012, the City's restricted fund balances include amounts restricted for capital projects, debt service, Downtown TIF and sewer lateral.

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. The City has no committed fund balances as of June 30, 2012.

Assigned – This consists of the governmental fund balances that are intended to be used for specific purposes by the City Council or the Director of Finance. At June 30, 2012, the City's assigned fund balances include amounts assigned to parks, Special Business District, capital projects and the subsequent year's budget.

Unassigned – This consists of the governmental fund balances that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned."

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 ASSETS

In government-wide financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal on related debt. This amount does not include unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors and laws and regulations of other governments). All other net assets are 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.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

L. INTERFUND TRANSACTIONS

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

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

M. USE OF ESTIMATES

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

N. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Based on management's analysis, no significant uncollectible amounts have been identified; therefore, no allowance for uncollectible accounts has been recorded.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2012 consist of the following:

<u>Type</u>	<u>Amount</u>
Deposits:	
Cash on hand	\$ 1,560
Demand deposits	4,407,157
Non-negotiable certificates of deposit	88,525
	<u>4,497,242</u>
Investments:	
Negotiable certificates of deposit	9,947,318
Commercial paper	998,100
Money market mutual funds	312,595
U.S. Agency securities	4,140,789
	<u>15,398,802</u>
Pension Trust and Agency Fund:	
Deposits:	
Demand deposits	167,535
Investments:	
Common stock	8,887,301
Equity mutual funds	3,560,157
Money market mutual funds	407,218
Corporate notes and bonds	3,771,866
U.S. Agency securities	2,672,140
U.S. Treasury notes	505,083
	<u>19,971,300</u>
Total Deposits and Investments	<u><u>\$ 39,867,344</u></u>
Reconciliation to the Financial Statements:	
Statement of Net Assets:	
Cash and investments	\$ 18,943,134
Cash and investments - restricted	952,910
Statement of Fiduciary Net Assets:	
Cash and investments - held by trustees	19,841,908
Cash and investments - restricted	129,392
	<u><u>\$ 39,867,344</u></u>

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (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.

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

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 Financial Statements (continued)

Maturities of investments held at June 30, 2012 are as follows:

	Fair Value	Less Than One Year	1 - 5 Years	6 - 10 Years	11-15 Years	Credit Risk
Governmental Activities						
Negotiable certificates of deposit	\$ 9,947,318	\$ 1,384,949	\$ 6,917,401	\$ 1,404,920	\$ 240,048	N/A
Money market mutual funds	312,595	312,595	-	-	-	AAAm
Federal Home Loan Bank securities	4,140,789	2,996,836	1,143,953	-	-	
Commercial Paper	998,100	998,100	-	-	-	P-1
Total Governmental Activities	\$ 15,398,802	\$ 5,692,480	\$ 8,061,354	\$ 1,404,920	\$ 240,048	
Pension Trust Fund						
Common stock	\$ 8,887,301	\$ 8,887,301	\$ -	\$ -	\$ -	N/A
Equity mutual funds	3,560,157	3,560,157	-	-	-	N/A
Money market mutual funds	407,218	407,218	-	-	-	AAAm
Corporate notes and bonds	549,794	-	206,313	343,481	-	A
Corporate notes and bonds	607,375	-	-	607,375	-	A+
Corporate notes and bonds	613,824	-	401,348	212,476	-	A-
Corporate notes and bonds	679,115	-	343,563	335,552	-	BBB-
Corporate notes and bonds	155,195	-	155,195	-	-	BBB+
Corporate notes and bonds	170,621	-	-	170,621	-	BB+
Corporate notes and bonds	141,378	-	141,378	-	-	AA+
Fixed Income Funds	854,564	854,564	-	-	-	
Fannie Mae	44,980	-	-	44,980	-	
Federal Home Loan Bank securities	301,178	-	-	30,885	270,293	
Federal Farm Credit Bank securities	113,116	-	113,116	-	-	
Federal National Mortgage Association securities	505,016	-	-	505,016	-	
Government National Mortgage Association pool	1,707,850	-	-	346,214	1,361,636	
United States Treasury notes	505,083	-	-	505,083	-	
Total Pension Trust Fund	\$ 19,803,765	\$ 13,709,240	\$ 1,360,913	\$ 3,101,683	\$ 1,631,929	

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, of the City's investments as of June 30, 2012, are provided in the table above.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Custodial Credit Risk

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

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by 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.

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, 2012, the Pension Trust Fund did not have any investments subject to this disclosure. Of the investments in governmental activities, the City held investments in the following issuers that were over 5% of total investments at the government-wide level:

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Federal Home Loan Bank	\$ 4,140,789	26.9%
Commercial paper	998,100	6.5%
Negotiable certificates of deposit	9,947,318	64.6%

3. PROPERTY TAX

Property taxes are levied in November of each year based on the assessed value of all real and personal property located in the City 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 January 1. Assessed values are established by the St. Louis County Assessor, subject to review by the County's Board of Equalization. The total assessed valuation of the City at January 1, 2011, upon which the 2011 levy was based, for real, personal, and public utility property was \$198,062,436. The 2011 levy is collected in the City's 2012 fiscal year.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (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. City ordinances limit the tax levy for general governmental services other than the payment of principal and interest on long-term debt to \$0.65 per \$100 of assessed valuation.

In April 2011, the City's voters approved a Proposition S. This proposition authorizes 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 2011 tax rates per \$100 of assessed value are as follows:

<u>Property Type</u>	<u>General Fund</u>	<u>Parks Fund</u>	<u>GO Bond Fund</u>
Residential	\$ 0.4490	\$ 0.1940	\$ 0.3790
Agricultural	0.4500	0.2000	0.3790
Commercial	0.4500	0.1950	0.3790
Personal Property	0.4500	0.1980	0.3790

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

4. INTERFUND BALANCES

Due (to) from other funds as of June 30, 2012 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Net Due (To) From</u>
General	\$ 3,442,546	\$ 1,161,538	\$ 2,281,008
Parks	-	318,487	(318,487)
Capital Improvements Sales Tax	13,500	3,075,834	(3,062,334)
Nonmajor Governmental	1,558,664	458,851	1,099,813
Totals	<u>\$ 5,014,710</u>	<u>\$ 5,014,710</u>	<u>\$ -</u>

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

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

The following transfers were made during the fiscal year ended June 30, 2012:

Fund	Transfers		
	In	Out	Net, In (Out)
General Fund	\$ 979,495	\$ -	\$ 979,495
Parks Fund	-	978,155	(978,155)
Capital Improvement Sales Tax	-	25,603	(25,603)
Nonmajor Governmental	357,901	333,638	24,263
Totals	\$ 1,337,396	\$ 1,337,396	\$ -

Transfers were made for the following purposes:

Expending Fund	Recipient Fund	Purpose
Parks, Sewer Lateral and Halls Ferry TIF	General	Cost of goods and services provided by the recipient
Parks	Certificates of Participation	Debt service
Downtown TIF	Special Business District	Cost of goods and services provided by the recipient
Parks	Capital Improvement Sales Tax	Cost of common fleet

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

5. CAPITAL ASSETS

For the year ended June 30, 2012, capital asset activity was as follows:

	BALANCE, BEGINNING OF YEAR	ADDITIONS	DEDUC- TIONS	BALANCE, END OF YEAR
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Governmental activities:

Capital assets, not being depreciated

Land	\$ 2,190,954	\$ 477,588	\$ -	\$ 2,668,542
Construction in process	742,193	1,827,181	-	2,569,374
Total Capital Assets Not Being Depreciated	<u>2,933,147</u>	<u>2,304,769</u>	<u>-</u>	<u>5,237,916</u>

Capital assets being depreciated:

Buildings and improvements	13,418,908	1,337,361	-	14,756,269
Machinery and equipment	1,607,698	137,379	-	1,745,077
Motor Vehicles	4,888,628	165,448	-	5,054,076
Infrastructure	10,351,124	-	-	10,351,124
Total Capital Assets, Being Depreciated	<u>30,266,358</u>	<u>1,640,188</u>	<u>-</u>	<u>31,906,546</u>

Less accumulated depreciation for:

Buildings and improvements	6,120,426	584,606	-	6,705,032
Machinery and equipment	926,869	160,828	-	1,087,697
Motor Vehicles	2,524,351	296,568	-	2,820,919
Infrastructure	4,339,442	378,119	-	4,717,561

Total Accumulated Depreciation	<u>13,911,088</u>	<u>1,420,121</u>	<u>-</u>	<u>15,331,209</u>
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Total Capital Assets, Being Depreciated, Net	<u>16,355,270</u>	<u>220,067</u>	<u>-</u>	<u>16,575,337</u>
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Total Governmental Activities	<u>\$ 19,288,417</u>	<u>\$ 2,524,836</u>	<u>\$ -</u>	<u>\$ 21,813,253</u>
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Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General governments	\$ 119,833
Public safety	308,221
Highways and streets	639,951
Culture and recreation	352,116
Total depreciation expense - governmental activities	<u>\$ 1,420,121</u>

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

6. LONG-TERM DEBT

Changes in the City's long-term debt, for the year ended June 30, 2012, are as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Amounts Due Within One Year
Governmental Activities:					
Tax Increment Revenue Bonds	\$ 3,305,000	\$ -	\$ (760,000)	\$ 2,545,000	\$ 585,000
Variable Rate Capital Improvement Bonds	3,894,950	-	(345,000)	3,549,950	360,000
Certificates of Participation	2,385,000	2,065,000	(2,385,000)	2,065,000	195,000
General Obligation Bonds	-	8,000,000	(330,000)	7,670,000	325,000
Less: Deferred amount:					
Issuance (discounts) premiums	(33,076)	110,895	(1,862)	75,957	-
Refunding	(404,693)	(76,783)	78,059	(403,417)	-
Total Bonds and Certificates	9,147,181	10,099,112	(3,743,803)	15,502,490	1,465,000
Capital leases payable	1,114,600	-	(221,313)	893,287	230,237
Net OPEB obligation	27,392	6,110	-	33,502	-
Compensated absences payable	460,689	514,569	(498,448)	476,810	-
Total Governmental Activities	\$ 10,749,862	\$ 10,619,791	\$ (4,463,564)	\$ 16,906,089	\$ 1,695,237

Debt Issue	Payer Fund
Tax Increment Revenue Bonds	Halls Ferry TIF Fund
Variable Rate Capital Improvement Bonds	Capital Improvement Sales Tax Fund
Certificates of Participation	Certificates of Participation Fund Series 2012 by Parks Fund
Capital leases	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.

Variable Rate Capital Improvement Bonds - Series 2005 and 2006

On September 1, 2005, the City issued \$2,250,000 in Variable Rate Capital Improvement Bonds, Series 2005. On September 1, 2006, the City issued \$2,750,000 in Variable Rate Capital Improvement Bonds, Series 2006. The purpose of the bonds was to finance the costs of acquiring, constructing, rehabilitating, equipping, and improving certain capital improvement projects. At the same time the bonds were issued, the City executed an interest rate swap agreement, which fixed the City's interest rate at 3.995%. See "Derivative Instrument – Interest Rate Swap" for more information.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities required on these bonds as of June 30, 2012 are as follows:

	Principal	Interest	Total
2013	\$ 360,000	\$ 140,277	\$ 500,277
2014	370,000	125,494	495,494
2015	390,000	110,306	500,306
2016	405,000	94,656	499,656
2017	420,000	77,904	497,904
2018	435,000	60,691	495,691
2019	455,000	42,871	497,871
2020	470,000	24,293	494,293
2021	244,950	5,003	249,953
Total	<u>\$ 3,549,950</u>	<u>\$ 681,495</u>	<u>\$ 4,231,445</u>

Tax Increment Revenue Bonds - Series 2005

On September 12, 1997, the City issued \$8,385,000 in Tax Increment Revenue Bonds, Series 1997, to finance necessary public improvements for the Crossings at Halls Ferry Redevelopment Project. The bonds were issued pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800 of the Revised Statutes of Missouri. Interest and principal on the bonds were originally scheduled to be paid annually on April 1 beginning in the year 2000, with a final maturity date of April 1, 2018. On March 1, 2005, the City issued \$7,370,000 in Tax Increment Revenue Bonds, Series 2005, to refund the Series 1997 bonds. 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 to be defeased and the liability for this debt has been removed from the City's financial statements. Interest on the bonds is paid semiannually on April 1 and October 1. Principal on the bonds is paid annually on October 1. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds. The bonds do not constitute a general obligation of the City. Interest rates range from 0.70% percent to 2.45%. The trust indenture requires a reserve balance of \$737,000. The actual balance of the reserve fund was \$739,902 at June 30, 2012.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities required on these bonds as of June 30, 2012 are as follows:

	Principal	Interest	Total
2013	\$ 585,000	\$ 194,570	\$ 779,570
2014	610,000	166,800	776,800
2015	645,000	133,250	778,250
2016	680,000	101,000	781,000
2017	25,000	1,250	26,250
Total	<u>\$ 2,545,000</u>	<u>\$ 596,870</u>	<u>\$ 3,141,870</u>

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." Interest rates range from 2.0% to 5.0%. 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 to be defeased and the liability for this debt has been removed from the City's financial statements. Interest on the bonds is paid semiannually on April 1 and October 1. Principal on the bonds is paid annually on October 1. The bonds and the interest thereon are special, limited obligations of the City, payable solely from appropriated funds. The bonds do not constitute a general obligation of the City. Interest rates range from 0.70% to 2.45%.

The advance refunding reduced total debt service payments by approximately \$615,000. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$262,879, net of cash contributed by the City.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Maturities required on outstanding certificates as of June 30, 2012 are as follows:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2013	\$ 195,000	\$	28,456	\$	223,456
2014	195,000		29,075		224,075
2015	200,000		27,395		227,395
2016	200,000		25,345		225,345
2017	215,000		22,744		237,744
2018	205,000		19,704		224,704
2019	205,000		16,321		221,321
2020	215,000		12,378		227,378
2021	215,000		7,809		222,809
2022	220,000		2,694		222,694
	<hr/>				
Total	\$ 2,065,000	\$	191,921	\$	2,256,921

The outstanding principal of defeased certificates as of June 30, 2012 is \$2,230,000. The defeased certificates will be called on October 1, 2012.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

General Obligation Bonds

On September 15, 2011, the City issued \$8,000,000 of general obligation bonds, Series 2011. The bonds were issued for the purpose of acquiring land and for constructing, furnishing, and equipping a new fire station which will serve as a replacement for its existing Firehouse No. 1. Interest rates range from 2.000% to 3.375%. Principal on the bonds is paid annually on March 1. Interest is paid semi-annually on March 1 and September 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, 2012 are as follows:

	Principal	Interest	Total
2013	\$ 325,000	\$ 197,775	\$ 522,775
2014	335,000	191,275	526,275
2015	340,000	184,575	524,575
2016	345,000	177,775	522,775
2017	355,000	170,875	525,875
2018	360,000	163,775	523,775
2019	370,000	156,575	526,575
2020	375,000	149,175	524,175
2021	385,000	140,738	525,738
2022	395,000	132,075	527,075
2023	405,000	122,200	527,200
2024	415,000	112,075	527,075
2025	425,000	101,700	526,700
2026	440,000	88,950	528,950
2027	450,000	75,750	525,750
2028	465,000	62,250	527,250
2029	480,000	48,300	528,300
2030	495,000	33,300	528,300
2031	510,000	17,212	527,212
Total	<u>\$ 7,670,000</u>	<u>\$ 2,326,350</u>	<u>\$ 9,996,350</u>

Capital Leases

In April 2008, the City entered into a lease/purchase agreement with First Municipal Leasing Corporation (FMLC) to finance the purchase of two fire trucks. The equipment was recorded as a capital asset in the Governmental Activities at a cost of \$1,171,967 and has accumulated depreciation of \$146,496 as of June 30, 2012. The lease is recorded in the government-wide statement of net assets and is serviced by the Capital Improvement Sales Tax Fund. Payments are made quarterly and include principal and interest.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

In September 2008, the City entered into a lease/purchase agreement with Cafco Leasing (Cafco) to finance the purchase of streetlights. The equipment was recorded as a capital asset in the Governmental Activities at a cost of \$506,500 and has accumulated depreciation of \$84,417 as of June 30, 2012. The lease is recorded in the government-wide statement of net assets and is serviced by the Capital Improvement Sales Tax Fund.

The following is a summary of the City's capital lease agreements as of June 30, 2012:

<u>Lessor</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Annual Payment</u>	<u>Balance</u>
FMLC	3.55%	December 2017	\$ 146,624	\$ 729,659
Cafco	4.38%	September 2013	113,898	163,628

As of June 30, 2012, future minimum lease payments under the capital leases described above are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 260,522
2014	203,572
2015	146,624
2016	146,624
2017	146,624
Thereafter	73,312
Total minimum lease payments	\$ 977,278
Portion representing interest	(83,991)
Net present value	<u>\$ 893,287</u>

Derivative Instrument – Interest Rate Swap

The City has entered into a pay-fixed, receive-variable interest rate swap.

- (1) *Objective of the swap.* In an effort to lower its borrowing costs, the City entered into an interest rate swap in connection with the \$5,000,000 Series 2005 and Series 2006 variable rate capital improvement bonds. The swap is intended to hedge exposure to interest rate risk.

	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2012</u>	
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>
Governmental Activities				
Cash Flow Hedge			Derivative	
Pay-Fixed Interest	Deferred		Instrument	
Rate Swap	Outflows	\$ (69,123)	Liability	\$ (402,510)

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

- (2) *Terms, fair values, and credit risk.* The objective and terms, including the fair values and credit ratings, of the City's hedging derivative instrument outstanding as of June 30, 2012, are as shown below. The notional amount of the swap matches the principal amounts of the associated debt. The City's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable category. Under the swap, the City pays the counterparty a fixed payment and receives a variable payment computed according to the London Interbank Offered Rate (LIBOR).

Associated Bond Issue	Hedging Instruments - Governmental Activities
Notional Amounts	\$3,550,000
Effective Date	September 1, 2005
Terms	Pay 3.995%; Receive 60.938% of LIBOR plus 1%
Fair Value	(\$402,510)
Termination Date	September 1, 2020
Counter Party Credit Rating	A2

- (3) *Credit Risk.* At June 30, 2012, the City is not exposed to credit risk on the interest rate swap because it is in a negative fair value or liability position. However, if interest rates change and the fair value becomes positive, the government would have exposure to credit risk in the amount of the derivative's positive fair value.
- (4) *Basis Risk.* The City is not exposed to basis risk on the pay-fixed, receivable-variable interest rate swap because the variable-rate interest payments received by the City from the counterparty and the City's variable-rate bonds interest payment are both based on the LIBOR index.
- (5) *Interest Rate Risk.* The City is exposed to interest rate risk on the interest rate swap. In regards to the pay-fixed, receive-variable swap, as the LIBOR swap index decreases, the City's net payment on the swap increases.
- (6) *Termination Risk.* The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If terminated, the variable rate bonds' interest rate risk would no longer be effectively hedged. In addition, if at the time of the termination, the swap has a negative fair value (i.e., in a liability position), the City would be liable to the counterparty for a payment equal to the swap's fair value or liability amount.
- (7) *Rollover risk.* The City is not exposed to rollover risk because the maturity dates for the hedged variable-rate bonds and the interest rate swap agreement are the same.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

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.

8. EMPLOYEE RETIREMENT PLAN

Plan Description and Provisions - The City of Ferguson Pension Plan (the "Plan") is a single-employer, defined benefit retirement and disability plan covering all regular, full-time employees of the City except the City Manager and Assistant to the City Manager. The Plan is administered by UMB Bank NA. 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.

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

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

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

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.

The payroll for employees covered by the Plan for the year ended June 30, 2012 was \$6,207,000; the City's total payroll was \$7,204,000. At July 1, 2011, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	130
Retired participants	65
Terminated vested participants	19
Disabled participants	10
Beneficiaries	<u>13</u>
Total Plan Participants	<u>237</u>

Contributions Required and Contributions Made - All contributions to the Plan are made by the City. The City contributes an amount equal to the actuarially determined requirement, designed to provide the Plan with assets sufficient to pay pension benefit obligations as they become due. The Plan has no unfunded prior service cost required to be covered by the annual contribution. Administrative costs are paid with Plan assets.

Annual contributions are computed using the entry age normal actuarial cost method, assuming 7.5% rate of return on Plan assets and 3.25% annual salary increases plus longevity/merit increases due to inflation, and using the Retired Pensioners 2000 Mortality Tables. Benefits are not increased for inflation. The unfunded actuarial accrued liability is amortized as a level percentage of pay over an open period of 10 years. The actuarial value of Plan assets is based on a five year smoothed market value.

For the year ended June 30, 2012, the annual pension cost of \$480,448 was equal to the required and actual contributions. Trend information for the three years ended June 30, 2012 was as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u>	<u>Percentage</u> <u>Contribution</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$ 480,448	100%	\$ -
2011	317,969	100%	-
2010	107,526	100%	-

Funded Status - As of July 1, 2011, the most recent actuarial valuation available, the Plan was 100% funded. The actuarial accrued liability (AAL) for benefits was \$20,677,719, and the actuarial value of assets was \$20,798,081, resulting in assets in excess of the AAL of \$120,362. The covered payroll (annual payroll of active employees covered by the plan) was \$5,997,833, and the ratio of assets in excess of the AAL to the covered payroll was 2.0%.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

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

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

At July 1, 2012, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	131
Retirees and beneficiaries currently receiving benefits	<u>11</u>
Total Plan Participants	<u>142</u>

Bi-annual valuations are performed using the Entry Age Normal Actuarial Cost Method, with a 30 year level dollar amortization (27 years remaining as of June 30, 2012), assuming 4% rate of return, 3.25% - 6.86% annual salary increases, 4% inflation rate and using the 1983 Group Annuity Mortality Table. The initial health care cost trend rate is 10%, with an ultimate rate of 5%.

Net OPEB Obligation

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

Annual required contribution	\$ 26,095
Interest on net benefit plan obligation	1,096
Adjustment to annual required contribution	<u>(1,581)</u>
Annual benefit plan cost	25,610
Contributions made	<u>(19,500)</u>
Increase in net benefit plan obligation	6,110
Net OPEB obligation	
Beginning of year	<u>27,392</u>
End of year	<u><u>\$ 33,502</u></u>

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

Trend Information - Other Post Employment Benefits

The City's annual OPEB cost, the percentage of OPEB cost contributed to the OPEB plan, and the net OPEB obligation for the three years ended June 30, 2012 are as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contribution</u>	<u>Net OPEB Obligation</u>
2012	\$ 25,610	76%	\$ 33,502
2011	27,185	64%	27,392
2010	23,951	67%	17,691

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation available, the Plan was 0% funded. The actuarial accrued liability for benefits was \$365,083, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$365,083. The covered payroll (annual payroll of active employees covered by the plan) was \$6,207,000, and the ratio of the UAAL to the covered payroll was 5.9%.

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

Actuarial Methods and Assumptions - 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 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.

10. RISK MANAGEMENT

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

The City, along with various other local municipal governments, participates in an insurance trust for health, workers' compensation and general liability matters called St. Louis Area Insurance Trust or SLAIT (the "Trust"). The purpose of the Trust is to

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

distribute the cost of self-insurance over similar entities. The Trust requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of the Trust have no legal interest in the assets, liabilities or fund balances of the Trust. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the Trust should it cease operations at some future date. The Trust contracts with Daniel and Henry, Inc. to administer the trust including processing claims filed.

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.

11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2012, expenditures exceeded appropriations in the following departments (the legal level of budgetary control):

	Budgeted Appropriation	Expenditures	Expenditures in excess of budget
General Fund			
General government			
Municipal buildings	\$ 155,200	\$ 169,835	\$ (14,635)
Information technology	99,000	101,964	(2,964)
Public safety			
Municipal court	278,200	281,544	(3,344)
Highways and streets:			
Streets	935,300	942,245	(6,945)
Halls Ferry TIF Fund	871,200	923,022	(51,822)

12. CONTINGENT LIABILITIES

A. **Grants** - The City receives financial assistance from numerous federal, state, and local government agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2012.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

- B. **Litigation** - Various claims and legal actions involving the City are presently pending which involve claims made by the City for unpaid tax assessments and other miscellaneous cases. In the opinion of management, the outcome of these legal matters will not have a material effect on the financial statements of the City at June 30, 2012.

13. SUBSEQUENT EVENTS

On June 28, 2012, the City purchased land and buildings as a future Community Center at a cost of approximately \$1,500,000. The City estimates the cost of improvements necessary to convert existing structures to the City's purpose of approximately \$3,500,000. The initial purchase was funded by the Capital Improvement Sales Tax Fund's existing fund balance. The City intends to reimburse this fund and to fund required improvements from the proceeds of a future sale of certificates of participation bonds. On August 8, 2012, the City's voters passed Proposition C. This proposition authorized the immediate increase of the City's general property tax assessment rate to \$0.80 per \$100 assessed value. This action will result in collection of approximately \$650,000 in additional property taxes annually. About 55% of this amount will be used to meet annual debt service on the aforementioned issued bonds, while about 30% will be used for anticipated additional operating expenditures related to operation of the Community Center.

14. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In November 2010, the GASB issued Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The requirements of this Statement are effective for periods beginning after June 15, 2012.

In December 2010, the GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the private sector standards issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for periods beginning after December 15, 2011.

CITY OF FERGUSON, MISSOURI

Notes to Financial Statements (continued)

In June 2011, the GASB issued Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The requirements of this Statement are effective for periods beginning after December 15, 2011.

In April, 2012, the GASB issued Statement No. 65, “Items Previously Reported as Assets and Liabilities.” The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The requirements in this Statement are effective for periods beginning after December 15, 2012.

In March, 2012, the GASB issues Statement No. 66, “Technical Correction – 2012 – an amendment of GASB Statements No. 10 and No. 62.” The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 and No. 62. The requirements in this Statement are effective for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 67 “Financial Reporting for Pension Plans” and Statement No. 68 “Accounting and Reporting for Pensions.” The objective of these statements is to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits. The requirements in Statement No. 67 are effective for periods beginning after June 15, 2013, and the requirements in Statement No. 68 are effective for periods beginning after June 15, 2014.

The effects on the City’s financial statements as a result of the adoption of these new pronouncements are unknown.

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Required Supplementary Information

CITY OF FERGUSON, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 8,078,200	\$ 8,010,200	\$ 7,905,132	\$ (105,068)
Licenses and permits	642,200	679,000	699,892	20,892
Charges for services	409,200	420,000	412,375	(7,625)
Fines and forfeitures	2,020,300	2,091,900	2,227,648	135,748
Investment income	60,100	60,100	161,552	101,452
Other income	40,500	34,000	183,564	149,564
TOTAL REVENUES	11,250,500	11,295,200	11,590,163	294,963
EXPENDITURES				
Current:				
General government:				
City council and clerk	123,400	121,200	116,240	4,960
City manager's office	251,600	245,800	240,866	4,934
Human resources	92,900	92,600	89,751	2,849
City-wide expenses	322,400	293,200	225,451	67,749
Municipal buildings	171,100	155,200	169,835	(14,635)
Information technology	105,400	99,000	101,964	(2,964)
Finance	341,300	344,400	337,104	7,296
Public safety:				
Municipal court	273,100	278,200	281,544	(3,344)
Code enforcement	344,000	329,100	324,787	4,313
Police	5,016,900	4,871,500	4,834,244	37,256
Fire	2,493,900	2,400,400	2,316,296	84,104
Highways and streets:				
Streets	947,000	935,300	942,245	(6,945)
Municipal garage	763,300	854,000	848,132	5,868
Public works administration	193,300	187,100	185,488	1,612
Community development	285,600	275,500	267,204	8,296
Culture and recreation	474,800	431,800	429,933	1,867
Capital outlay	81,000	81,000	66,456	14,544
TOTAL EXPENDITURES	12,281,000	11,995,300	11,777,540	217,760
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,030,500)	(700,100)	(187,377)	512,723
OTHER FINANCING SOURCES				
Transfers in	784,600	978,700	979,495	795
CHANGE IN FUND BALANCE	\$ (245,900)	\$ 278,600	792,118	\$ 513,518
FUND BALANCE - BEGINNING OF YEAR			8,869,814	
FUND BALANCES - END OF YEAR			\$ 9,661,932	

See accompanying independent auditors' report and note to budgetary comparison information

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - PARKS FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,500,400	\$ 1,502,300	\$ 1,515,079	\$ 12,779
Charges for services	364,900	370,900	362,054	(8,846)
Investment income	8,900	8,900	1,068	(7,832)
Other income	168,900	264,300	225,994	(38,306)
TOTAL REVENUES	<u>2,043,100</u>	<u>2,146,400</u>	<u>2,104,195</u>	<u>(42,205)</u>
EXPENDITURES				
Current:				
Culture and recreation	880,400	861,400	812,963	48,437
Capital outlay	335,600	213,300	196,382	16,918
TOTAL EXPENDITURES	<u>1,216,000</u>	<u>1,074,700</u>	<u>1,009,345</u>	<u>65,355</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	827,100	1,071,700	1,094,850	23,150
OTHER FINANCING USES				
Transfers out	<u>(1,032,400)</u>	<u>(1,011,400)</u>	<u>(978,155)</u>	<u>33,245</u>
CHANGE IN FUND BALANCE	<u>\$ (205,300)</u>	<u>\$ 60,300</u>	116,695	<u>\$ 56,395</u>
FUND BALANCE - BEGINNING OF YEAR			<u>1,110,458</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,227,153</u>	

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING STATUS AND PROGRESS - PENSION TRUST FUND
LAST TEN FISCAL YEARS

SCHEDULE OF FUNDING PROGRESS

Valua- Tion Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Assets in Excess of AAL	Funded Ratio	Annual Covered Payroll	Assets in Excess of AAL as a Percentage of Covered Payroll
2002	\$ 18,852,310	\$ 15,131,350	\$ 3,720,960	124.6	\$ 5,250,529	70.9%
2003	18,988,459	15,747,735	3,240,724	120.6	5,435,740	59.6%
2004	19,341,491	16,149,796	3,191,695	119.8	5,261,248	60.7%
2005	19,792,426	16,573,605	3,218,821	119.4	5,388,754	59.7%
2006	20,277,743	16,810,351	3,467,392	120.6	5,668,903	61.2%
2007	21,097,686	17,605,559	3,492,127	119.8	5,668,280	61.6%
2008	21,600,485	18,575,389	3,025,096	116.3	6,011,092	50.3%
2009	20,489,365	19,215,789	1,273,576	106.6	5,936,682	21.5%
2010	20,296,557	20,254,008	42,549	100.2	5,978,512	0.7%
2011	20,798,081	20,677,719	120,362	100.6	5,997,833	2.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Employer Contribution	Percentage Contribution
2003	\$ -	\$ -	N/A
2004	-	-	N/A
2005	-	-	N/A
2006	-	-	N/A
2007	-	-	N/A
2008	7,075	7,075	100%
2009	35,495	35,495	100%
2010	107,526	107,526	100%
2011	317,969	317,969	100%
2012	480,448	480,448	100%

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING STATUS AND PROGRESS -
OTHER POST EMPLOYMENT BENEFITS**

SCHEDULE OF FUNDING PROGRESS

Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (ALL)	Unfunded AAL	Funded Ratio	Annual Covered Payroll	UAAL as a Per- centage of Covered Payroll
2009	\$ -	\$ 240,892	\$ 240,892	0.0%	\$ 6,082,657	4.0%
2012	\$ -	\$ 365,083	\$ 365,083	0.0%	\$ 6,207,000	5.9%

The historical trend information about the Plan is presented to help the user assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other entities.

Note: Fiscal year ending June 30, 2009 was the first year the City implemented GASB Statement No. 45. Information for prior years is not available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Employer Contribution	Percentage Contributed
2009	\$ 23,198	\$ 13,370	57.6%
2010	24,126	16,088	66.7%
2011	26,477	17,484	66.0%
2012	26,095	19,500	74.7%

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

REQUIRED SUPPLEMENTAL INFORMATION
NOTE TO BUDGETARY COMPARISON INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets are prepared on a basis consistent with GAAP. Annual budgets are adopted for all governmental funds except 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 City Council passes a resolution to adopt the budget, as revised, for the fiscal year beginning the following July 1.

Legal budgetary control is at the departmental level. Any transfer of budgeted amounts from one department to another requires the approval of the City Council. Budgeted amounts are as originally adopted or as amended by the City Council or City Manager, as appropriate. Supplemental appropriations are made to cover unanticipated items.

Other Supplementary Information

CITY OF FERGUSON, MISSOURI

**COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>			Total Non-major Governmental Funds	
	<u>Special Business District</u>	<u>Sewer Lateral</u>	<u>Down-town TIF Redevelopment</u>	<u>Local Improvement</u>	<u>Halls Ferry TIF Bonds</u>	<u>Certificates of Participation Bonds</u>	<u>General Obligation Bonds</u>		<u>North Park Redevelopment TIF</u>
ASSETS									
Cash and investments	\$ -	\$748,010	\$ -	\$202,434	\$ -	\$ -	\$239,256	\$ -	\$ 1,189,700
Taxes receivable:									
Sales	-	-	28,612	-	-	-	-	-	28,612
Property	-	4,292	64,689	-	-	-	64,175	-	133,156
Accounts receivable	-	-	-	-	112,672	-	-	-	112,672
Due (to) from other funds	22,031	66,761	1,001,205	-	-	9,780	(500)	536	1,099,813
Cash and investments - restricted	-	-	-	-	929,419	22,991	500	-	952,910
TOTAL ASSETS	\$ 22,031	\$819,063	\$1,094,506	\$202,434	\$1,042,091	\$32,771	\$303,431	\$ 536	\$ 3,516,863
LIABILITIES									
Accounts payable	\$ 12,160	\$ 222	\$ 70	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 14,452
Deferred revenue	-	-	59,049	-	-	-	53,331	-	112,380
TOTAL LIABILITIES	12,160	222	59,119	-	2,000	-	53,331	-	126,832
FUND BALANCES:									
Restricted for:									
Debt Service	-	-	-	-	1,040,091	32,771	250,100	536	1,323,498
Downtown TIF	-	-	1,035,387	-	-	-	-	-	1,035,387
Sewer Lateral	-	818,841	-	-	-	-	-	-	818,841
Assigned to:									
Special Business District	9,871	-	-	-	-	-	-	-	9,871
Capital projects	-	-	-	202,434	-	-	-	-	202,434
TOTAL FUND BALANCES	9,871	818,841	1,035,387	202,434	1,040,091	32,771	250,100	536	3,390,031
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,031	\$819,063	\$1,094,506	\$202,434	\$1,042,091	\$32,771	\$303,431	\$ 536	\$ 3,516,863

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds		Capital Projects Funds		Debt Service Funds				Total Non- major Governmental Funds
	Special Business District	Sewer Lateral	Downtown TIF Redevelop- ment	Local Improve- ment	Halls Ferry TIF Bonds	Certificates of Participa- tion Bonds	General Obligatio n Bonds	North Park Redev elop- ment TIF	
REVENUES									
Taxes	\$ -	\$217,763	\$ 441,009	\$ -	\$ 874,163	\$ -	\$667,602	\$ 11	\$2,200,548
Licenses and permits	30,689	-	-	-	-	-	-	-	30,689
Investment income	-	11,227	121	6,941	5,280	1,076	-	-	24,645
Other income	8,066	-	-	-	-	-	-	-	8,066
TOTAL REVENUES	38,755	228,990	441,130	6,941	879,443	1,076	667,602	11	2,263,948
EXPENDITURES									
Current:									
Community development	128,763	103,581	36,604	-	-	-	-	-	268,948
Capital Outlay	-	-	71,593	-	-	-	-	-	71,593
Debt Services:									
Principal, interest and fiscal charges	-	-	-	-	923,022	314,227	417,502	-	1,654,751
TOTAL EXPENDITURES	128,763	103,581	108,197	-	923,022	314,227	417,502	-	1,995,292
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES									
	(90,008)	125,409	332,933	6,941	(43,579)	(313,151)	250,100	11	268,656
OTHER FINANCING SOURCES (USES)									
Issuance of debt	-	-	-	-	-	2,065,000	-	-	2,065,000
Payment to escrow agent	-	-	-	-	-	(2,280,400)	-	-	(2,280,400)
Transfers in (out)	97,097	(10,000)	(97,097)	(211,661)	(14,879)	260,803	-	-	24,263
CHANGE IN FUND BALANCE	7,089	115,409	235,836	(204,720)	(58,458)	(267,748)	250,100	11	77,519
FUND BALANCES -									
BEGINNING OF YEAR	2,782	703,432	799,551	407,154	1,098,549	300,519	-	525	3,312,512
END OF YEAR	\$ 9,871	\$818,841	\$1,035,387	\$202,434	\$1,040,091	\$ 32,771	\$250,100	\$ 536	\$3,390,031

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,080,300	\$ 1,080,300	\$ 1,108,112	\$ 27,812
Investment income	64,500	43,600	58,514	14,914
Other income	1,553,700	190,000	124,839	(65,161)
TOTAL REVENUES	<u>2,698,500</u>	<u>1,313,900</u>	<u>1,291,465</u>	<u>(22,435)</u>
EXPENDITURES				
Capital outlay	10,227,100	5,898,100	3,862,454	2,035,646
Debt service:				
Principal, interest and fiscal charges	761,000	761,000	862,677	(101,677)
TOTAL EXPENDITURES	<u>10,988,100</u>	<u>6,659,100</u>	<u>4,725,131</u>	<u>1,933,969</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,289,600)	(5,345,200)	(3,433,666)	1,911,534
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	8,000,000	8,000,000
Premium on debt issuance	-	-	110,895	110,895
Transfers in (out)	7,835,000	4,335,000	(25,603)	(4,360,603)
CHANGE IN FUND BALANCE	<u>\$ (454,600)</u>	<u>\$ (1,010,200)</u>	4,651,626	<u>\$ 5,661,826</u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,781,341</u>	
FUND BALANCES - END OF YEAR			<u>\$ 6,432,967</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL BUSINESS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Licenses and permits	\$ 23,900	\$ 23,900	\$ 30,689	\$ 6,789
Other income	3,500	3,500	8,066	4,566
TOTAL REVENUES	<u>27,400</u>	<u>27,400</u>	<u>38,755</u>	<u>11,355</u>
EXPENDITURES				
Current:				
Community development	156,200	147,600	128,763	18,837
TOTAL EXPENDITURES	<u>156,200</u>	<u>147,600</u>	<u>128,763</u>	<u>18,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(128,800)	(120,200)	(90,008)	30,192
OTHER FINANCING SOURCES				
Transfers in	128,800	113,700	97,097	(16,603)
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (6,500)</u>	7,089	<u>\$ 13,589</u>
FUND BALANCES - BEGINNING OF YEAR			<u>2,782</u>	
FUND BALANCES - END OF YEAR			<u>\$ 9,871</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN TIF REDEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 452,600	\$ 484,700	\$ 441,009	\$ (43,691)
Investment income	11,300	-	121	121
TOTAL REVENUES	463,900	484,700	441,130	(43,570)
EXPENDITURES				
Current:				
Community development	34,500	39,100	36,604	2,496
Capital outlay	50,000	82,000	71,593	10,407
TOTAL EXPENDITURES	84,500	121,100	108,197	12,903
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	379,400	363,600	332,933	(30,667)
OTHER FINANCING USES				
Transfers out	(119,400)	(109,600)	(97,097)	12,503
CHANGE IN FUND BALANCE	\$ 260,000	\$ 254,000	235,836	\$ (18,164)
FUND BALANCES - BEGINNING OF YEAR			799,551	
FUND BALANCES - END OF YEAR			\$ 1,035,387	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEWER LATERAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 187,500	\$ 204,700	\$ 217,763	\$ 13,063
Investment income	19,000	14,800	11,227	(3,573)
TOTAL REVENUES	<u>206,500</u>	<u>219,500</u>	<u>228,990</u>	<u>9,490</u>
EXPENDITURES				
Current:				
Community development	110,000	110,000	103,581	6,419
TOTAL EXPENDITURES	<u>110,000</u>	<u>110,000</u>	<u>103,581</u>	<u>6,419</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	96,500	109,500	125,409	15,909
OTHER FINANCING USES				
Transfers out	(10,000)	(19,800)	(10,000)	9,800
CHANGE IN FUND BALANCE	<u>\$ 86,500</u>	<u>\$ 89,700</u>	115,409	<u>\$ 25,709</u>
FUND BALANCES - BEGINNING OF YEAR			<u>703,432</u>	
FUND BALANCES - END OF YEAR			<u>\$ 818,841</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Investment income	\$ 4,000	\$ 4,000	\$ 6,941	\$ 2,941
OTHER FINANCING USES				
Transfers out	-	(200,000)	(211,661)	(11,661)
CHANGE IN FUND BALANCE	<u>\$ 4,000</u>	<u>\$ (196,000)</u>	(204,720)	<u>\$ (8,720)</u>
FUND BALANCES - BEGINNING OF YEAR			407,154	
FUND BALANCES - END OF YEAR			<u>\$ 202,434</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HALLS FERRY TIF DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 860,700	\$ 950,800	\$ 874,163	\$ (76,637)
Investment income	16,800	12,700	5,280	(7,420)
TOTAL REVENUES	<u>877,500</u>	<u>963,500</u>	<u>879,443</u>	<u>(84,057)</u>
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	862,300	871,200	923,022	(51,822)
TOTAL EXPENDITURES	<u>862,300</u>	<u>871,200</u>	<u>923,022</u>	<u>(51,822)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,200	92,300	(43,579)	(135,879)
OTHER FINANCING USES				
Transfers out	(13,000)	(13,000)	(14,879)	(1,879)
CHANGE IN FUND BALANCE	<u>\$ 2,200</u>	<u>\$ 79,300</u>	(58,458)	<u>\$ (137,758)</u>
FUND BALANCES - BEGINNING OF YEAR			1,098,549	
FUND BALANCES - END OF YEAR			<u>\$ 1,040,091</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Investment income	\$ 3,800	\$ 4,000	\$ 1,076	\$ (2,924)
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	263,900	598,900	314,227	284,673
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(260,100)	(594,900)	(313,151)	281,749
OTHER FINANCING SOURCES				
Transfers in (out)	261,400	261,400	260,803	(597)
Issuance of debt	-	60,000	2,065,000	2,005,000
Payment to escrow agent	-	-	(2,280,400)	(2,280,400)
CHANGE IN FUND BALANCE	<u>\$ 1,300</u>	<u>\$ (273,500)</u>	(267,748)	<u>\$ 5,752</u>
FUND BALANCES - BEGINNING OF YEAR			300,519	
FUND BALANCES - END OF YEAR			<u>\$ 32,771</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL OBLIGATION BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 700,000	\$ 640,000	\$ 667,602	\$ 27,602
Investment income	2,000	600	-	(600)
TOTAL REVENUES	702,000	640,600	667,602	27,002
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	618,000	593,000	417,502	175,498
TOTAL EXPENDITURES	618,000	593,000	417,502	175,498
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	84,000	47,600	250,100	202,500
OTHER FINANCING SOURCES				
Transfers (out)	(7,835,000)	(4,335,000)	-	4,335,000
Bond proceeds	8,000,000	8,110,900	-	(8,110,900)
CHANGE IN FUND BALANCE	\$ 249,000	\$ 3,823,500	\$ 250,100	\$ (3,573,400)
FUND BALANCES - BEGINNING OF YEAR			-	
FUND BALANCES - END OF YEAR			\$ 250,100	

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BALANCE</u> <u>July 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>June 30, 2012</u>
ASSETS				
Cash	\$ 132,551	\$ 481,172	\$ 484,331	\$ 129,392
LIABILITIES				
Accounts payable	\$ 132,551	\$ 481,172	\$ 484,331	\$ 129,392

Statistical Section

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic information

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

Operating Information

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

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

CITY OF FERGUSON, MISSOURI

**NET ASSETS
LAST TEN FISCAL YEARS**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 7,962,476	\$ 9,019,903	\$ 10,171,824	\$ 9,961,395	\$ 10,507,866	\$ 7,246,484	\$ 8,533,891	\$ 8,870,581	\$ 8,491,905	\$ 8,491,905
Restricted	9,566,443	6,629,112	4,167,465	4,429,985	5,138,047	7,826,907	5,761,966	3,732,212	3,249,387	3,249,387
Unrestricted	8,830,630	8,445,015	8,335,627	6,774,385	4,649,996	(252,954)	(1,839,153)	(3,229,912)	(4,635,077)	(5,319,408)
Total Governmental Activities Net Assets	\$26,359,549	\$24,094,030	\$22,674,916	\$21,165,765	\$20,295,909	\$14,820,437	\$12,456,704	\$9,372,881	\$7,106,215	\$6,421,884

**CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES										
Administrative	\$ 1,490,297	\$ 1,447,325	\$ 1,696,105	\$ 1,644,938	\$ 1,567,009	\$ 1,608,651	\$ 1,376,228	\$ 1,221,280	\$ 1,641,523	\$ 1,601,877
Police department	8,068,845	7,956,853	7,397,481	7,786,030	7,531,021	7,219,261	6,674,109	6,432,507	6,417,994	6,127,322
Highway and streets	2,783,537	3,238,956	2,838,959	3,071,497	2,323,528	3,109,783	2,619,592	1,111,778	1,564,795	1,889,036
Community development	539,542	575,041	679,624	408,792	609,187	782,770	302,788	530,793	491,677	519,924
Culture and recreation	1,604,340	1,436,866	1,452,228	1,546,383	1,442,340	1,613,879	1,522,714	1,461,715	1,470,433	1,423,663
Interest and fiscal charges	679,492	587,564	664,269	717,508	680,399	724,694	615,573	411,427	717,441	698,228
Total Governmental Activities Expenses	15,166,053	15,242,605	14,728,666	15,175,148	14,153,484	15,059,038	13,111,004	11,169,500	12,303,863	12,260,050
PROGRAM REVENUE										
Charges for services:										
General government	617,251	667,595	531,126	488,950	439,153	451,320	420,797	439,753	-	-
Public safety	2,339,013	1,653,964	1,601,767	1,535,853	1,694,023	1,611,704	1,446,387	1,336,666	1,379,688	1,283,851
Highways and streets	507,977	288,168	265,522	274,229	208,710	482,952	491,895	-	-	-
Community development	-	-	-	-	30,611	16,342	22,378	198,654	190,824	-
Culture and recreation	362,054	361,689	324,800	334,099	368,180	360,424	582,667	554,324	559,256	505,220
Operating grants	195,787	-	-	-	-	-	-	1,211,287	1,413,984	1,362,927
Capital grants	303,202	860,404	399,529	273,961	2,199,903	320,056	222,109	286,760	130,571	279,302
Total Governmental Activities Program Revenue	4,325,284	3,831,820	3,122,744	2,907,092	4,940,580	3,242,798	3,186,233	4,027,444	3,674,323	3,431,300
NET EXPENSES	(10,840,769)	(11,410,785)	(11,605,922)	(12,268,056)	(9,212,904)	(11,816,240)	(9,924,771)	(7,142,056)	(8,629,540)	(8,828,750)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Taxes:										
Sales	6,583,419	6,441,170	7,730,561	8,292,648	8,687,937	8,894,227	8,870,085	5,820,353	5,350,366	5,364,351
Utility	2,349,542	2,783,666	2,643,673	2,416,369	2,665,470	2,040,890	1,925,685	1,535,947	1,801,120	1,792,672
Property	2,837,325	1,983,472	2,057,148	2,277,332	2,304,983	1,731,106	1,613,335	1,803,756	1,557,673	1,527,580
Other	1,047,469	1,129,883	65,569	77,778	72,980	75,165	81,919	81,000	84,340	86,166
Investment income	245,779	140,273	113,766	248,331	551,101	603,169	396,682	70,120	23,014	56,491
Gain on disposal of capital assets	-	-	-	-	-	660,898	18,810	49,996	-	22,372
Other miscellaneous revenue	42,757	121,109	443,902	131,401	299,373	174,519	102,078	47,550	110,758	116,367
Total Government Activities	13,106,291	12,599,573	13,054,619	13,443,859	14,581,844	14,179,974	13,008,594	9,408,722	8,927,271	8,965,999
CHANGES IN NET ASSETS	\$ 2,265,522	\$ 1,188,788	\$ 1,448,697	\$ 1,175,803	\$ 5,368,940	\$ 2,363,734	\$ 3,083,823	\$ 2,266,666	\$ 297,731	\$ 137,249

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2012	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Nonspendable	\$ 232,408	\$ 424,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	105,200	-	-	-	-	-	-	-	-	-
Reserved	-	-	397,477	6,800	352,891	78,513	33,104	42,136	24,857	73,022
Unreserved	-	-	8,092,009	7,760,429	6,772,230	4,967,205	3,920,519	2,688,395	1,905,745	1,950,735
Unassigned	9,324,324	8,445,015	-	-	-	-	-	-	-	-
Total general fund	\$ 9,661,932	\$ 8,869,814	\$ 8,489,486	\$ 7,767,229	\$ 7,125,121	\$ 5,045,718	\$ 3,953,623	\$ 2,730,531	\$ 1,930,602	\$ 2,023,757
All Other Governmental Funds:										
Nonspendable	\$ -	\$ 57,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	9,610,693	4,626,908	-	-	-	-	-	-	-	-
Assigned	1,439,458	1,520,396	-	-	-	-	-	-	-	-
Reserved	-	-	390,192	298,387	1,219,114	3,897,624	1,481,764	1,471,275	1,859,374	1,995,314
Unreserved reported in:										
Special revenue funds	-	-	2,112,554	3,023,519	2,760,455	2,047,147	1,400,123	770,405	424,051	199,585
Capital projects funds	-	-	4,328,542	3,879,649	4,602,995	4,843,409	4,952,065	1,359,238	647,676	553,024
Debt service funds	-	-	-	-	-	-	-	248,190	470,443	542,052
Total all other governmental funds	\$ 11,050,151	\$ 6,204,313	\$ 6,831,288	\$ 7,201,555	\$ 8,582,564	\$ 10,788,180	\$ 7,833,952	\$ 3,849,108	\$ 3,401,544	\$ 3,289,975

(1) In fiscal year 2011, a prior period adjustment was made which increased the fund balance of capital projects funds by \$385,405.

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes (1)	\$12,728,871	\$12,457,272	\$12,482,833	\$ 12,882,051	\$13,983,386	\$12,577,656	\$ 12,491,024	\$9,129,162	\$8,645,181	\$8,594,509
Licenses and permits	730,581	681,085	646,245	673,892	594,890	679,974	634,304	439,753	388,487	387,549
Intergovernmental (1)	-	-	-	-	-	-	244,487	1,521,417	1,434,449	1,330,134
Charges for service	774,429	770,213	682,241	567,693	537,268	696,176	918,193	1,095,380	1,122,359	1,028,199
Fines and forfeitures	2,227,648	1,520,118	1,394,729	1,391,546	1,447,904	1,477,985	1,398,221	1,085,084	1,056,528	935,760
Investment income (2)	245,779	140,273	113,766	248,331	551,101	603,169	396,682	70,120	-	-
Other income	542,463	1,096,053	763,131	405,862	2,437,844	510,917	120,888	99,271	300,790	509,214
Total Revenues	17,249,771	16,665,014	16,082,945	16,169,375	19,552,393	16,545,877	16,203,799	13,440,187	12,947,794	12,785,365
Expenditures										
General government	1,281,211	1,367,131	1,606,737	1,571,405	1,485,407	1,426,782	1,326,238	1,169,794	1,588,424	1,535,639
Public safety	7,756,871	7,640,050	7,172,379	7,511,656	7,308,373	6,973,743	6,418,677	6,248,835	6,295,717	6,047,387
Highways and streets	1,975,865	1,978,700	1,521,058	1,496,604	1,472,053	1,419,157	1,281,617	816,721	1,025,494	1,033,353
Community development	536,152	559,858	1,652,928	759,865	827,062	592,481	463,065	400,229	300,555	425,902
Culture and recreation	1,242,896	1,122,730	1,136,445	1,171,905	1,167,650	1,241,970	1,245,006	1,228,020	1,333,516	1,326,900
Capital outlay	4,196,885	2,334,697	1,217,476	4,225,507	5,688,451	2,738,118	1,623,172	1,171,901	1,406,502	4,968,125
Debt service:										
Interest and fiscal charges	1,082,428	518,757	578,414	612,897	916,235	598,320	529,578	544,113	716,990	828,972
Principal	1,435,000	1,389,740	1,291,377	1,539,193	711,228	908,982	565,000	130,000	340,000	180,000
Total Expenditures	19,507,308	16,911,663	16,176,814	18,889,032	19,576,459	15,899,553	13,452,353	11,709,613	13,007,198	16,346,278
Excess of Revenues Over (Under) Expenditures	(2,257,537)	(246,649)	(93,869)	(2,719,657)	(24,066)	646,324	2,751,446	1,730,574	(59,404)	(3,560,913)
Other Financing Sources (Uses)										
Proceeds from issuance of debt	10,065,000	-	-	1,669,205	64,942	2,750,000	2,332,127	7,370,000	-	3,480,000
Payments to escrow agent	(2,280,400)	-	-	-	-	-	-	(7,989,575)	-	-
Premium (discount) on bond issue	110,895	-	-	-	-	-	-	(44,195)	-	-
Sales of capital assets	-	-	-	-	-	650,000	-	130,032	-	-
Transfers	-	-	-	-	-	-	124,362	-	-	-
Total Other Financing Sources (Uses)	7,895,495	-	-	1,669,205	64,942	3,400,000	2,456,489	(533,738)	-	3,480,000
Net Change In Fund Balances	\$ 5,637,958	\$ (246,649)	\$ (93,869)	\$ (1,050,452)	\$ 40,876	\$ 4,046,324	\$ 5,207,935	\$ 1,196,836	\$ (59,404)	\$ (80,913)
Debt service as a percentage of noncapital expenditures	19.3%	14.5%	12.8%	16.5%	11.6%	10.5%	8.9%	6.1%	8.8%	6.6%

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

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

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property	Personal Property	Assessed Value	Total Direct Tax Rate	Estimated Actual Value
2003	\$ 138,809,420	\$ 42,387,343	\$ 181,633,502	0.628	\$ 762,564,485
2004	142,837,113	42,824,082	183,015,417	0.634	773,650,784
2005	142,181,034	40,178,304	179,944,094	0.634	763,982,562
2006	151,503,500	37,763,060	200,047,788	0.600	851,195,790
2007	155,931,428	43,042,580	199,605,118	0.600	859,629,879
2008	197,435,766	43,673,690	242,250,098	0.648	1,019,303,012
2009	198,084,849	44,814,332	242,226,159	0.648	1,053,739,213
2010	169,478,310	42,468,940	211,947,250	0.648	950,614,790
2011	169,400,220	35,806,960	205,207,180	0.648	911,715,925
2012	163,979,466	34,082,970	198,062,436	1.020	820,097,810

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

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

Source: St. Louis County Assessor

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
City										
General	\$ 0.4500	\$ 0.4500	\$ 0.4500	\$ 0.4500	\$ 0.4500	\$ 0.4200	\$ 0.4200	*	*	*
Parks	0.1900	0.2000	0.2000	0.2000	0.2000	0.1800	0.1800	*	*	*
GOB	0.3800	-	-	-	-	-	-	*	*	*
Total	1.0200	0.6500	0.6500	0.6500	0.6500	0.6000	0.6000	*	*	*
School District	5.0200	5.0200	5.0200	5.0300	4.8400	4.8400	4.8500	5.0400	5.0400	5.0400
County	0.5230	0.5200	0.5200	0.5600	0.5600	0.5600	0.5600	0.5800	0.5800	0.5800
State	0.3000	0.3000	0.3000	0.3000	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Other	1.7174	1.6900	1.4400	1.3900	1.8300	1.8300	1.7600	1.8600	1.9600	1.7400
Total	\$ 8.5804	\$ 8.1800	\$ 7.9300	\$ 7.9300	\$ 7.9100	\$ 7.8700	\$ 7.8000	\$ 7.5100	\$ 7.6100	\$ 7.3900

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Property Taxpayer	Type of Business	2012		2002	
		Assessed Value	Percent of Total Assessment	Assessed Value	Percent of Total Assessment
Emerson Electric	Manufacturing	\$ 8,668,560	4.22%	\$ 5,043,070	2.78%
Sam's/Walmart Real Estate	Retail Sales	3,955,330	1.93%	3,288,900	1.81%
Crossings at Halls Ferry LLC	Shopping Center	3,250,370	1.58%	2,660,960	1.46%
US Bancorp-Allen Technologies	Equipment Leasing	2,003,210	0.98%		
Home Depot USA, Inc.	Retail Sales	2,001,420	0.98%	2,688,000	1.48%
NCF LLC	Real Estate Holding Co.	1,824,000	0.89%		
Lipton Properties	Apartment Rental	1,730,520	0.84%	1,623,160	0.89%
Park Ridge Appts/Gannon Ptrship	Apartment Rental	1,691,760	0.82%	-	
Ackerman Buick	Retail Sales	1,285,410	0.63%	1,489,090	0.82%
Coats Investment Ltd.	Real Estate Holding Co.	1,231,360	0.60%	1,159,520	0.64%
Northwinds Apartments LLP	Apartment Rental	1,187,510	0.58%	1,794,020	0.99%
Newger Materials/Investments	Retail Sales	1,151,280	0.56%	-	
Otis & Clark/St. Louis Invest. Prop	Real Estate Holding Co.	975,990	0.48%	1,330,080	0.73%
Totals		\$30,956,720	15.09%	\$21,076,800	11.60%

Source: St. Louis County Assessor

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Original Tax Levy	Adjusted Tax Levy (1)	Current Tax Collections	Percent Collected As Current	Total Tax Collections	Total Collections As Percent of Levy
2003	\$ 1,140,658	\$ 1,067,766	\$ 902,016	84.5%	\$ 996,851	93.4%
2004	1,128,168	1,133,568	1,042,668	92.0%	1,133,568	100.0%
2005	1,125,240	1,129,347	965,928	85.5%	1,129,347	100.0%
2006	1,172,244	1,177,642	1,087,504	92.3%	1,170,752	99.4%
2007	1,192,232	1,197,689	1,104,141	92.2%	1,197,689	100.0%
2008	1,208,931	1,208,931	1,083,238	89.6%	1,186,971	98.2%
2009	1,264,932	1,210,069	972,588	80.4%	1,184,921	97.9%
2010	1,226,175	1,203,638	970,929	80.7%	1,206,582	100.2%
2011	1,193,729	1,193,983	937,925	78.6%	1,172,891	98.2%
2012	1,190,246	1,193,983	960,575	80.5%	1,165,416	97.6%

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

Source: St. Louis County Collector of Revenue

**SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Special Assessments Levied	Collected as of June 30	Uncollected as of June 30	Collection Ratio
2003	\$ 110,467	\$ 43,267	\$ 59,411	39%
2004	108,745	24,863	69,432	23%
2005	70,469	19,377	51,092	27%
2006	67,285	31,069	36,216	46%
2007	49,581	22,502	27,080	45%
2008	59,359	29,810	29,549	50%
2009	67,457	45,450	22,007	67%
2010	80,963	32,456	48,507	40%
2011	75,675	21,760	53,915	29%
2012	116,954	21,943	95,011	19%

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities								
Fiscal Year	Tax Increment Revenue Bond (2)	Certifi- cates of Participa- tion (3)	Variable Rate Capital Improve- ments Bonds (4)	Capital Leases (5)	General Obligation Bonds (6)	Total Primary Government	Per- cent of Per- sonal Income	Per Capita
2003	\$ 7,830,000	\$ 3,480,000	\$ -	\$ -	\$ -	\$ 11,310,000	1.05%	\$ 455
2004	7,145,000	3,355,000	-	-	-	10,500,000	0.98%	440
2005	7,370,000	3,225,000	-	-	-	10,595,000	0.92%	427
2006	6,935,000	3,095,000	2,250,000	77,982	-	12,357,982	1.07%	508
2007	6,185,000	2,960,000	500,000	54,000	-	9,699,000	1.37%	634
2008	5,510,000	2,820,000	4,850,002	72,714	-	13,252,716	1.37%	539
2009	4,600,000	2,680,000	4,545,000	1,557,726	-	13,382,726	1.23%	597
2010	4,000,000	2,535,000	4,224,950	1,331,399	-	12,091,349	1.45%	540
2011	3,305,000	2,385,000	3,894,950	1,114,600	-	10,699,550	1.28%	478
2012	2,545,000	2,065,000	3,549,950	893,287	7,670,000	16,723,237	2.00%	789

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) On September 12, 1997, the City issued tax increment bonds for the Crossings at Halls Ferry Redevelopment Project. These bonds were refunded on March 1, 2005, when the City issued \$7,370,000 in TIF bonds to refund the prior bonds.
- (3) On October 3, 2002, the City issued certificates of participation of \$3,480,000 for the new aquatic facility known as the Splash at Wabash.
- (4) In September 2005, the City issued \$2,250,000 in variable rate capital improvement bonds. The purpose of the bonds is to finance the cost of acquiring, constructing, rehabilitating, equipping, and improving certain capital improvement projects. On September 1, 2006, the City issued an additional \$2,750,000.
- (5) Leases with various lessors for fire trucks and infrastructure improvements.
- (6) In September 2011, the City issued \$8,000,000 in general obligation bonds. The purpose of the bonds is to finance the cost of acquiring, constructing, and equipping a new firehouse.
- (7) See table entitled "Demographic and Economic Statistics" for personal income and population data.

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT -
GENERAL OBLIGATION BONDED DEBT
JUNE 30, 2012**

Name of Governmental Unit	Debt Outstanding	Percentage Applicable to City of Ferguson	Amount Applicable to City of Ferguson
City of Ferguson	\$ 16,395,777	100.00%	\$ 16,395,777
St. Louis County	\$ 453,499,183	2.10%	9,523,483
Ferguson-Florissant RII School District	\$ 25,000,000	25.80%	<u>6,450,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 32,369,260</u></u>

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

LEGAL DEBT MARGIN INFORMATION
JUNE 30, 2012

	2012
Net Assessed Value at July 1, 2012	\$ 198,062,436
Debt limit - 10% of assessed valuation*	\$ 19,806,244
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 7,670,000
Less assets in Debt Service Fund	250,100
Total Amount of Debt Applicable to Debt Limit	7,419,900
Legal debt margin	\$ 12,386,344
Prior fiscal year information:	
	2011
Debt limit	\$ 18,473,409
Total net debt applicable to limit	-
Legal debt margin	\$ 18,473,409
Total net debt applicable to the limit as a percentage of debt limit	0%

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

**PLEDGED REVENUE COVERAGE
LAST SEVEN FISCAL YEARS**

TIF Refunding and Improvement Bonds (1)

Fiscal Year	TIF Sales Tax	TIF Property Tax	Less Available Revenue	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2005	\$ 463,223	\$ 270,318	\$ (18,623)	\$ 752,164	\$ -	\$ 270,819	2.78
2006	616,483	452,804	34,482	1,034,805	435,000	345,356	1.33
2007	628,300	506,052	46,207	1,088,145	750,000	304,610	1.03
2008	628,300	506,052	46,207	1,088,145	675,000	292,480	1.03
2009	540,790	412,512	-	953,302	910,000	254,418	0.82
2010	377,216	495,670	4,053	868,833	600,000	214,115	1.07
2011	464,446	397,236	-	861,682	695,000	188,500	0.98
2012	487,813	386,350	-	874,163	760,000	159,150	0.95

Note:

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

(1) TIF Revenue Bonds debt service is paid by sales and property taxes collected in the Halls Ferry TIF district.

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Fiscal Year	Population	Personal Income (thousands of dollars)	Median Household Income	Unemployment Rate
2003	\$ 22,406	\$ 972,241	\$ 43,392	5.0%
2004	22,406	1,010,533	45,101	5.1%
2005	22,406	1,036,815	46,274	5.5%
2006	22,406	1,063,772	47,477	5.1%
2007	22,406	1,040,054	48,838	5.3%
2008	22,406	1,122,715	50,108	5.1%
2009	22,406	1,090,836	48,685	10.1%
2010	22,406	832,719	37,165	9.2%
2011	21,203	782,984	36,928	8.6%
2012	21,203	790,814	37,297	8.2%

Sources:

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

Note:

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

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2012/11 Fiscal Year			2001/2002 Fiscal Year		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (1)
Ferguson-Florissant School District	1,883	1	18%	(1)		
St. Louis Community College	762	2	8%	(1)		
Emerson Electric	804	3	3%	615	1	Unknown
Walmart	327	4	2%	334	2	Unknown
Sam's Club	172	5	2%	160	5	Unknown
Shop N Save - 2 stores	179	6	1%	212	3	Unknown
Home Depot	131	7	1%	150	4	Unknown
Negwar Materials	100	8	1%	70	6	Unknown
Cracker Barrel	95	9	1%	120	6	Unknown
McDonalds Restaurant	65	10	1%	60	9	Unknown
McDonalds Restaurant	65	11	0%	55	10	Unknown
Walgreens - 1 store	36	12	0%	120	6	Unknown

(1) Information unavailable at this time.

Source: Business License database from Finance Department

Note: Information not accumulated prior to 2005/2006 fiscal year.

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

Funtion/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government:										
Legislative Department:										
Elected Officials	7	7	7	7	7	7	7	7	7	7
City Clerk	1	1	1	1	1	1	1	1	1	1
Administration Department	2	2	3	4	4	4	2	2	2	2
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	1	1	1	1	1	1	-	-	-	-
Finance Department	3	3	3	3	3	3	3	3	5	4
Public Works Administration	2	2	2	2	3	3	3	3	3	3
Community Development:										
Planning and Development	4	4	4	4	4	4	4	3	2	3
Public Safety:										
Municipal Court	3	3	3	3	3	3	3	3	3	4
Police Department:										
Commissioned officers	54	54	54	54	54	52	53	52	52	52
Civilians	9	9	11	11	11	11	13	10	10	10
Fire Department	27	27	27	27	27	27	24	24	24	24
Code Enforcement	6	6	6	6	6	7	5	5	7	7
Highways and Streets:										
Municipal Services (Streets)	16	16	16	16	16	12	12	12	12	13
Municipal Garage	3	3	3	3	3	3	3	3	3	3
Parks and Recreation	4	4	4	4	5	8	10	10	10	10
Total	143	143	146	147	149	147	144	139	142	144

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police Department										
Crimes reported	1,335	1,235	1,100	1,396	1,469	1,236	*	*	*	*
Traffic accidents	348	417	339	409	445	463	*	*	*	*
Tickets issued	13,412	15,000	14,618	15,510	18,363	14,684	*	*	*	*
Dispatched calls	24,900	20,933	20,291	23,689	24,945	22,506	*	*	*	*
Fire Department										
Fires	122	122	118	131	128	181	*	*	*	*
Emergency medical services	1,808	1,923	1,789	1,873	1,801	1,616	*	*	*	*
Assists to other departments	566	603	820	847	944	690	*	*	*	*
Non-specific calls	457	561	556	508	471	682	*	*	*	*
Total calls responded to	2,947	3,209	3,283	3,359	3,344	3,169	*	*	*	*
Assists to other departments	259	274	404	361	316	248	*	*	*	*
Courts										
Number of cases initiated	21,425	13,225	16,038	15,995	19,015	20,249	*	*	*	*
Parks and Recreation										
Program participation	3,180	3,147	3,407	3,531	3,600	3,765	*	*	*	*
Shuttle passengers	3,161	3,067	1,406	972	1,444	1,416	*	*	*	*
Splash at Wabash	23,289	25,668	23,266	22,647	26,126	24,945	*	*	*	*
Sports Complex at Forestwood	67,026	68,433	70,012	68,604	70,662	70,616	*	*	*	*
Public Works										
Occupancy permits	1,201	1,313	1,504	1,400	1,341	1,529	*	*	*	*
Inspections completed	14,206	13,726	14,665	14,100	12,268	12,268	*	*	*	*
Abatements made	1,837	1,931	2,123	2,245	2,781	2,377	*	*	*	*

* Information not available

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

Note: FY2009 is the first year of preparation of this schedule. It is based on accumulated data of the prior calendar year. Statistics are not available prior to FY2006.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Highways/Streets:											
Miles of streets:	paved	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15	69.15
	unpaved	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85	9.85
Miles of alleys		0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Miles of sidewalks		41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52	41.52
Miles of sewers:	storm	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27	35.27
	sanitary	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59	40.59
		1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117
Fire Protection											
Number of stations		2	2	2	2	2	2	2	2	2	2
Fire hydrants		597	597	597	597	597	597	597	597	597	597
Vehicles:											
Pumpers		2	2	3	3	3	3	3	3	3	3
Ladder Truck		1	1								
Pumper/Telesquirt				1	1	1	1	1	1	1	1
Rescue trucks		1	1	1	1	1	1	1	1	1	1
Foam Truck				1	1	1	1	1	1	1	1
Command Vehicles		2	2	-	-	-	-	-	-	-	-
Police Protection:											
Number of stations		1	1	1	1	1	1	1	1	1	1
Parks and Recreation:											
Acres of parks		108	108	108	108	108	108	108	108	108	108
Number of parks		11	11	11	11	11	11	11	11	11	11

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